



Auckland Region Housing Market Assessment

PREPARED BY

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FOR THE

**Centre for Housing Research,
Aotearoa New Zealand**

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Auckland Region Housing Market Assessment Volume 1: Main Report

For

Centre for Housing Research Aotearoa New Zealand

By

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This report incorporates data available up to November 2009 and the analysis was completed in December 2009. It does, however, reference a number of reports published after December 2009.

Every effort has been made to ensure the soundness and accuracy of the opinions, information, and forecasts expressed in this report. Information, opinions and forecasts contained in this report should be regarded solely as a general guide. While we consider statements in the report are correct, no liability is accepted for any incorrect statement, information or forecast. Darroch Limited disclaims any liability that may arise from any person acting on the material within. Readers should take professional advice from a member of Darroch Limited prior to acting on any matter contained in this report.

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1.0 Executive Summary

Introduction

This report is about the Auckland housing market, New Zealand's largest and the fastest growing major metropolitan housing market. The housing market in Auckland is complex, dynamic and does not exist in isolation. It is heavily influenced by migration patterns, economic factors and macro policy settings. Over the last decade the Auckland housing market has been characterised by very strong demand growth, significant house price inflation, growing housing affordability issues for some households, a growing intermediate housing market, falling home ownership and growing pressures on the rental market. In short there have been a number of significant changes in housing consumption over the period.

The primary aim of the research is to undertake a housing market assessment of the Auckland region utilising the methodology outlined in the New Zealand Manual for Housing Market Assessments¹. This report presents the results of an Auckland 'case study' using that housing market assessment methodology. It is the first assessment to be undertaken in New Zealand that uses this particular approach. For the assessment the Auckland housing market was divided into 14 housing market areas (HMAs)²:

- Rural North;
- Rodney Southern Coastal;
- North Shore;
- Waitakere;
- Auckland CBD;
- Auckland North East;
- Auckland North West;
- Auckland South East;
- Auckland South West;
- Manukau North;
- Manukau North West;
- Manurewa and Papakura;
- Pukekohe; and
- Rural South.

This Auckland housing market assessment has a number of specific objectives. Its key objective is to assess current and future (as at 2011, 2016, 2021, and 2026) housing demand and need in the Auckland region, its distribution across the region and composition by household type, household age, household tenure and household income. The assessment is required to take into account: labour market trends, households' work-place geography; strategic issues such as transport, infrastructure and planning; and dwelling capacity issues, in particular, the ability of the supply side of the market to respond to changes in the amount, composition and distribution of housing demand and need. The assessment also needs to consider current housing affordability, in terms of both renter and owner households, and future affordable housing and social housing demand. Finally, the assessment needs to consider any implications resulting, specifically those from a social, property market and economic perspective.

¹ DTZ New Zealand, 2009b.

² Refer to Figure 2.1.

This assessments focus therefore is on housing demand and housing need. Housing demand and supply, and house prices are influenced by a multiplicity of factors and the demand and need forecasts presented in the report should be read within this context. They are based on specific assumptions around a number of key variables including household growth and net migration trends, economic growth, inflation, income growth, rental growth, and house prices. The model which generates the forecasts does not and cannot include explicitly all variables that determine the housing market. Our forecasts therefore are limited by both the accuracy of key assumptions and by the complexity of the market.

In addition in the context of this assessment, demand and need, and a number of other key terms have quite specific meanings³.

'Housing demand' is the quantity of dwelling units required in a defined area.

'Financially stressed households' are households paying more than 30% of their gross household income in housing costs.

Renter households that are 'financially stressed', or occupy social or third sector housing, households and people in emergency housing, households on social and third sector housing providers waiting lists, households and people that are homeless, are all considered to be in, or have *'housing need'*. A related term *'total housing need'* refers to the totality of households in, or experiencing *'housing need'*.

It is important to note that owner occupier households paying more than 30% of their gross household income in housing costs, while considered to be 'financially stressed', are not in terms of this assessment counted in our estimates and forecasts of 'total housing need'⁴. The focus of this assessment in terms of 'housing need' is on the renter market.

These key terms and others define the parameters of this housing assessment. More specifically they make a distinction between those households who are able to house themselves in the market without assistance and those households who are either not able to house themselves in the market without assistance, or are paying a proportion of their gross household incomes in housing costs, such that they may not have sufficient residual income to meet other household needs.

³ Section 2.5 defines all the key terms used in this assessment.

⁴ Analysis of Statistics New Zealand HES data (see Chapter 9) indicated that approximately 19% of owner occupier households and 60% of renter households in the Auckland Region with incomes less than \$30,000 per annum in 2009 were paying more than 30% of their gross household income in housing costs.

The main findings of this assessment are as follows:

- The Auckland region has significant renter housing affordability issues. As at June 2009 39.6% of all renter households and 49.4% of all private renter households were paying in excess of 30% of their gross household incomes in housing costs;
- In addition, the ability of private renters to become home owners has significantly reduced over the last decade. Over the 2001 to 2009 period the absolute size of the intermediate housing market⁵ in the Auckland region increased from 39,700 to 77,110 households, or from 43.2% to 62.9% of all employed private renter households;
- Auckland will continue to experience significant housing demand growth over the next 20 years, albeit at rates slightly lower than over the last decade. Total housing demand in the 14 HMAs is forecast to increase from 431,890 dwelling units in 2006 to 601,420 dwelling units in 2026. This equates to household demand for an additional 169,530 dwellings over the period, or an increase in total housing demand of 39.3%;
- Owner occupier demand is forecast to increase over the period from 280,690 to 354,240 dwelling units, an absolute increase of 73,550 units, or by 26.2% and renter demand is forecast to increase over the period from 151,180 to 247,160 dwelling units, an absolute increase of 95,980 units, or by 63.5%. The region therefore will experience further declines in the proportion of owner occupier households relative to total households;
- Housing demand will be increasingly shaped by the requirements of older households (households aged 50 years of age and over are forecasts to account for 62.7% of the total growth in household numbers) and couple only (33% of the total household growth) and one person households (29.2% of the total household growth);
- Housing demand, however, is forecast to continue to grow across all age groups and household types, with growth forecast to be stronger among non European ethnic groups;
- Spatially, housing demand growth will be strongest in the Auckland CBD and in HMAs with significant greenfield dwelling capacity such as those on the urban periphery and in South Auckland;
- Over the 2006 to 2026 period the number of financially stressed renter households is forecast to increase from 59,810 to 99,690 or by 39,880 in absolute terms and two thirds in percentage terms. However, the proportion of all renter households financially stressed is forecast to increase only very slightly from 39.6% in 2006 to 40.3% in 2026;
- Households where the reference person is aged 50 years of age and older account for almost half of the growth in financially stressed households and households aged between 40 and 49 years of age for slightly more than a quarter of the increase in financially stressed households⁶;
- Households with one person account for 35.5% of the growth in financially stressed households, other households for 19% of the growth and couple only households for 19% of the growth in financially stressed households⁷;
- The percentage of total households in housing need in the Auckland region is forecast to increase from 21.7% of all households in 2009 to 24.4% of all households in 2026; and
- In the period from 2009 to 2026 approximately 14,540 social and third sector housing units would need to be built, equating to 855 units per annum, to maintain the 2009 ratio of social and third sector housing⁸ to total housing need constant.

⁵ 'Intermediate housing market' refers to the number of private renter households who have at least one member in paid employment and cannot afford to purchase a dwelling at the lower quartile dwelling sale price assuming standard bank lending conditions.

⁶ The increase in financially stressed households is expected to be greatest for households aged 65 years of age and over (132%) followed by households aged 50 to 64 years of age (131%).

⁷ In percentage terms the increase in financially stressed households is expected to be greatest for couple only (127%) and one person households (89%).

⁸ Includes HNZ, territorial local authority and third sector housing.

The remainder of this executive summary is structured in the following way:

- Assessment context;
- Home ownership trends;
- Current housing affordability;
- Future housing demand;
- Future total housing need; and
- Assessment issues and implications.

Assessment Context

There are two key drivers, demographic and labour market, which will shape the Auckland housing market in the period to 2026. Household growth is projected to remain very strong, albeit not as strong as over the last decade, with trends in growth by household type to be largely driven by population ageing. Where this demand growth is accommodated will be determined by a multiplicity of factors including household location preferences, house prices, dwelling capacity and a range of strategic factors. The Auckland economy is projected to grow at or about the long term average rate of growth with the labour force projected to become older and more ethnically diverse and employment growth projected to be concentrated in medium and higher skilled occupational groups and spatially in Auckland City. While the relationship between employment location and household location choice has weakened in recent decades the projected spatial distribution of employment growth will have significant implications for the region's housing markets and for the transport infrastructure required to link the two.

There are a number of strategic issues including dwelling capacity and infrastructure services, planning, and transport infrastructure that will shape the housing market in the region in the period to 2026. Dwelling capacity, where it is located, and how much, is an important determinant of where residential development can occur. This assessment shows that before the end of the assessment period a number of HMAs will be facing capacity constraints. In addition dwelling capacity assumptions are heavily dependent upon timely services and infrastructure provision for both greenfields and brown fields residential developments.

Land use planning shapes where residential development can occur and of what type. Land use planning in the region over the last decade has been shaped by the Regional Growth Strategy (RGS), which has a goal of creating a more intensively developed compact urban area with growth concentrated around growth nodes and transport corridors. For a variety of reasons the RGS has not had the impact that was intended with new dwelling development still focused on standalone dwellings, predominantly in greenfield areas.

Land use patterns and transport infrastructure provision are closely linked. A key aim of Auckland's transport strategy is to ensure that Auckland's transport infrastructure development supports the region's spatial planning strategy by improving the connectivity and reliability of the transport links between the different parts of the region. This improved connectivity, while couched in terms of accessing opportunities, in large part is focused upon improving the links between where people live and where they work. This approach in broad terms has two key elements. The first element is focused on improving the connections between existing residential areas and key employment nodes, such as the Auckland CBD. The second key element of the approach is more specifically focused on developing transport infrastructure which is supportive of employment and household growth that is focused around key centres and corridors.

Finally, we note that this assessment was undertaken during a period when the local governance arrangements in the Auckland region were being reformed. The reforms are a response to widespread concerns that the existing governance arrangements were not working and hampering developments in the region across a number of spheres including social, economic, housing, planning, and infrastructure. There are high expectations, that over the course of the next few years, the reforms will begin to make a significant positive difference to the region across these and other areas.

Home Ownership Trends

Home ownership rates declined across all fourteen HMAs between 1996 and 2006, but with significant variation in terms of the percentage point fall. Home ownership rates fell by the most in the South Auckland HMAs, down in each by about 10 percentage points and by the least in the Auckland isthmus HMAs⁹, down by less than 5 percentage points. Home ownership rates in 2006 varied widely by HMA. They were highest in the Rural South (80.3%), Rural North (79.1%), Manukau North (75.8%), Rodney Southern Coastal (73.7%) and North Shore (71.8%) HMAs and lowest in the Manukau North West HMA (53.6%) and the Auckland isthmus HMAs, all of which, with the exception of the Auckland North East HMA (69.8%), had home ownership rates below 60%.

Housing Affordability

The Auckland region has significant renter housing affordability issues. As at June 2009 39.6% of all renter households and 49.4% of all private renter households were paying in excess of 30% of their gross household incomes in housing costs. The intermediate housing market is another relative measure of housing affordability. It is an indicator of how easy it is for private renter households to become home owners. Over the 2001 to 2009 period the absolute size of the intermediate housing market in the Auckland region increased from 39,700 to 77,110 households; or from 43.2% to 62.9% of all employed private renter households.

Table 1.1 presents a summary of renter financial housing stress and intermediate market households by HMA as at June 2009.

⁹ Auckland CBD, Auckland North East, Auckland North West, Auckland South East and Auckland South West HMAs.

Table 1.1: Financial Housing Stress and Intermediate Market Households 2009

HMA	House Price ¹⁰	Median Rental (\$ per Week)	Financially Stressed Renter Households		Intermediate Market Households	
			Number	% of Renters ¹¹	Number	% of Employed Private Renters
Rural North	\$355,000	\$370	2,170	43.4%	2,650	57.9%
Rodney Southern Coastal	\$410,000	\$367	2,100	48.8%	2,380	59.9%
North Shore	\$420,000	\$440	9,170	41.5%	11,880	63.7%
Waitakere	\$315,000	\$362	8,470	42.0%	7,990	53.1%
Auckland CBD	\$139,800	\$490	4,930	57.2%	1,290	19.7%
Auckland North East	\$585,000	\$547	3,540	34.5%	7,900	89.8%
Auckland North West	\$510,000	\$538	7,260	36.1%	15,050	89.9%
Auckland South East	\$320,000	\$369	3,790	34.6%	3,570	56.5%
Auckland South West	\$375,000	\$388	6,280	38.2%	6,580	62.3%
Manukau North	\$470,000	\$432	4,460	42.6%	7,820	84.9%
Manukau North West	\$265,000	\$343	6,350	34.0%	4,020	45.0%
Manurewa & Papakura	\$266,000	\$331	5,290	39.0%	3,640	41.1%
Pukekohe	\$340,000	\$320	790	37.0%	940	56.6%
Rural South	\$328,000	\$333	1,070	35.2%	1,400	51.0%
Total 14 HMAs			65,670	39.6%	77,110	62.9%

Source: Statistics New Zealand and Darroch

The percentage of financially stressed renter households in each HMA as a percentage of all renter households ranged from 36.1% to 57.2% and averaged 39.6% (65,670 financially stressed renter households out of a total of 165,860 renter households) across all 14 HMAs. Financial housing stress tends to be greatest in those HMAs with below average proportions of social and third sector housing units and where dwelling rents relative to incomes are highest. If, however, financial housing stress is measured across private renter households only, a different picture emerges. Private renter household financial stress, as a proportion of all private renter households, was greatest in lower socio economic HMAs such as Manukau North West, the Auckland CBD, Auckland City South West, Auckland South East and Manurewa and Papakura where household incomes are relatively low in comparison to rents.

The intermediate market as a percentage of employed private renter households was largest in the Auckland North West HMA (89.9%), followed by the Auckland North East (89.8%), Manukau North (84.9%) and the North Shore (63.7%) HMAs and smallest in the Auckland CBD (19.7%), Manurewa and Papakura (41.1%), Manukau North West (45%), and Rural South (51%) HMAs. The absolute size of the intermediate housing market in 2009 was largest in the Auckland North West and North Shore HMAs, which accounted for 19.5% and 15.4% respectively of the region's intermediate market. In general it is the HMAs with higher dwelling prices relative to incomes that have the higher proportion of intermediate market households.

¹⁰ Lower quartile standalone house price.

¹¹ Private renters and social and third sector renters.

Future Housing Demand

Housing demand growth by housing market area (HMA) was modelled for the assessment. Key inputs for the demand forecasts were Statistics New Zealand's population projections, real interest rates, dwelling values and expectations of future dwelling value growth¹². Table 1.2 present's Darroch's household demand forecasts¹³.

Table 1.2: Forecast Growth in Housing Demand 2006 to 2026

HMA	Total Households		Household Growth 2006 to 2026			
	2006a	2026f	Number of Households	Percentage	Annual % Change	Share of Total Growth
Rural North	20,920	29,050	8,130	38.9%	1.7%	4.8%
Rodney Southern Coastal	14,900	21,380	6,480	43.5%	1.8%	3.8%
North Shore	72,110	95,900	23,790	33.0%	1.4%	14.0%
Waitakere	58,680	81,760	23,080	39.3%	1.7%	13.6%
Auckland CBD	9,530	24,220	14,690	154.1%	4.8%	8.7%
Auckland North East	31,310	40,220	8,910	28.5%	1.3%	5.3%
Auckland North West	43,710	56,530	12,820	29.3%	1.3%	7.6%
Auckland South East	17,590	24,570	6,980	39.7%	1.7%	4.1%
Auckland South West	37,070	46,680	9,610	25.9%	1.2%	5.7%
Manukau North	37,470	60,010	22,540	60.2%	2.4%	13.3%
Manukau North West	37,460	52,360	14,900	39.8%	1.7%	8.8%
Manurewa & Papakura	31,770	41,610	9,840	31.0%	1.4%	5.8%
Pukekohe	5,940	8,520	2,580	43.4%	1.8%	1.5%
Rural South	13,430	18,610	5,180	38.6%	1.6%	3.1%
Total 14 HMAs	431,890	601,420	169,530	39.3%	1.7%	

Source: Darroch

Total housing demand in the 14 HMAs is forecast to increase from 431,890 dwelling units in 2006 to 601,420 dwelling units in 2026. This equates to household demand for an additional 169,530 dwellings over the period, or an increase in total housing demand of 39.3%. Owner occupier demand is forecast to increase over the period from 280,690 to 354,240 dwelling units, an absolute increase of 73,550 units, or by 26.2%. Renter demand is forecast to increase over the period from 151,180 to 247,160 dwelling units, an absolute increase of 95,980 units, or by 63.5%. Renter demand is forecast to account for 56.6% and owner occupier demand for 43.3% of the total growth in housing demand over the period.

In percentage terms growth is forecast to be strongest in the Auckland CBD, in HMAs with significant greenfield dwelling capacity such as those on the urban periphery and in South Auckland, and in the Auckland South East HMA. The growth in renter households proportionally is relatively more important in the Auckland isthmus HMAs, and Manukau North West and Manurewa and Papakura and the growth in owner occupier households proportionally more important in the Manukau North, Rodney Southern Coastal, Rural South, Rural North and Pukekohe HMAs.

¹² Refer to Chapter 10 for greater detail on the modelling approach and assumptions used to generate the demand forecasts.

¹³ The forecast growth in household numbers presented in Table 1.2 is lower than that projected by Statistics New Zealand largely because the Darroch forecasts assume that the deterioration in housing affordability over the last decade will slow the rate of household formation.

The strongest growth in household numbers by household age is forecast to be experienced by households 65 years and older (up 78.8% or 55,400 households accounting for 32.7% of the total growth in household numbers) and households between 50 and 64 years of age (up 50.5% or 50,887 households accounting for 30% of the total growth in household numbers). The very strong growth in the number of older households drives household growth in all HMAs, with the exception of the Auckland CBD. The growth in older households, however, is relatively more important to household growth in the Rodney Southern Coastal, Auckland North East, Auckland South West, and Rural South HMAs, and relatively less important to household growth in the Auckland North West, Auckland South East, Manukau North West, and Manukau North HMAs.

The strongest growth in household numbers by household composition is forecast to be experienced by couple only households (up 62.2% or 56,425 households accounting for a third of the total growth in household numbers) and one person (up 60.5% or 49,498 households accounting for 29.2% of the total growth in household numbers) households. The strong growth in couple only households is relatively more important to household growth in the Rodney Southern Coastal, Rural South, Rural North, and Auckland North East HMAs, while the strong growth in one person households is relatively more important to household growth in the Auckland isthmus HMAs. The growth in couple with children and single parent households is relatively more important in the Waitakere, Manukau North and Manukau North West HMAs.

Future Total Housing Need

As at June 2009 the proportion of all households in each HMA defined as in housing need ranged from 8% (Rural South) to 47% (Auckland CBD) and averaged 22% across all 14 HMAs¹⁴. Housing need, as a proportion of all households, in general is greater in lower socio economic HMAs characterised by above average proportions of social housing and higher rents relative to incomes. Three HMAs; Auckland CBD, Auckland South East, and Manukau North West each had between 37% and 47% of all households with housing need. At a tier below were two HMAs; Auckland South West (31% of households with housing need) and Manurewa and Papakura (28% of households with housing need).

Over the 2006 to 2026 period the number of financially stressed renter households is forecast to increase from 59,810 to 99,690 or by 39,880 in absolute terms and two thirds in percentage terms. The proportion of total renter households financially stressed is forecast to increase from 39.6% in 2006 to 40.3% in 2026 with higher rent and higher income HMAs such as the Auckland North East, Manukau North, North Shore and Auckland North West HMAs forecast to experience the largest percentage point increases in financially stressed renter households.

Households where the reference person is aged 50 years of age and older account for almost half of the growth in financially stressed households and households aged between 40 and 49 years of age for slightly more than a quarter of the increase in financially stressed households¹⁵. Households with one person account for 35.5% of the growth in financially stressed households, other households for 19% of the growth and couple only households for 19% of the growth in financially stressed households¹⁶.

¹⁴ Renter households in financial housing stress accounted for two thirds of total housing need, Housing New Zealand households for 30.5%, and 'other' need for slightly less than 3% of total housing need.

¹⁵ The increase in financially stressed households is expected to be greatest for households aged 65 years of age and over (132%) followed by households aged 50 to 64 years of age (131%).

¹⁶ In percentage terms the increase in financially stressed households is expected to be greatest for couple only (127%) and one person households (89%).

Table 1.3 presents the estimated trend in total housing need between 2009 and 2026 for the 14 HMAs combined. The estimated growth in total housing need comprises two components. Firstly, the forecast growth in financial housing stress and secondly, our estimate of the growth in other need.

Table 1.3: Total Housing Need 2009 to 2026

	2009	2011	2016	2021	2026
<i>Number of Households</i>					
Financially Stressed Renters	65,670	69,560	80,080	90,030	99,690
Other Need	32,919	34,556	39,110	43,295	47,109
Total Need	98,589	104,116	119,190	133,325	146,799
		09 to 11	11 to 16	16 to 21	21 to 26
<i>Change in Number of Hhlds</i>					
Financially Stressed Renters		3,890	10,520	9,950	9,660
Other Need		1,637	4,554	4,185	3,814
Total Need		5,527	15,074	14,135	13,474

Over the 2009 to 2026 period the total number of households in housing need in the Auckland region is estimated to increase from 98,589 to 146,799 or by 48,210 households and 48.9% in percentage terms. The largest percentage growth between 2009 and 2026 in total housing need is expected to occur in the Auckland CBD, up by 115.2%. Overall it is estimated that the percentage of total households in housing need in the Auckland region will increase from 21.7% of all households in 2009 to 24.4% of all households in 2026. The Auckland South East (44.5% to 47.9%) and Manukau North West (37% to 40%) are expected to experience the most significant increase in the proportion of total households in housing need. Other HMAs expected to experience significant growth in the proportion of total households in housing need are Auckland South West (31.1% to 33.9%), Waitakere (20.3% to 22.9%), Manukau North (12.5% to 15%), and Auckland South West (31.1% to 33.9%).

Assessment Issues and Implications

The objective here is to highlight some of the key issues and implications for the Auckland region and the Auckland housing market flowing from our assessment of future housing demand and need. We would emphasise that the objective is not to proffer solutions or consider scenarios, consideration of both being outside this assessments brief, but rather, in the context of the specific demand and need forecasts presented in the report, to consider what they might mean for the Auckland region and Auckland housing market.

On the basis of this assessment it looks probable that in the period to 2026:

- Auckland will continue to experience significant housing demand growth, albeit at rates slightly slower than over the last decade;
- Housing demand will be increasingly shaped by the requirements of older households and couple only and one person households;
- Housing demand, however, is forecast to continue to grow across all age groups and household types, with growth forecast to be stronger among non European ethnic groups;
- Spatially, housing demand growth will be strongest in the Auckland CBD and in HMAs with significant greenfield dwelling capacity such as those on the urban periphery and in South Auckland;

- There is likely to be a continuing tension between the RGS and its goal of intensification within the existing urban area and household's reluctance, to date, to embrace higher density living outside of the CBD. However, unless, there are significant changes to the RGS it is inevitable that over the next twenty years proportionally more households will be living in medium and high density dwellings (town houses, terraced houses and apartments);
- Auckland's residential development capacity under the existing RGS will be nearing full capacity by the end of the forecast period. Given capacity constraints it would seem inevitable that the region will have to reassess its growth strategy to accommodate growth beyond 2026;
- Employment growth is projected to be heavily focused towards the Auckland isthmus HMAs;
- Transport costs could, if the forecasts of some commentators are correct, increase significantly and well in excess of income growth;
- The affordability of housing will still be a significant issue in the region;
- The region will experience further declines in the proportion of owner occupier households relative to total households;
- Total housing need in absolute and percentage terms will increase;
- The growth in financial housing stress and total housing need will be driven by renter households increasing at a faster rate than owner occupier households and as a result of the significant changes forecast in the age structure of households; and
- In 2026 there will remain significant disparities between the proportions of households in each HMA in housing need.

The patterns and trends identified bring with them a number of implications. Implications can be usefully considered under five key headings, namely:

- Economic;
- Strategic dwelling capacity;
- Transport infrastructure and cost;
- Housing market; and
- Social implications.

Economic

The housing market is of critical importance in terms of the effective functioning of the Auckland economy with a number of studies over recent years having identified housing affordability and quality as key factors in city competitiveness. A key factor in Auckland's growth will be its ability to continue to attract and retain businesses and workers. Providing an environment in which businesses can grow and create well paid employment opportunities is essential, as is ensuring that the housing market is able to function so that it can provide affordable housing in desired locations. In addition, the successful integration of employment and housing development, with transport infrastructure, is likely to be an important component, not only of the overall attractiveness and liveability of the city, but also an important driver of sustainable growth. A failure in these areas could see both businesses and households bypass Auckland and choose to seek opportunities in Australia.

Strategic dwelling capacity

One of the major challenges for the region is to ensure that there is sufficient residential development capacity for the market to operate in an efficient manner whilst not placing undue upward pressure on housing costs. As identified in other studies, Auckland has inadequate capacity, from about 2020, to cope with the projected growth in housing demand. The capacity gap is most critical in the southern part of the urban area. In terms of future capacity there are a number of strategies that could be pursued either individually or in combination. They include: increasing the greenfield development capacity; intensification around key transport corridors and key employment nodes; increasing the development potential in existing residential areas by allowing higher densities; and designating corridor linked additional capacity in peripheral TLAs sufficient to support the extension of public transport services.

Before some of these strategies can be implemented, however, there are a number of key issues that might need to be addressed. Firstly, there are very few examples in the region of quality residential intensification. Indeed residential intensification has often been synonymous with poor quality and sometimes with 'leaky building syndrome'. Secondly, is the issue of how to amalgamate sufficiently large blocks of land in and around growth centres and growth corridors to enable the comprehensive redevelopment and intensification envisaged by the RGS to happen? A key tool in many overseas jurisdictions to facilitate comprehensive urban redevelopment has been the ability of government, where deemed necessary, to compulsorily purchase key strategic sites. Thirdly, comprehensive redevelopment to higher densities in existing residential areas has in some parts of the region met with resistance. Finally, designating additional capacity along corridors in peripheral TLAs is contrary to the intent of the RGS.

Transport infrastructure and cost

A key issue for Auckland in the period to 2026 is that in excess of 51% of the employment growth in the region is projected to be located in Auckland City TLA, driven by growth in higher skilled business services jobs whereas only 32% of regional dwelling capacity is estimated to be in Auckland City TLA. This mismatch is likely to significantly increase the number of people commuting into Auckland City TLA for employment. It further emphasises the requirement for significant public transport infrastructure investment focused on linking in particular, the North Shore, Waitakere and Manukau North HMAs with Auckland City TLA. These three HMAs are the HMAs with the most important commuter links with employment nodes in Auckland City TLA. More generally in terms of this study it highlights the absolute importance and centrality of transport strategy and infrastructure to housing market developments and need to ensure that the necessary transport infrastructure is in place linking households, not only to their places of work, but also to other spheres of their life.

Even small increases in the overall combined expenditure on transport and housing costs will have a significant impact on the relative level of financial stress within households. For example, if changes to households transport costs increased the effective commute cost by 25%, over and above the increase in household income between 2006 and 2026, the number of stressed households would increase. An increase in transport costs in the order of 25%, over and above any increase in household income, could over the 2006 to 2026 period, increase the number of households that are effectively stressed by 27% and stressed households as a proportion of all renters from 40.1% in 2006 to 51.3% of all renters.

Housing Market

There are three key housing market implications arising from this research. Firstly, the mismatch between the location of dwelling development capacity in the region and the location of projected employment growth has housing market implications. Specifically, the much stronger growth projected for higher skilled and high paid occupations in Auckland City TLA is likely to increase the demand for isthmus housing, and in particular for standalone housing, potentially making it less affordable for lower paid and key workers such as teachers, nurses and police, with these workers, over time, migrating off the isthmus as they seek lower cost housing in more peripheral HMAs. It is arguable that this trend has been evident for some time, with the mismatch projected simply compounding the trend.

Secondly, given the forecast increase in the number of older households, couple only households and one person households the strongest growth in housing demand is likely to be for smaller one and two-bedroom dwellings offering relatively easy access, security, access to amenities etc. The housing stock only changes relatively slowly therefore it could take some time for provision for this rapidly growing demand segment to match demand.

Thirdly, our forecasts indicate that demand for rental accommodation will continue to increase at a significantly faster rate (63.5%) than demand from owner occupiers (26.2%). A key issue is whether investors will have the appetite for additional investments particularly in light of recent changes made by central Government around depreciation and in a market where, especially over the short term, capital gains are projected to be limited. Table 1.4 summarises, assuming that the total growth in rental demand is met by the private sector, the number of units (95,980) and total investment required in the rental market in the period to 2026 (\$31,190 million), to meet the demand forecast. It also shows the additional investment that would be required in social and third sector housing units (\$4,100 million), in the period to 2026, to maintain the 2009 ratio between total housing need and the number of social and third sector housing units. Note, that these two estimates are mutually exclusive and not additive.

Table 1.4: Total Rental Market Demand and Social & Third Sector Investment to Maintain Current Ratios

	Total Rental Market 2006 to 2026		Social and Third Sector - 2009 to 2026	
	Units	Cost (\$ million)	Units	Cost (\$ million)
Total	95,980	\$31,190	14,540	\$4,100
Annual average	4,799	\$1,560	855	\$241

NB: Cost is calculated using lower quartile house prices (2009) with no price escalation over the 17 years to 2026

The estimated level of private sector investment required, an average yearly investment of \$1,560 million between 2006 and 2026, is similar to the levels invested over the last decade. The key issue, however, is whether or not there will be sufficient new investment. The level of investment required from social and third sector providers, however, is significantly higher than what has occurred over the last ten years. Our estimates suggest that to maintain the 2009 ratio between total housing need and the number of social and third sector housing units would require the provision of an additional 14,540 units or 855 units per annum in the period to 2026.

Social Implications

There are a number of key social implications arising from this research. Firstly and most importantly is the spatial distribution of housing need. While housing need is forecast to increase, both in absolute and percentage terms in all HMAs, housing need is forecast to remain heavily concentrated in a number of key HMAs. These HMAs are Auckland South East, Auckland South West, and Manukau North West. Not only do these HMAs already have significantly higher proportions of their households with housing need compared to other HMAs, the growth in the proportion of total households with housing need in these HMAs is greater than in other HMAs. Thus while the strong percentage growth in housing need in other HMAs is balanced by the growth in owner occupier households and renter households not facing financial stress, such countervailing factors are not as evident in the high housing need HMAs. The increasing concentration of housing need in these HMAs has implications for neighbourhood cohesion, social integration, educational attainment, and the delivery of social services.

Secondly, housing affordability is still going to be a significant issue for both renters and owner occupiers. A significant proportion of renter households, who previously would have made the transition to home ownership, could be excluded permanently from home ownership and the social and economic benefits associated with that tenure. More generally, households who pay a significant proportion of their incomes on housing may be forced to restrict their consumption of other key items of household expenditure such as energy and food. This could be particularly detrimental to households with children and older households.

Thirdly, the growth in renter financial stress is forecast to have specific dimensions both in terms of age-group and household type. While the number of stressed renters is projected to grow across all age groups and household types by far the most significant growth in renter stress will be experienced by older couple only and one person renter households. This ageing in the composition of renter financial housing stress will have significant implications in terms of those households ability to deal with a range of housing issues, that as a matter of course confront those in the private rental sector such as tenure security and stability, dwelling quality and a range of issues related to the ability of the private rental stock to cater for the changing physical needs of ageing tenants.

More generally there are a number of social implications associated with the significant growth in rental tenure, not only for older households, but also for the wider market. Firstly, an increase in the number of households renting, unless they make specific provision through savings during their working lives, is likely to have implications for the financial well-being of older people in retirement. Secondly, an increase in the proportion of households renting for most or all of their lives has implication in terms of tenancy regulation, and in particular around security of tenure. Thirdly, and specifically in terms of older couple only and one person households, will the type of dwelling that investors are prepared to supply, which has typically been three-bedroom standalone dwellings, meet their requirements?

Finally, different types of housing demand are likely to have implications in terms of the services required in different areas. For example, HMAs such as Rodney Southern Coastal, where growth is dominated by older age groups are likely to demand the development of services particular to their needs, which are shaped by low labour force participation rates, fixed incomes and gradually declining physical mobility¹⁷. While urban core and growth centre redevelopment, according to Lee and McDermott, present challenges of infrastructure rehabilitation and adaptation.

¹⁷ Lee and McDermott, 1998: 102.

2.0 Project and Report Overview

2.1 Introduction

This report is about the Auckland housing market, New Zealand's largest. Over the decade to 2006 the Auckland region accounted for slightly less than 60% of the total population growth in New Zealand. Over the same period, the region, like the rest of the country has been subject to a significant property price boom and increasing affordability constraints for both renter and owner occupier households. What happens in the Auckland housing market is of critical importance to households living in the Auckland region. It is also of critical importance in terms of the effective functioning of the Auckland economy with a number of studies over recent years identifying housing affordability and quality as key factors in city competitiveness.

An improved understanding of how the Auckland housing market functions is important in facilitating greater integration of wider housing, planning, infrastructure, economic development, social and urban growth strategies. There is a growing acknowledgement from stakeholders, both public and private, of the need to better understand the workings of the housing market and the dynamic between housing and wider social and economic structures and contexts.

This introductory chapter has seven key objectives. They are to:

- Outline the project's aims;
- Provide an overview of the housing market assessment approach and the housing market assessment methodology used in the report;
- Outline the specific objectives of this Auckland Housing Market Assessment;
- Define the key terms used in the assessment;
- Define the housing market areas used for the assessment;
- Summarise the key research data used in the assessment; and
- Provide an overview of the report structure.

This report incorporates data available up to November 2009 and the analysis was completed in December 2009. It does, however, reference a number of reports published after December 2009.

2.2 Project Aims

The primary aim of this project is to undertake a housing market assessment of the Auckland region utilising the methodology outlined in the New Zealand Manual for Housing Market Assessments¹⁸. This report presents the results of an Auckland 'case study' using that housing market assessment methodology. It is the first assessment to be undertaken in New Zealand using this particular approach.

¹⁸ DTZ New Zealand, 2009b.

2.3 Housing Market Assessment Methodology

2.3.1 Overview

The aim of a housing market assessment is to develop a good understanding of how a specific housing market functions, its characteristics, and its key drivers. More specifically, a housing market assessment is concerned with estimating housing demand and housing need¹⁹ for different localities in the housing market, and determining what this means in the context of the overall housing market. While a housing market assessment is a snap shot of the market and its likely future performance at a point in time it is important that the assessment can be updated to enable ongoing market monitoring.

The value of a housing market assessment is threefold²⁰. Firstly, it can provide a basis for developing a strategic view of housing demand and need in a defined area, both now and in the future. Secondly, it can provide input into strategic planning processes and encourage greater integration between housing activity in an area and related strategies. Thirdly, it can assist local and central government to assess the level of affordable and social housing that might be required in an area.

2.3.2 Housing Market Assessment in New Zealand

A New Zealand Housing Market Assessment methodology was developed in 2009 by DTZ New Zealand Limited based on a review of a number of overseas housing market assessment methodologies and three New Zealand case studies. DTZ was also guided by their own experience in completing housing need / market assessments for the Wellington City Council / Housing New Zealand in 2006 and for the Christchurch City Council in 2008.

Methodologically, the housing market assessment methodology developed by DTZ and used for this assessment, owes most to the work undertaken in the United Kingdom over the last decade developing housing need and housing market assessment methodologies. DTZ emphasise, however, that while UK approaches, and other methodologies to a lesser extent, were invaluable in shaping their New Zealand housing market assessment methodology, the specifics of the New Zealand economy, housing market, and institutions requires a New Zealand specific approach, which represents an adaptation rather than adoption of overseas best practice²¹.

DTZ's New Zealand Manual for Housing Market Assessments details the scope of a housing market assessment and key steps. The housing market assessment methodology developed for New Zealand by DTZ is not intended to be prescriptive. Rather, it sets out a number of broad parameters to guide the organisation undertaking or commissioning the assessment. The steps followed in an assessment will depend upon its specific objectives and will be dependent upon a range of factors including the requirements of the organisation commissioning the assessment, 'gaps' in the existing evidence base, and the strategic and policy context.

¹⁹ Refer to Section 2.5 for a definition of key terms used in this report.

²⁰ DTZ New Zealand, 2009b:4.

²¹ Ibid:8.

2.3.3 Housing Market Assessment Methodology – Key Steps

This section outlines the key components and steps followed for this Auckland housing market assessment. Readers seeking a fuller outline of the approach are directed to DTZ's New Zealand Manual for Housing Market Assessments²². Section 5 of the chapter presents definitions of housing market assessment terms used in this assessment.

A housing market assessment has several component parts and steps associated with each component. The components and steps which shape this assessment are as follows.

Housing Market Definition

Step 1: Housing market definition (refer to Chapter 2, Section 6 and Appendix 2)

The objective of this step of the assessment is to define the boundaries to be used for the housing market assessment. The boundaries provide the spatial context for all the analysis undertaken as part of the assessment. Housing market boundaries are commonly defined by travel to work patterns, by areas with comparable house price levels and by household migration and search patterns. The key output from this step of the assessment is the housing market area is defined and any housing sub-markets identified and defined.

Housing Market Context

Step 2: Economic and labour market trends (refer to Chapter 3, Section 3 and Chapter 5)

The objective of this step of the assessment is to consider regional economic trends and the structure of the local economy and in particular those sectors that are relatively more important to the local economy. A specific objective is to understand the amount and structure of employment in the housing market area. Labour force participation and the type of employment and occupation breakdown are key determinants of household income levels, which in turn shape the ability of households to consume housing by tenure, dwelling size and type.

The key outputs from this step of the assessment are firstly, an understanding of the mix and location of higher and lower paid jobs in the housing market area and secondly, an understanding of the type and location of likely employment growth in the housing market area over the assessment forecast period and the implications of that growth for housing demand.

Step 3: Demographic trends focusing on household growth (refer to Chapter 3, Section 2 and Chapter 4 and Appendix 3)

The objective of this step of the assessment is to look at the existing demographic structure and population trends in the housing market area and how they impact on the level and type of housing demand. Of particular importance in terms of housing market demand are changes in the number and composition of households and the relative importance of change drivers including migration, natural increase, household formation and household size trends. The spatial pattern of households across the housing market area and changes by household type, age, tenure, income, and household ethnicity all need to be considered. As do projections for the same variables.

The key outputs from this step of the assessment are firstly, an understanding of the current mix of households by location, type, age, tenure, income etc in the housing market area and secondly, a broad understanding of the household growth projected over the assessment period.

²² The key difference between the assessment approach used for this report and that outlined in DTZ's Manual is that this assessment does not assess in any depth the specific housing issues faced by households who have housing requirements in addition to those determined by affordability.

Step 4: Infrastructure issues (refer to Chapter 6, Sections 3 and 4 and Appendix 6)

The objective of this step of the assessment is to consider existing and planned infrastructure provision in the housing market area. The provision of infrastructure in terms of transport, water and waste water all impact upon the housing market's ability to respond to changes in demand. In particular the planned provision of infrastructure needs to be understood as do the relevant regional and local strategies around infrastructure and planned infrastructure timing.

The key output from this step of the assessment is an understanding of infrastructure issues in the housing market area and in particular infrastructure issues as they impact on when and where dwelling capacity is likely to become available.

Step 5: Strategic policy and planning issues (refer to Chapter 6, Section 2 and Appendix 5)

The objective of this step of the assessment is to consider the strategic policy and planning context of the housing market area. The strategic policy and planning context is important to understand because this establishes the parameters within which the local housing market operates. Regional vision and strategy documents provide insights into a region's economic and social goals and objectives. The focus of any review of these documents needs to be on their implications for the housing market. Territorial local authority District Plans also need to be reviewed focusing on what type of dwelling development is possible and where, urban renewal and revitalisation provisions, and what if any affordable housing or low cost housing provisions are included in the plan?

The key output from this step of the assessment is an understanding of strategic policy and planning issues in the housing market area and implications for the housing market area.

Step 6: Dwelling capacity and supply issues (refer to Chapter 6, Section 5 and Appendix 7)

The objective of this step of the assessment is to quantify residential dwelling capacity in the housing market area, where it is, what type (low, medium or high density), and when it is likely to be available. It is important to understand the supply of residential development land in different locations and how it relates to the projected growth in household numbers. Existing and future development capacity within the housing market by location and ownership needs to be considered. The focus needs to be on already zoned capacity and future to be zoned capacity, its timing and limitations.

The key output from this step of the assessment is a schedule of dwelling capacity by location, type and timing.

Housing Market Trends and Outlook

Step 7: Housing stock (refer to Chapter 7)

The objective of this step of the assessment is to quantify the housing market's existing housing stock. The housing market's existing housing stock needs to be understood in terms of amount, location, age, dwelling type and size so that a broad picture of current demand / supply balances can be achieved. A more detailed knowledge of the social housing stock is desirable, however, so that the extent, to which it is meeting current social housing demand, both in absolute terms and qualitatively, can be gauged.

The key output from this step of the assessment is a schedule of existing dwelling stock by location, age, dwelling type and size.

Step 8: Development activity and outlook (refer to Chapter 8, Sections 4 and 5 and Appendices 8 and 9). The objective of this step of the assessment is to quantify recent dwelling development activity in the housing market area. The trend in development activity by amount, type and location, measured by dwelling consent data, shows how supply in the housing market is responding to demand and house price change. In addition, the identification of the key developers in the market and the type and nature of their key developments, current and proposed, can provide an insight into the short term supply response to current demand.

The key outputs from this step of the assessment are firstly, an analysis of recent dwelling consent data by amount, type and location and secondly, a schedule of key development activity, current and proposed, by amount, location, type, and developer.

Step 9: Price and rental trends (refer to Chapter 8, Sections 2 and 3)

The objective of this step of the assessment is to quantify dwelling price and dwelling rental trends. The trend in dwelling sale prices shows how demand for housing is responding to the totality of housing drivers, including supply, through changes in relative prices. Similarly, the trend in market rents shows how demand for rental housing is responding to the totality of housing drivers through changes in relative rental prices. Price and rent trends provide important base data for the analysis of housing affordability for both renters and owner occupiers.

The key outputs from this step of the assessment are analysis of dwelling price and rental trends by location, type etc.

Step 10: Housing affordability and housing stress (refer to Chapter 9)

The objective of this step of the assessment is to quantify the trend in the number of 'financially stressed' households and total 'housing need'.

Affordability measures applicable to renter households; first home buyers; and owner occupier households are considered. There are a number of different ways that affordability trends can be measured. One of the key ways is to estimate the proportion and number of households, renter and owner occupier, paying more than 30% of gross household income in rent or housing costs. Such households are considered to be 'financially stressed'. 'Housing need' is a broader measure of housing stress and includes not only 'financially stressed' renter households, but also other households who, for a variety of reasons, cannot without assistance, adequately meet their housing needs.

The key outputs from this step of the assessment include estimates of the number of 'financially stressed' households and total 'housing need'

Step 11: Housing Market Outlook and Total Demand Forecasts (refer to Chapter 10)

The objective of this step of the assessment is to bring together the housing demand / housing supply indicators considered in previous steps and develop a future view of the market. The key inputs at this step of the assessment include: estimates of home ownership rate change; inflation, household income growth estimates, household formation trends etc.

The key outputs from this step of the assessment include house price forecasts, total demand forecasts by age and household type, and implications of the forecasts for housing affordability measures.

Step 12: Future housing need (refer to Chapter 11)

The objective of this step of the assessment is to forecast the number of 'financially stressed' renter households and estimate future 'housing need' through to the end of the assessment period.

The key outputs from this step of the assessment are a forecast of the number of 'financially stressed' renter households and total 'housing need' at specific dates. In addition, it is possible to estimate the number of additional housing units required to maintain the current relationship (ratio) between total 'housing need' and the social housing stock.

Assessment Implications

Step 13: Assessment implications (Chapter 12)

The objective of this step is to highlight some of the key issues and implications for the housing market area flowing from the assessment of future housing demand and need.

The housing market assessment should provide the information required to develop an overview of the housing market in terms of current and future housing demand and need. This should include:

- A historic perspective of the housing market's performance based on past trends;
- An understanding of existing market characteristics in terms of structure and diversity;
- Consideration of how the market is likely to develop over time in the context of social, economic and demographic changes;
- A numerical estimate of current and future housing demand / need and the implication of these trends on the demand for market housing and requirement for social housing; and
- An indication of the different types of households with housing need.

In drawing together the key conclusions of the assessment there are a number of issues to consider. These include:

- What is the balance between housing demand and supply?
- How affordable is housing in the different sectors of the market by household type, tenure and location?
- Are these market dynamics likely to improve or deteriorate in the foreseeable future?
- Are council strategies, plans and regulations fostering desired housing outcomes?
- What strategies or partnerships could be developed to improve housing outcomes?
- What, if any, bottlenecks exist in the market and how might these be reduced?
- Are there appropriate levels of low cost / affordable housing available?; and
- Are there appropriate levels of social and community housing provided in the right locations and of the right configuration?

2.4 Auckland Housing Market Assessment Objectives

The specific objectives of this Auckland housing market assessment are to:

- Assess current and future (as at 2011, 2016, 2021 and 2026) housing demand and need in the Auckland region, its distribution across the region and composition including by household type, household age, household tenure, and household income;
- Assess the impact of existing and projected labour market trends on current and future housing demand and need in the Auckland region, at the same time taking into account the impact of housing wealth and the non-labour market incomes of the elderly and retired;
- Assess current and future housing demand and need in reference to households' work place geography;
- Identify the demographic characteristics of households defined as in housing need, consider current relative levels of housing affordability for both owner and renter households, and future affordable housing and social housing demand;
- Assess the likely impact of strategic transport, infrastructure and planning issues on future housing demand;
- Assess the relative capacity of the housing market, including land supply, (private, government, and community) to respond to changes in the amount, composition and geography of housing demand and need; and
- Consider the implications of the research results from a social, property market and economic perspective.

2.5 Housing Market Assessment – Key Terms

The objective of this section is to define the key terms used for this assessment and in the report.

Affordability relative to median household income compares median gross household incomes with the relative cost of both renting and purchasing a property based on the median rental for a three-bedroom dwelling and a dwelling purchased at the lower quartile house price under standard bank lending conditions.

Affordable house price refers to the price a household can afford to pay if they are earning the median gross household income and borrow to purchase a dwelling under standard bank lending conditions.

Deposit gap is calculated as the difference between the affordable house price and the lower quartile house sale price.

Financially stressed households are households paying more than 30% of their gross household income in housing costs. A related term 'financial housing stress' refers to the situation when a household is paying more than 30% of their gross household income in housing costs. We have adopted 30% of gross household income in housing costs as our measure of financial housing stress because:

- It is a recognised measure of financial housing stress used both in New Zealand and overseas;
- Survey results are available so that we can model the level of housing stress using gross income relative to the level of housing costs; and
- It is more difficult to model housing stress using net income or alternatively a residual income approach because of data limitations. Effectively any perceived increase in the accuracy of the analysis would be more than compensated for by an increase in modelling error.

Homelessness has not been specifically defined. We have, however, for the purpose of this assessment, used as a measure of homelessness the number of homeless estimated by the Auckland Rough Sleepers 2008 Homeless Count²³. Those homeless for the purpose of the count are people without conventional accommodation i.e., living on the streets, in deserted buildings, improvised dwellings, in parks etc²⁴.

Housing affordability shortfall is a measure of housing affordability. This is a relative measure of the income shortfall faced by households either wanting to purchase a house at the lower quartile house sale price or rent a three-bedroom dwelling at the median rental using various multiples of gross household income (80%, 100% and 120%). The measure calculates the number of households that have insufficient gross household income to buy or rent under these scenarios.

Housing demand is the quantity of housing units required in a defined area and is based on specific assumptions around population growth including net migration, household formation, and house prices.

Housing need refers to renter households that are '*financially stressed*'; or occupy social or third sector housing; households and people in emergency housing; households on social and third sector housing providers waiting lists²⁵, and households and people that are homeless.

Implicit in the definition of 'housing need' is the acknowledgement that 'housing need' is wider than just 'financial housing stress' and can include a range of dimensions beyond an explicit household housing costs / gross household income ratio.

Intermediate housing market refers to the number of private renter households who have at least one member in paid employment and cannot afford to purchase a dwelling at the lower quartile dwelling sale price assuming standard bank lending conditions.

²³ The Auckland Rough Sleepers Homeless Count 2008 also estimated the number of people living in boarding houses within a three kilometre radius of the Auckland CBD. This number has also been used in this assessment to estimate total housing need.

²⁴ This definition is different to Statistics New Zealand's (2009:6) definition of homelessness which defines homelessness as "living in situations where people with no other options to acquire safe and secure housing are without shelter, in temporary accommodation, sharing accommodation with a household or living in uninhabitable housing. There are, however, a range of methodological issues associated with 'counting' homelessness as defined by Statistics New Zealand. Based on Statistics New Zealand's definition of homelessness the estimate of homelessness used in this report may be an under estimate.

²⁵ In assessing total housing need we assume that households on social housing providers' waiting lists are already included under the financial housing stress category or are housed in emergency accommodation.

'Other need' encapsulates those households who because of their circumstances have housing need in addition to affordability. Other housing need is defined as the number of households, who because of their circumstances are in Housing New Zealand, local authority, third sector and emergency housing, on social housing providers' waiting lists, or are homeless.

Social housing is rental housing provided by central government (Housing New Zealand) and territorial local authorities.

Standard bank lending conditions are assumed to include a 10% deposit, a maximum of 30% of gross household income used to service the mortgage, 25 year term mortgage, and mortgage interest rates offered on the appropriate date.

Third sector housing is rental housing provided by not-for-profit organisations with social objectives.

2.6 Housing Market Area Definition

For the purposes of this housing market assessment the Auckland region was divided into 14 housing market areas:

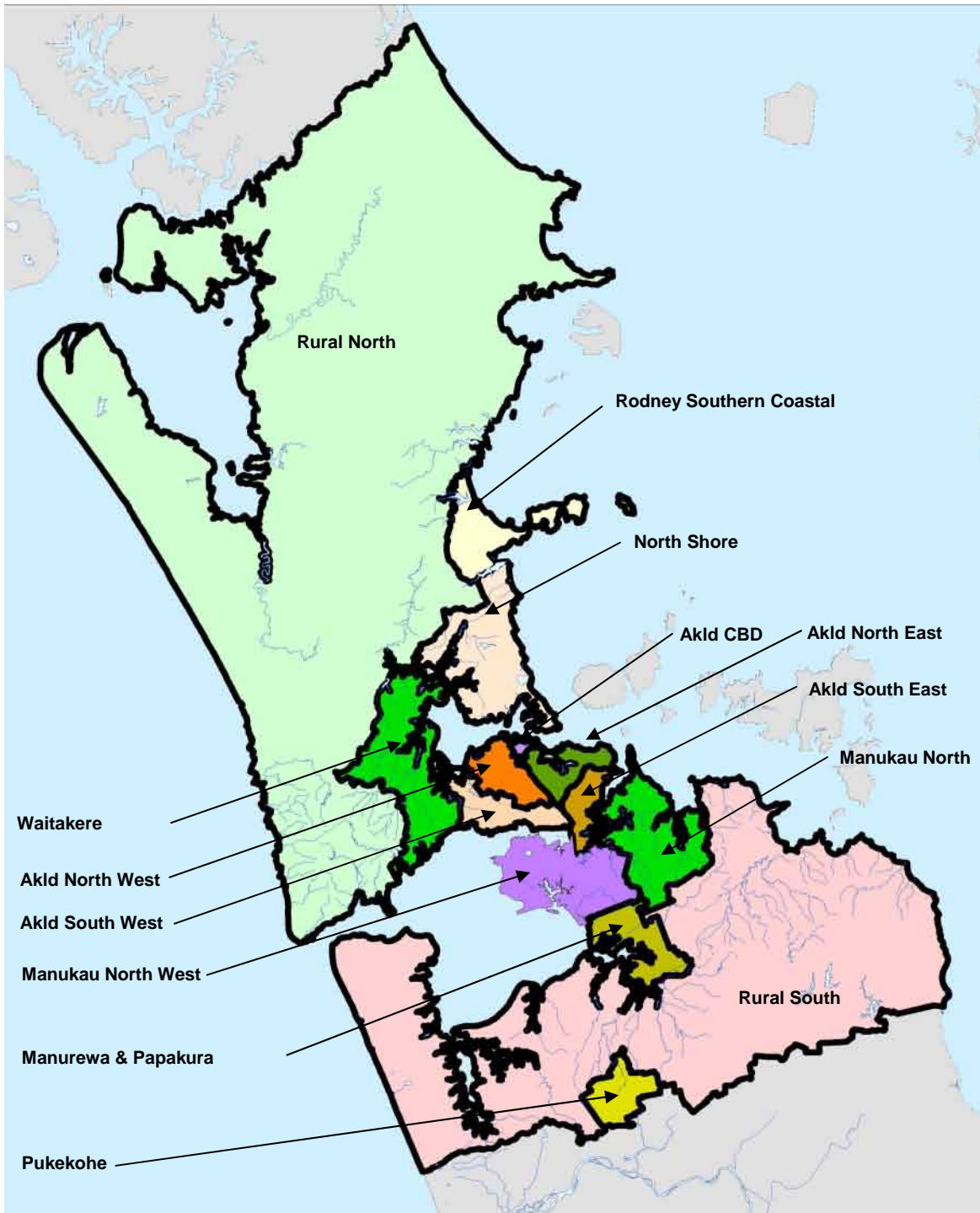
- Rural North;
- Rodney Southern Coastal;
- North Shore;
- Waitakere;
- Auckland CBD;
- Auckland North East;
- Auckland North West;
- Auckland South East;
- Auckland South West;
- Manukau North;
- Manukau North West;
- Manurewa and Papakura;
- Pukekohe; and
- Rural South.

Refer also to Figure 2.1. Housing market areas are geographical areas defined by household demand and preferences for housing. The housing market areas were defined based on methodologies developed and used in the United Kingdom to determine spatial areas with distinct movement, price and preference characteristics. The three key methodologies used in the UK are based on: labour market areas or travel to work areas; house price levels and rates of house price change; and household migration and search patterns. To identify the Auckland HMA areas as presented in Figure 2.1 Darroch followed the following process.

The labour market areas that have been identified for the Auckland Region were reviewed. The most recent work undertaken by James Newell (unpublished), based on 2006 Census data, divides the Auckland region into two Labour Market Areas; Central and North Auckland and Greater Manukau. The boundary between the Central and North Auckland and Greater Manukau Labour Market Areas is Mt Wellington. It was concluded that the division of the Auckland Region into just two areas provided an insufficient level of housing market disaggregation.

House price levels, household incomes, and household deprivation measures were looked at to identify areas of housing market commonality across the region. Approximately 20 areas were initially identified through this process. These areas were then tested by looking at the extent to which migration flows between the areas might be considered to be self-contained. Based on the flows between adjacent areas we refined the number of discrete areas down to 14 housing market areas. An areas' self-containment was defined as the proportion of all people who moved residence between the 2001 and 2006 Censuses, but remained in the same area. Of the 14 HMAs defined all but three had self-containment measures in excess of 60%. The three HMAs with self-containment measures less than 60% were: Auckland CBD (22%); Rural North (56%); and Rural South (54%).

Figure 2.1: Housing Market Area (HMAs) Boundaries



Source: Darroch

The Auckland CBD has a self-containment measure of just 22%, easily the lowest of all 14 Auckland HMA areas. In part this self-containment measure might be attributed to the relative immaturity of the CBD apartment market. We have identified the Auckland CBD as a distinct HMA therefore not on the basis of its self-containment, but because of its location, relatively homogeneous apartment dwelling type and because of the specific functional characteristics of the HMA, i.e., predominantly non-residential. In addition, we have identified it as a distinct HMA because it does not sit comfortably or logically as part of any other HMA. Rural North and Rural South are both, in a sense, residual HMA areas. They are the non-urban parts of the region left over once the urban parts of the region have been allocated into a HMA. They are both, however, largely rural / small town in character which would indicate a specific preference for housing located in such areas.

Additional supporting information on the methodology used to divide Auckland into housing market areas is found in Appendix 2 (see Auckland Housing Market Assessment, Volume 2 - Appendices).

2.7 Summary of Research Data

A range of data have been gathered and analysed to provide a strong empirical foundation for this housing market assessment.

The key sources of existing data used for this assessment have been:

- The 1996, 2001 and 2006 Censuses (Statistics New Zealand);
- Business demography statistics (Statistics New Zealand);
- Employment projections by sector, occupation and TLA (ARC, Auckland Region Economic Futures work stream);
- Dwelling stock data (Headway Systems);
- Housing New Zealand dwelling stock data (HNZ);
- Territorial local authority dwelling stock data (various TLAs);
- Dwelling capacity estimates (ARC; and Harrison Grierson and Market Economics Limited);
- Residential development datasets (Darroch);
- Building consents (Statistics New Zealand);
- Dwelling sales datasets (Headway Systems);
- Dwelling rental datasets (Department of Building and Housing);
- Sub-national population projections (Statistics New Zealand);
- Housing New Zealand waiting list data (HNZ);
- Household economic survey data (Statistics New Zealand);
- Accommodation supplement data (Ministry of Social Development);
- CHRANZ and other studies (refer to References and Bibliography);
- Relevant strategic plans and regional models, long term council community plans, transport strategies (refer to References and Bibliography); and
- Relevant findings and submissions to the Royal Commission on Auckland Governance (Refer to References and Bibliography).

2.8 Report Structure

This report is split into two volumes. This is Volume 1 or the Main Report. Volume 2 – Appendices provides supporting information to the Main Report.

The Main Report consists of twelve chapters. They are:

- Executive summary;
- Project and report overview;
- Auckland profile and housing market overview;
- Demographic structure, trends and projections;
- Labour and employment market trends and projections;
- Strategic issues;
- Housing stock;
- Housing market trends – prices, dwelling consents and development activity;
- Housing market trends – housing affordability;
- Housing market outlook and total demand forecasts;
- Future housing need; and
- Implications.

3.0 Auckland Profile and Housing Market Overview

3.1 Introduction

This project is concerned with a housing market assessment focused on the Auckland region. The aim of this chapter is to provide a broad environmental scan of the Auckland region and its housing market. More specifically, it will consider the region's key demographic and economic characteristics; and the key features and characteristics of the regional housing market. This chapter has several specific objectives. Namely, to consider, for the Auckland region its:

- Demographic structure and trends;
- Economic structure, trends and challenges;
- Housing market – framework for analysis and institutional context;
- Housing demand, choice, and consumption;
- Auckland housing market consumption trends; and
- Auckland region governance reforms.

The Auckland region is situated in the upper half of the North Island of New Zealand. It covers an area of 519,000 hectares, which makes it the second smallest region in the country. The Auckland metropolitan area occupies a significant portion of the region and is delimited by the Manukau Harbour and the Hauraki Gulf to the west and east, with large areas of rural land to the north and south, as well as pockets of indigenous and exotic forests, particularly in the western and northern parts of the region²⁶. The region is highly urbanised and has the highest population density of any region in the country, estimated at 2.6 people per hectare. The region's governance currently has a two tier structure with one regional council and seven territorial local authorities. Governance of the region is currently undergoing significant change with one unitary council for the majority of region to be established in November 2010.

3.2 Demographic Profile

The objective of this section is to provide an overview of the Auckland region's key demographic characteristics, demographic trends and key demographic projections for the region. Demographic structure, trends and projections are the key determinant of the amount, type and nature of housing demand. Data in this section is from Statistics New Zealand unless indicated otherwise.

The Auckland region, in a New Zealand context, stands out demographically on a number of levels. It is by far the most populous region in the country. With 1.30 million people in 2006 (32.4% of New Zealand's population), it has two and a half times as many people as the next most populous region, Canterbury²⁷. It is New Zealand's most urban region in a country where 86% of people live in urban areas²⁸. Auckland is New Zealand's only region of international scale and is the second fastest growing urban area in Australasia after Brisbane, and is now comparable in size to cities such as Perth and Adelaide²⁹.

The Auckland region is the recipient of the majority of New Zealand's external migrants, is New Zealand's most ethnically diverse region, and because of these two factors, subject to the most complex demographic dynamics. At the 2006 Census 37% of Auckland's usually resident population was born overseas compared to just 23% of New Zealand's population.

²⁶ Auckland Regional Council, 2008b, p.5.

²⁷ As at June 2009 Statistics New Zealand estimated the population of the Auckland region to be 1.436 million.

²⁸ Statistics New Zealand.

²⁹ Auckland Regional Council, 2008b: 6.

At the same census 56.5% of the region's population identified as European, 11.1% as Maori, 14.4% as Pacific people, and 18.9% as Asian³⁰. Ethnic diversity is not spread evenly across the region with the rural parts of the region the least ethnically diverse, and Manukau, Auckland and Waitakere, the most ethnically diverse³¹.

The Auckland region population has a younger age structure than any other region in the country, with 22.1% of the region's population at the 2006 Census aged less than 15 years of age compared with 21.5% of New Zealand's population, and 22.1% of the region's population aged between 15 and 29 years of age compared with 20.2% of New Zealand's population. Conversely just 9.9% of the region's population in 2006 was aged 65 years of age and older compared to 12.3% of New Zealand's population aged 65 years of age and older. Also, the Maori and Pacific people ethnic groups are on average younger than the European and Asian ethnic groups.

Over the last decade the Auckland region has grown much faster, both in absolute and percentage terms, than any other region. Its population increased by 234,423, or by 22% over the 1996 to 2006 period, which accounted for slightly less than 60% of New Zealand's population growth over the period. In comparison the New Zealand population over the same period grew by 11.3%. The region's population growth over the 1996 to 2006 period was driven by a combination of strong natural population increase and strong net inflows of international migrants. In terms of the former, the relatively high concentration in Auckland of persons aged 15-39 years is likely to be contributing to this pattern³².

In contrast to the long term trend, however, the Auckland region over the 1996 to 2006 period lost population to the rest of New Zealand³³. Net internal migration between the Auckland region and the rest of New Zealand resulted in a loss of 1,983 people over the 1996 to 2001 period, increasing to a loss of 18,069 people over the 2001 to 2006 period³⁴. Over the 2001 to 2006 period all age groups, with the exception of the 15 to 24 years of age group, experienced net migration losses with older age groups, relative to their size, experiencing the most significant losses. Over the 1996 to 2006 period Auckland's population grew at 2.0% per annum compound³⁵. It is estimated that over the three years to June 2009 this rate of growth has slowed to 1.6% per annum compound³⁶.

³⁰ Statistics New Zealand notes that where a person reported more than one ethnic group, they have been counted in each applicable group. Percentages therefore do not add up to 100.

³¹ Rodney District (93%) and Franklin District (85%) have much higher proportions of Europeans. Maori account for 27% of the population in Papakura District and 15% in Manukau City. Manukau City and southern parts of Auckland City have higher proportions of Pacific people (Source Statistics New Zealand, 2009:30).

³² Covec, 2008a: 69.

³³ Statistics New Zealand, 2009: 12 notes that this is a trend, net internal migration loss, Auckland shares with cities such as London and Sydney.

³⁴ Over 1976-81 the Auckland region's net internal migration gain was approximately 17,500, falling to approximately 12,500 over 1981-86, and approximately slightly more than 5,000 over both the 1986-91 and 1991-96 periods. Source: CityScope Consultants, 2008a: 48.

³⁵ 1.6% per annum compound over the 1996 to 2001 period and 2.4% per annum compound over the 2001 to 2006 period.

³⁶ Statistics New Zealand, sub-national population estimates.

Spatially the rate of population growth over the 1996 to 2006 period was strongest in the non-urban parts off the region and Manukau City TLA. Rodney District over the 1996 to 2006 period grew by 34.7% and Franklin District (excluding the portion in Waikato District) by 23.3%. Manukau City TLA grew by 29.4%. Papakura District experienced the weakest growth (13.8%) and the three remaining TLAs, North Shore City TLA, Auckland City TLA and Waitakere City TLA all grew by about 18%. In absolute terms Manukau City TLA accounted for slightly less than a third of the region's population growth over the period and Auckland City TLA for about a quarter.

Over the 1996 to 2006 period the number of households in the Auckland region increased from 355,362 to 433,629 or by 22%. Over that period the proportion of family households fell from 76% to 75%, the proportion of multi-person households from 5.6% to 5.4%, and the proportion of one person households increased from 18.4% to 19.6%³⁷. Over the longer term Statistics New Zealand notes that household composition has remained relatively consistent. In terms of changes in family composition over the 1996 to 2006 period the proportion of couple only families increased from 34.2% to 34.8%, the proportion of two-parent families declined from 47.5% to 46.3% and the proportion of one parent families increased from 18.3% to 18.9%.

Over the 1996 to 2006 period the fastest growth in household numbers was experienced by one person households (26.4%) and by households with eight or more people (28.3%)³⁸. The average number of people in Auckland households in 2006 was 2.97, the most of any region, and well ahead of the 2.6 people average household size for New Zealand overall. Over the 1996 to 2006 period the average number of people in Auckland households fell only slightly from 3.00 to 2.97. Over the same period the average number of people in New Zealand households fell from 2.82 to 2.72.

Auckland's population, which increased by 22% over the 1996 to 2006 period, under Statistics New Zealand's medium variant projection, is projected to grow more slowly over both the 2006 to 2016 (17% or 1.6% per annum compound) and 2016 to 2026 periods (14% or 1.3% per annum compound). By 2016 the region's population is projected to be 1.6 million and by 2026 1.83 million. The rate of population growth in the Auckland region over the 2006 to 2026 period (33.7% or 1.46% per annum compound), however, is projected to remain significantly ahead of the overall New Zealand growth rate (19.3% or 0.9% per annum compound).

Population growth will be driven disproportionately by non-European ethnic groups, especially Asian and Pacific peoples as a result of migration gains and the younger age structure of currently resident populations³⁹. All age groups in the Auckland region, but in particular the older age groups, are projected to see significant population growth over the 2006 to 2026 period. Over that period the number of people in the 0 to 14 years age group is projected to increase by 54,900 or by 18.4%, the number in the 15 to 29 years age group is projected to grow by 67,010 or by 21.5%, the number in the 30 to 64 years age group to grow by 200,740 or by 31.9%, and the number in the 65 years and older age group is projected to increase by 139,660 or 104%.

³⁷ Statistics New Zealand, 2009: 57.

³⁸ Auckland Regional Council, <http://monitorauckland.arc.govt.nz/our-community/households-and-families/household-size.cfm>

³⁹ CityScope Consultants, 2008a: 41.

The number of households in the Auckland region, which increased by 22% over the 1996 to 2006 period, under Statistics New Zealand's medium variant projection, is projected to increase by 100,700 between 2006 and 2016, or by 21.6% and by 106,400 between 2016 and 2026, or by 18.8%⁴⁰. Over the 2006 to 2026 period Statistics New Zealand is projecting that the key family and household composition changes in the Auckland region will be as follows: couple without children families to increase by 87,500 or by 66.5%; couple with children families to increase by 18,800 or by 11.1%; one parent families to increase by 32,300 or by 44.1%; single person households to increase by 68,500 or by 73.7%; and multi-person households to increase by 8,200 or by 39%. In the period to 2026 average household size in the Auckland region is projected to fall from 2.97 in 2006 to 2.7. This is due to a projected increase in the older-age groups and significant growth in the number of couple only and one person households.

To summarise, the Auckland region is New Zealand's largest, most ethnically diverse, has the youngest age structure of all the regions, and has been the fastest growing region over the recent past. Demographically its population growth, to a far greater extent than any other region, is driven by natural increase and external migration. The region, compared to New Zealand, has proportionally more family households, fewer couple only and one person households, and a significantly larger than average household size.

Population growth in the period to 2026 is projected to remain strong, albeit not as strong as over the recent past with all age groups, but especially the older age groups, projected to see significant population growth. Ethnic diversity is projected to increase with increasing numbers of migrants from non-traditional sources⁴¹. In the period to 2026 couple without children and one person households are projected to experience the strongest growth in household numbers, and couple with children households the weakest growth. Spatially, growth is projected to entail two divergent movements: one towards a greater concentration in established centres and corridors and the other towards decentralisation⁴².

In terms of housing demand, given the projected increase in the number of older households, couple only households and one person households the strongest increases in demand is likely to be for smaller one and two-bedroom dwellings offering relatively easy access, security, access to amenities etc. In addition increasing ethnic diversity is likely to mean that there will be a growing requirement for more diverse types of housing to cater for different ways of living and family compositions⁴³.

⁴⁰ Statistics New Zealand's household growth projections differ from Darroch's demand forecast presented in Chapter 10.

⁴¹ Royal Commission on Auckland Governance, 2009: 140.

⁴² CityScope Consultants, 2008a: 44.

⁴³ Ibid: 44.

3.3 Economic Structure, Trends and Forecasts

The objective of this section is to provide an overview of the Auckland region's economy, recent economic trends and forecasts. While demographic structure and change are the key drivers of demand for different amounts and types of housing, the economic structure of an area and economic change is also an important driver of housing demand. The economic structure of a housing market influences household incomes and hence households' ability to afford different types of housing. An understanding of recent and forecast economic growth allows a fuller appreciation of the environment in which the housing market operates. It is important to acknowledge the two-way nature of the relationship between economic structure and economic growth and housing demand; with the type and price of housing in an area often playing an important role in enabling and encouraging economic development, or not.

Auckland is New Zealand's largest regional economy. Overall the region accounts for approximately 37% of total activity within the New Zealand economy the highest proportion of a nation's GDP generated by a single city / region in the Organisation for Economic Co-operation and Development (OECD)⁴⁴. The Auckland region is home to two-thirds of New Zealand's top 200 companies, one third of all businesses and one third of all jobs⁴⁵. It is also New Zealand's hub and gateway to the international economy and New Zealand's most important centre of commerce and education.

The structure of the Auckland economy is different to that of most other regions in New Zealand, which have a primary production and secondary processing or manufacturing focus. Auckland's economy is less export oriented than the national economy being focused more towards the distribution and business services sectors⁴⁶. Both of these sectors, however, are in part outward looking, providing value to other parts of New Zealand and overseas⁴⁷. The Auckland region economy has important industry clusters in manufacturing and technology, the marine industries, creative industries, and information and communications technology; as well as specialised business services, distribution and tertiary education⁴⁸. Overall, wholesale, trade and distribution, and service-based industries generate over two-thirds of the total gross regional product⁴⁹. Finally, Auckland is New Zealand's main international entry point for tourists, immigrants, and exports and imports. Seventy percent of all international visitors to New Zealand passed through Auckland's airport in 2005 / 2006 and the region attracted 42% of the country's skilled migrants⁵⁰. Auckland ports handle 26% by value of all New Zealand exports, and 48% by value of all New Zealand imports and Auckland Airport handles 79% by value of all New Zealand exports transported by air and 93% by value of imports transported by air⁵¹.

⁴⁴ Auckland Regional Council, 2010:6.

⁴⁵ Auckland Regional Council, 2008b: 6.

⁴⁶ 20% of New Zealand's exports are produced in the region. Source, Capital Strategy, 2007a: 28.

⁴⁷ Covec, 2008a: 70.

⁴⁸ Royal Commission on Auckland Governance, 2009: 63.

⁴⁹ Auckland Regional Council, 2009b: 6.

⁵⁰ Royal Commission on Auckland Governance, 2009: 51.

⁵¹ Auckland Regional Council, 2010:6.

For most of the past decade, growth in the Auckland economy has been greater than national economic growth. In the period from March 2000 to March 2008 the Auckland region economy grew in real terms by an average of 3.6% per annum, as against 3.2% per annum nationally⁵². Over this period growth was focused in high-value-added industries, especially transport and storage; communications; and finance, insurance, property and business services⁵³. The economic recession of 2008 and 2009 has had a significant impact on economic growth in the region. In the year to March 2009 growth in the Auckland region declined by 1.4%⁵⁴ and in the year to March 2010 growth declined by 0.5%⁵⁵. Economic growth in the overall economy over the same periods was down by 0.9% and 0.4% respectively.

Average weekly earnings in the Auckland region have typically been above the national average, by about 7%⁵⁶ and average personal income is around 15% to 20% higher⁵⁷. Auckland's labour market participation rate, however, is slightly below the national average, and has been since 2001, although before then, the region had a significantly higher participation rate than the national average⁵⁸.

Research by Mare shows that value added per worker in the Auckland region is 30% to 50% higher than that of regions outside of Auckland, with the premium higher again in the Auckland CBD, 120% to 150% higher⁵⁹. According to Mare, 50% of Auckland's productivity 'edge' is based on industry composition, with the balance tied to technical and allocative efficiency, and unmeasured inputs. In an international context, however, research shows that the Auckland region in terms of productivity and wealth creation lags international counterparts⁶⁰.

Covec argue that despite better productivity in Auckland compared to the rest of the country there is little evidence the Auckland economy drives economic growth in other parts of New Zealand. According to Covec this is primarily because the linkages between the Auckland economy and other regions are weak; and because the Auckland economy, while growing faster, has not been growing that much faster than the overall economy⁶¹. Covec concluded that there is evidence that the scale of the Auckland economy has helped to stimulate growth through agglomeration and innovation. But, if Auckland can improve its performance in these areas, and manage the costs of further growth, the region has the potential to play a greater role in New Zealand's economy in the future.

⁵² Auckland Regional Council, 2008a: 2.

⁵³ Ibid: 2.

⁵⁴ Auckland Regional Council, 2009a: 4.

⁵⁵ Infometrics, 2010: 1.

⁵⁶ Auckland Regional Council, 2008a: 4. Covec, 2008a: 71 suggest that the income gap between Auckland and the rest of New Zealand may be narrowing.

⁵⁷ Mare, 2008: 1 and Covec, 2008b: 103.

⁵⁸ Auckland Regional Council, 2008a: 3.

⁵⁹ Mare, 2008: 35.

⁶⁰ Committee for Auckland, 2008: 3 and Royal Commission on Auckland Governance, 2009: 64.

⁶¹ Covec, 2008b: 106.

De Blaauw et al in a 2006 report similarly concluded that Auckland has many of the ingredients to become a much higher economic performer⁶². They attributed the metropolitan areas underperformance to a range of factors including: population-led growth cushioning lower productivity; over-reliance on domestic-led growth; infrastructure constraints (technology, broadband, transport, energy); skills shortages; relatively low levels of educational attainment in some sectors of the regional population; low levels of research and development; and low levels of business expenditure on investment. Auckland's infrastructure 'deficit' in particular is a recurring theme in reports which consider either wholly or in part, the performance of the Auckland economy⁶³.

As part of Auckland Region Economic Futures Project, the Auckland Regional Council developed three economic scenarios for the region. Horizon 2031 is the main (or baseline) scenario⁶⁴. The other two scenarios are, the Digital Auckland scenario; and the Energy Efficiency scenario. The Horizon 2031 scenario assumes that the main drivers shaping the Auckland region's economy in the period to 2031 will be: demographic changes; labour force changes; internationalisation, business innovation; and sustainable development.

Population and household dynamics, as in the rest of the country, have been the principal drivers of economic growth in the Auckland region over the last decade and under Horizon 2031 are expected to continue to determine much of the future economy of the Auckland region⁶⁵. Population growth in the region will remain relatively strong, but not as strong as it has been over the last decade, and the rate of population growth is projected to decline⁶⁶. The proportion of the population in the 40 to 50 years age-group, the largest earning bracket, is projected to reduce, while the proportion in the 65 plus-years age-group is projected to increase. This is likely to limit the extent to which domestic demand growth can drive economic growth in the future⁶⁷.

Under Horizon 2031 the size of the regional labour force is projected to increase by 34% in the period to 2031 with a slower rate of growth over the 2016 to 2026 period (11.8%) compared to 2006 to 2016 (19.9%), as new entrants will increasingly be offset by retirements⁶⁸. The composition of the regional labour force too is projected to continue to change, becoming older and more ethnically diverse⁶⁹. In a global market, with an ageing and more ethnically diverse workforce, and increasing international competition for skilled labour, the Auckland Regional Council identifies educating and constantly up-skilling the regional labour force to meet business demand as a key ongoing challenge for Auckland⁷⁰.

⁶² De Blaauw, N., Waite, D., and Williamson, J. (2006) Metropolitan Auckland Project: Background Paper, cited in Royal Commission on Auckland Governance, 2009: 68.

⁶³ Refer to Royal Commission on Auckland Governance, 2009: 68-72.

⁶⁴ Auckland Regional Council, 2009b: 3.

⁶⁵ Capital Strategy, 2007a: 24 and Auckland Regional Council, 2009b: 4.

⁶⁶ Auckland Regional Council, 2009b: 22. Under Horizon 2031 the rate of population growth in the region is projected to decline from 1.6% per annum over the 2006 to 2011 period, to 1.5% p.a. over 2011 to 2016, to 1.4% p.a. over 2016 to 202, to 1.3% p.a. over the 2021 to 2026 period.

⁶⁷ Auckland Regional Council, 2009b: 4.

⁶⁸ Ibid: 23.

⁶⁹ Auckland Regional Council, 2009b: 4; Capital Strategy, 2007a: 40.

⁷⁰ Auckland Regional Council, 2009b: 23.

The Auckland region is New Zealand's key nodal connection with the world. With the Auckland domestic market forecast not to grow as rapidly as in the past, Horizon 2031 envisages that Auckland's international engagement will increase, with the region becoming more export oriented and outward focused⁷¹. The Horizon 2031 scenario also envisages an increased focus on sustainable development, which is expected to open new business opportunities in New Zealand and overseas and create new jobs in areas of environmental technology and advice, waste reduction, recyclable / advanced materials, green building and energy conversation⁷².

Horizon 2031 identifies business innovation as perhaps the key driver of Auckland's future economic growth⁷³. With business innovation encompassing product and process innovations, new marketing methods and organisational approaches, and implementation of advances in technology. Under Horizon 2031 the key sectors in Auckland's economy expected to be driven by business innovations are those focused on niche, high-tech, value-added activities including information and communication technologies and related sub-sectors (e.g. creative industries and digital content), specialised manufacturing (e.g. marine and advanced materials) and health technologies.

To summarise, Horizon 2031 envisages that more so than in the immediate past, increased economic growth in the Auckland region will need to be driven by increased global engagement and greater export activity, productivity growth – driven by a combination of capital and / or innovation; and comparative advantage in key industries.

The key economic projections for the Auckland region from the Horizon 2031 scenario are as follows:

- Gross regional product to increase in constant prices from \$54.9 billion in 2006 to \$87.7 billion in 2026 or by 2.4% per annum compound;
- Exports to increase in constant prices from \$8.9 billion in 2006 to \$17.7 billion in 2026 or by 3.5% per annum compound;
- Gross regional product per capita to increase in constant prices from \$40,033 in 2006 to \$48,172 in 2026 or by 0.9% per annum compound; and
- Full time equivalent employment to increase from 601,612 in 2006 to 797,223 in 2026 or by 1.4% per annum compound.

In summary, the Auckland economy is New Zealand's largest, it is the hub and gateway to the international economy and is New Zealand's most important centre of commerce and education. Auckland's economy is different to most other regions being less export oriented and more focused towards the distribution and business services sectors. Value added per worker in Auckland is higher than regions outside Auckland, however, the Auckland region in terms of productivity and wealth creation lags international counterparts. Also, despite better productivity in Auckland, there is little evidence that the Auckland economy drives economic growth in other parts of New Zealand. Research has identified a number of issues holding back Auckland's economic performance including population-led growth cushioning lower productivity; over-reliance on domestic-led growth; infrastructure constraints (technology, broadband, transport, energy); and relatively low levels of educational attainment in some sectors of the regional population.

⁷¹ Ibid: 23.

⁷² Ibid: 24.

⁷³ Ibid: 24.

Population and household dynamics, however, are expected to continue to determine much of the future economy of the Auckland region over the next twenty years. However, workforce structure changes mean that there is likely to be a limit to which domestic demand growth will be able to drive economic growth in the future. More so than in the immediate past, increased economic growth in the Auckland region will need to be driven by increased global engagement and greater export activity; productivity growth – driven by a combination of capital and / or innovation; and comparative advantage in key industries.

3.4 Auckland Housing Market – Framework for Analysis

The objective of this section is to outline the key features and characteristics of housing and housing markets in New Zealand, including the institutional context within which they operate. Housing and housing markets are complex and are influenced by and are subject to a multiplicity of economic, social, cultural, and policy influences. It is important therefore, in the context of the current Auckland assessment, to have some understanding of these features and characteristics and the institutional context in which they operate.

Houses in simple terms meet a basic human need for shelter. This, however, disguises the reality that housing as a 'good' is complex and that housing markets in developed capitalist economies, such as New Zealand, are complex. Housing has multiple attributes. Houses are durable, long lasting and relative to incomes, expensive. A house is fixed in location so that when a dwelling is bought or rented neighbourhood characteristics are purchased and access to local public and private services and amenities such as schools, work, shops, and recreation facilities gained. Also, houses differ considerably in their type, style, size and internal amenity. All of these dwelling specific attributes influence the value the market ascribes to an individual dwelling.

The cost of housing means that few households right-off are able to pay for a house in full. Because not all households have incomes sufficient to purchase a house this means that many rent from landlords, for whom housing represents a significant investment asset. Housing is a key part therefore of the saving strategies of both investor and owner occupier households⁷⁴. House prices and house price change can have a significant impact upon investor and household wealth and perhaps more importantly, upon the ability of renters to become owner occupiers.

⁷⁴ Reserve Bank data showing that housing's share of total household net wealth increased from around 60% in 1978 to just over 70% by 2006, cited in DPMC, 2009: 10.

The multiplicity of housing interactions and in particular the dual role housing plays as a key component of both consumption and investment expenditure results in it influencing a range of outcomes, both household specific and non-household. In terms of the latter the housing market is an important element of the wider economy. The amount of new dwellings typically required to cater for the growth in the number of households means that the residential construction sector accounts for a significant component of GDP⁷⁵. Also, the cost of housing, its durability and the requirement for debt funding means that housing has strong links to financial markets. Housing is also a significant component of overall household expenditure, accounting for 22% and 28% respectively of average owner occupier and renter expenditure⁷⁶. The cost of housing therefore has a significant impact on the amount of residual income households have available to spend on other expenditure items. There are numerous studies, both from New Zealand and overseas, which have looked at the interactions between the housing sector, the wider economy and economic performance⁷⁷.

At an individual household level houses provide households with a range of services and attributes. It is generally accepted that the quality and suitability of those services can have a significant impact upon both individual and household outcomes across a range of areas including health, education, standard of living in retirement, asset accumulation and wealth inequalities. A large body of research has built up over a number of years that has focused in particular on the impact of housing quality, stable housing, neighbourhood effects and home ownership on individuals and households. According to DPMC the research indicates that most of the benefits from housing services arise from the quality or the stability of housing arrangements, rather than from home ownership per se⁷⁸.

Because not all households can adequately meet their own housing requirements in the market, governments in most developed western economies, including New Zealand, endeavour to ensure that 'all' households can access 'adequate' housing, leaving 'sufficient' residual income for other household costs⁷⁹. This intervention is commonly of two types. Firstly, supply-side interventions through government investment in and ownership of social housing, which is rented to households at income related rentals and typically allocated based on need. In New Zealand the government owned Housing New Zealand invests and manages a social housing portfolio as do some territorial local authorities. Secondly, demand-side interventions through government income supplements. In New Zealand the Accommodation Supplement, a non-taxable benefit, is available to both owner occupiers and private renters whose household incomes in relation to housing costs exceed defined threshold ratios⁸⁰.

⁷⁵ Gross domestic product.

⁷⁶ Statistics New Zealand, 2007 Household Economic Survey cited in DPMC, 2009: 10.

⁷⁷ DPMC, 2008:15.

⁷⁸ DPMC, 2008: 3.

⁷⁹ What precisely 'all', 'adequate' and 'sufficient' actually mean is often problematic in a policy context.

⁸⁰ There are a number of other small scale government housing interventions including Welcome Home Loans, KiwiSaver, the Housing Innovation Fund and a shared equity scheme.

In addition to these specific supply and demand side interventions, in New Zealand, the government influences the housing market through its involvement in the financial markets, via taxation settings and through its regulatory role. In terms of the financial markets, financial deregulation during the 1980s and 1990s allowed banks to introduce more mortgage products and relax borrowing conditions. More generally, the Reserve Bank is responsible for managing monetary policy through the official cash rate (OCR) with policy sometimes conducted with a conscious focus on outcomes in the housing market⁸¹. In recent years New Zealand banks have sourced an increasing proportion, now estimated at about 40 percent, of their funds to lend for housing off-shore, which has weakened the relationship between monetary policy and interest rates in the housing market. It has been suggested that the very strong rise in house prices in New Zealand during the first half of the 2000s can in part be linked to the global expansion of cheap credit since the early 2000s.

In terms of taxation settings, any capital gains when a house is sold in New Zealand are tax free. In addition, investors are able to off-set any rental losses against personal income. Also, up until the National Government's May 2010 Budget, when the ability to do so was removed, investors have been able to claim depreciation on residential investment property⁸². It is argued that these 'tax advantages' have encouraged over-investment in residential property at the expense of other asset classes and inflated house prices⁸³. It is probable, that any adjustment to these taxation settings, which made owners of residential property worse off, would, over time, be reflected in prices. That is house prices would be lower than might otherwise have been the case.

The government also plays an important regulatory role in the housing market via building regulations, by its rule setting around residential tenancies, through infrastructure provision and policy around who pays for it and how much, and through resource management planning regulations. Of these the latter is probably the most important. At the local level territorial local authorities strategies, policies and in particular District Plans play a key role in determining how much land is available for housing development, what type and amount of housing can be developed, and where. In the Auckland Region, for example, the key component of the planning framework is the Regional Growth Strategy (RGS), which is designed to achieve compact urban environments, with an emphasis on intensification around town centres and transport corridors. The RGS sets a Metropolitan Urban Limit (MUL) to define the allowed extent of urban development. It is argued that one of the key consequences of the MUL is to restrict the supply of land available for housing development in the region, and consequently increases the land price component of new housing above what it would otherwise be⁸⁴.

⁸¹ Coleman and Scobie, 2010:1.

⁸² Coming into effect April 1 2011

⁸³ In addition in New Zealand there is no taxation of imputed rents for owner occupiers which favours home ownership over other assets. This setting, however, is balanced by the non-deductibility of mortgage interest payments (DPMC, 2008:31).

⁸⁴ Grimes, A. 2009.

One final characteristic of the New Zealand housing landscape should be mentioned. That is a cultural preference, which has emerged over several decades, for owner as opposed to rental tenure. A key driver of this preference has been the institutional settings, for example through taxation settings and subsidised housing finance, which have consistently favoured owner tenure over rental tenure. With rental tenure viewed as, at best, a transitional tenure for the young adult age groups between the parental home and home ownership and at worst as a residual tenure for those very low income households unable to achieve home ownership. Historically, very few New Zealanders, who could afford home ownership, have exhibited a preference for rental tenure. In recent years a key driver for this preference has been the belief that home ownership is the best way to achieve secure tenure⁸⁵.

To summarise, housing markets are complex systems. House prices are driven by a multiplicity of factors. Housing is both a consumption and investment good with multiple attributes and characteristics. Housing influences a range of outcomes, both household specific and non-household or wider economy. Houses are durable and fixed in location and consequently bring with them access to a specific suite of neighbourhood services and amenities. Governments intervene in housing markets for a number of reasons, but primarily because not all households can adequately meet their housing needs in the market without assistance. Governments also play a regulatory role in housing markets, and influence the market via taxation and monetary policy settings. In New Zealand, for a range of reasons, there is a long-standing cultural preference for owner occupier as opposed to rental tenure.

3.5 Housing Demand, Choice and Consumption

The objective of this section is to consider the concepts of housing demand, housing choice and housing consumption. The concept of housing need will also be considered. A brief consideration of these concepts is warranted because of their centrality to any discussion about housing markets and housing market change. In Chapter 10 we present housing demand forecasts for each of the 14 HMAs by age and household composition, while in Chapter 11 we estimate current and future housing need, also by HMA.

Housing demand is the quantity of housing desired within a defined area and that households would be willing and able to buy or rent. Not all households, however, typically because of a lack of income, are able to buy or rent without assistance in the market. Demand from such households, nonetheless, is included as part of overall housing demand. This conceptualisation of housing demand is, however, difficult to make operational or quantify and in this report housing demand is used in a specific measurable way, which is different to this conceptualisation⁸⁶. A change in housing demand is driven primarily by population growth, trends in household formation and household size trends. With each of these drivers determined by a range of factors including household income, the price of housing, position in the economic cycle, interest rates, credit availability, cultural factors and changes therein, are also important.

⁸⁵ Beacon, 2010: 121.

⁸⁶ Refer to Section 5 Chapter 2.

Housing demand is an ex ante concept usually used in reference to a housing market as opposed to individual households. At the individual household level housing demand is revealed via the ex post choices individual households make concerning where they live and what type of dwelling and the size of dwelling they live in. Such choices reflect households' tenure, location and dwelling attribute preferences, tempered by a multitude of constraints. Key constraints include household income and wealth, household composition and the size, type, price, quality and tenure of dwellings available in households' preferred locations. Maclennan notes that different sets of attributes meet the different preferences of households, and that households' of similar income, age and size may have quite different housing preferences⁸⁷. In addition, where households have similar sets of preferences, differences in constraints will shape the actual choices made. Importantly, household housing preferences are not fixed. They evolve in response to changes across a range of factors including lifecycle, fashion, and experience. The actual choices that households' make will, however, continue to be influenced by constraints, the nature of which will also change for each household over time.

For some households, particularly for those on very low incomes, their housing choices are overwhelmingly shaped by the multiple constraints they face. The constraints that such households confront are often so significant that the dwellings they choose do not meet accepted societal norms in terms of quality and crowding, are sub-optimal in other ways, or they are homeless. These households are often described as being in, or having, 'housing need'. This conceptualisation of housing need in a New Zealand context, however, is difficult to make operational or quantify, especially at scale. It is important to emphasise that in this report the term housing need is used in a specific measurable way that is different to the above conceptualisation (see Section 6 in Chapter 2 for the housing need definition used in this report).

Housing consumption is the totality of individual households housing choices. Like housing choice it is an ex post concept and in essence represents revealed housing demand meets housing supply. The nature of and changes in housing consumption can be measured across a number of variables including tenure, location, dwelling type, household type etc. In short patterns of housing consumption represent the complex interaction between housing demand – and housing supply – the amount of stock, its location, quality, price and tenure⁸⁸.

Housing consumption and changes in housing consumption over time play a key role in shaping urban form. Traditional neo classical models of urban form and growth had employment concentrated at the core of the region with workers housed in surrounding suburbs and employment growth in the core mirrored by a steady outward expansion of the urban fringe⁸⁹. A key assumption of such models, driven in large part by transport considerations, was the primacy of employment as the key determinant of households' location choices and urban development patterns. Over the last thirty or so years, however, huge economic, social, and technological changes in western economies, including New Zealand, have weakened the relationship between employment location, households' dwelling location choices and the nature of urban development⁹⁰.

⁸⁷ Maclennan, 2009: 9.

⁸⁸ Beacon, 2010:15.

⁸⁹ See Alonso, 1964 cited in Lee and McDermott, 1998:95.

⁹⁰ Lee and McDermott, 1998.

Lee and McDermott argue that urbanisation is not occurring only where job-creation is occurring, and lifestyle considerations are supplanting journey to work considerations as the prime locational criteria for many households⁹¹. More recent work by Beacon Pathway Ltd looking at the tenure and location choices of 20 to 40 year old households in the Auckland region showed that employment location was just one of a number of factors that households consider when choosing where to live and that employment change is not strongly associated with housing change⁹². Other factors considered by 20 to 40 year old households when looking at dwelling location reported by Beacon included proximity to schools⁹³, connection to family and friends, access to public transport and access to amenities.

There have been significant changes in not only the location of urban development⁹⁴, but also a fundamental shift in the drivers of urban development over the last thirty years. Lee and McDermott note that consumption factors have increased in importance; while production factors, where goods and services are produced, have reduced in importance. That is, urbanisation is not occurring only where job-creation is occurring. Lifestyle considerations, in part driven by an ageing population, but also driven by a range of other factors including education, community etc., are supplanting journey to work considerations as the prime location criteria for many households.

Auckland's urban form today reflects these changed dynamics and is relatively dispersed and polycentric⁹⁵. While the Auckland CBD remains the most significant urban centre for the region, there are a number of other important sub-regional and town centres such as the Manukau City CBD, Takapuna, Albany etc. Population growth over the last decade or so has been focused on two areas; the isthmus and urban fringe and characterised by intensification and greenfields development respectively.

In summary, the housing choice made by a household reflects their preferences tempered by a multitude of constraints. Over the last thirty years significant economic, social and technological changes have re-shaped housing choice, which has resulted in significant changes in housing consumption patterns and urban form. Housing location choice in particular is no longer, primarily a function of employment location, but is determined by a multiplicity of factors.

⁹¹ Lee and McDermott, 1998: 97.

⁹² Beacon, 2010: xi.

⁹³ The importance of schools and a school's decile ranking has for a number of years been acknowledged amongst Aucklanders, and in particular those living in Auckland City, as an important consideration in their dwelling location choices. A number of New Zealand studies report dwelling price premiums in preferred school zones. See McClay, S. & Harrison, R. (2003) and Rehm, M. & Filippova, O (2008).

⁹⁴ There has been a relative increase in the amount of development on the urban periphery, comprising both contiguous and non-contiguous satellite settlements, and a parallel growth in inner city living.

⁹⁵ Royal Commission on Auckland Governance, 2009: 61.

3.6 Auckland Housing Market Consumption Trends

The objective of this section is to outline some of the broad changes in housing consumption that have occurred in the Auckland region over the last decade. Housing consumption patterns, according to Beacon are important for a couple of reasons⁹⁶. Firstly, because those patterns show differences between different groups in relation to housing access and secondly, because of the link between households' housing consumption and non-housing outcomes. This overview will consider changes in dwelling supply and stock typology; trends in dwelling prices and rents, home ownership trends, and affordability trends. Note the discussion here is restricted to the Auckland region. Section 2 in Chapter 4 summarises housing consumption trends by HMA.

Demand for housing in the Auckland region has increased significantly over last decade or so on the back of significant growth in household numbers. Census data shows that Auckland region housing supply in the ten years to 2006 responded strongly to this household growth. In 1996 there were 355,365 private occupied dwellings in the Auckland region. This number increased to 393,261 private occupied dwellings in 2001, or up by 37,986 and to 437,988 private occupied dwellings in the Auckland region in 2006, or up by 44,727. Analysis by the DPMC indicates that in the Auckland region over the 1996 to 2001 period occupied dwelling growth rates exceeded population growth, but over the 2001 to 2006 period in Auckland, Manukau and North Shore cities, dwelling growth rates were behind population growth⁹⁷.

Over the three years to mid 2009 new residential dwelling consents in the Auckland region have fallen to their lowest level in 20 years as the downstream effects of the global credit crisis and economic recession have impacted Auckland. Over that period population growth in the Auckland region has remained relatively strong with indications of housing shortages, at the aggregate level, now emerging⁹⁸.

In 2006, of the 437,988 occupied dwellings, 311,106 or 71% were standalone dwellings and 98,457 or 22.5% were multi-unit dwellings⁹⁹. Over the 2001 to 2006 period the number of occupied standalone dwellings in the region increased by 29,208 or by 10.4%, while the number of occupied multi-unit dwellings increased by 14,991 or by 18%. Multi-unit dwellings still make up less than 25% of the region's stock; however, their number grew at almost twice the rate of the standalone dwelling stock over the 2001 to 2006 period. The growth in multi-unit dwellings may reflect increasing demand from smaller households, but may also reflect house price increases and a desire amongst households to find more affordable accommodation¹⁰⁰. It may also reflect the ability of developers to provide such dwellings within the existing urban area at a profit. A number of recent studies, however, have shown that despite the growing proportion of new dwelling stock accounted for by multi-unit dwellings, household dwelling type preferences remain strongly focused on standalone dwellings¹⁰¹.

⁹⁶ Beacon, 2010:24.

⁹⁷ DPMC, 2008: 38.

⁹⁸ DPMC, 2008:6.

⁹⁹ A standalone dwelling is a dwelling not attached to other. A multi-unit dwelling is a unit, flat, townhouse, studio – attached horizontally and dwellings in an apartment block.

¹⁰⁰ DPMC, 2008:40.

¹⁰¹ DTZ, 2005; and Beacon, 2010.

Another feature of recent new supply trends noted by DPMC, specifically in terms of New Zealand, but a trend also likely to apply to Auckland, was that increasingly new supply has tended to be at relatively high prices meaning that new supply has not met the needs of all segments of the market, particularly people on lower incomes¹⁰².

Maclennan¹⁰³ notes that there is no one driver of house prices with demand changes typically a response to rising real incomes, lower interest rates, easier credit availability and higher rates of household formation and net immigration. Also, in New Zealand it is argued that the tax system and other factors have encouraged investors into the property market, adding to the pressure on prices. All of the above factors were evident to a greater or lesser extent in New Zealand, and especially in the Auckland market over the 2002 to 2007 period. On the supply side, factors such as land availability and cost, labour costs, building costs, and infrastructure costs are all important and in the case of Auckland, all have significantly increased over the last decade. Also, as noted, analysis by DPMC suggests a shortfall in occupied dwelling growth in Auckland, Manukau and North Shore Cities over the 2001 to 2006 period¹⁰⁴.

The boom, while unprecedented in New Zealand's experience (in real prices), was not unique to New Zealand, with many developed economies experiencing similar growth over a roughly similar period¹⁰⁵. In New Zealand from December 2001 to December 2007 nominal house prices increased by slightly more than 111% and in the Auckland urban area by 95%¹⁰⁶.

While the percentage changes in house prices over that period were largest in areas outside of Auckland, where the starting price level was lower, the largest increases in dollar terms occurred in Auckland. For example, in the Auckland urban area the average house sale price increased from \$283,301 in December 2001 to \$578,667 in December 2007 or by \$295,366. In New Zealand overall over the same period, prices increased from \$196,387 to \$405,937, or by \$209,550 in absolute terms. DPMC notes that in Auckland over the longer term, March 1990 to March 2007, lower quartile house prices increased at a slightly slower rate compared to median and upper quartile house prices. At the peak of the property boom, however, over the March 2004 to March 2007 period, lower quartile house prices in Auckland increased at a much faster rate than median and upper quartile house prices¹⁰⁷. In the two years since December 2007 house prices in Auckland have fallen by slightly less than 2% and in New Zealand by slightly more than 4%.

Median rents in the Auckland region increased relatively strongly over the 2001 to 2006 period (circa 25%), but at a significantly lower rate than house prices. Over the longer term, 1996 to 2006, median house prices have increased at more than twice the rate of median rentals, whilst household incomes have increased on average, slightly faster than median rentals. DPMC suggests that this is in part due to the large increase in the availability of rental properties¹⁰⁸. It may be the case that affordability constraints have also played a part.

¹⁰² Ibid: 42.

¹⁰³ Maclennan, 2009: 13.

¹⁰⁴ DPMC, 2008: 39.

¹⁰⁵ Ryan-Collins & Spratt, 2009: 3 and DPMC, 2008:20.

¹⁰⁶ QVNZ Quarterly House Price Index

¹⁰⁷ DPMC, 2008: 21.

¹⁰⁸ Ibid: 22.

The home ownership rate in the Auckland region has been falling for the last couple of decades with the rate of decline over the 1996 to 2006 decade more rapid than over the 1986 to 1996 decade¹⁰⁹. Over the 1996 to 2006 decade the proportion of all private occupied dwellings in the Auckland region owned by their occupants fell from 69.2% to 63.8%, a decline of 5.4 percentage points. Over the same decade the proportion of all private occupied dwellings in New Zealand owned by their occupants declined at a slower rate, 3.8 percentage points, or from 70.7% to 66.9%¹¹⁰.

In the Auckland region and New Zealand the decline in home ownership rates by dwelling reference person age has been greatest for the younger age groups¹¹¹. Morrison, in a report tracing the changing level and distribution of home ownership by age of the reference person in New Zealand since 1991, notes, however, that the reduction in younger households home ownership rates has also been accompanied by successive reductions in the home ownership rates of all but the very oldest age groups¹¹². According to Morrison this implies a structural shift in the parameters around ownership, driven in large part by the increasing relative cost of housing, rather than simply a deferment by the young due to later career entry, childbearing etc.

The increase in house prices in the Auckland region over the 2001 to 2007 period has made it much more difficult for renter households to make the transition to home ownership. Key ownership affordability measures point to a significant deterioration in owner affordability in the Auckland region over the period. Over the 2007 to 2009 period, however, a significant fall in interest rates, coupled with small decline in house prices, has improved owner affordability across most measures. Paradoxically, renter affordability in the Auckland region in the decade to 2009 has at worst remained the same, but in some areas improved.

The size of the intermediate housing market¹¹³ in both absolute terms and relative to the total private rental market is one measure of housing affordability for first home buyers. In the Auckland region the intermediate housing market has grown in size from 30,600 households in 1996 to 31,600 households in 2001 to 68,000 households in 2006 (DTZ, 2008, p.25). As a proportion of the private rental market in the Auckland region the intermediate housing market declined from 50% in 1996 to 35% in 2001, but increased significantly to 64% of the private rental market in 2006. Over the 2006 to 2009 period the absolute number of households in the intermediate market has stayed relatively flat, however, the intermediate market share of all private renter households has reduced slightly.

¹⁰⁹ DTZ, 2007: 20.

¹¹⁰ DTZ notes that care must be taken when interpreting the trend in home ownership outcomes between the 2006 and previous censuses. The way in which Statistics New Zealand enquired about the tenure of dwellings, specifically as it relates to family trusts, changed in 2001 and again in 2006 with the direct comparison of the two Censuses home ownership outcomes, according to Briggs (2006), underestimating the likely decline in home ownership rates over that period.

¹¹¹ The home ownership rates of the 25-29 year old, 30-34 year old, and 35-39 year old age groups declined by 9, 9.2, and 9.5 percentage points respectively over the 1996 to 2006 period. Source DTZ, 2007: 135-137

¹¹² Morrison, 2008: 55.

¹¹³ The intermediate housing market is defined as: those households currently in the private rental market; have at least one member of the household in paid employment; cannot afford to buy a house at the lower quartile house price under standard bank lending criteria.

In terms of absolute numbers younger households¹¹⁴ in 2006 accounted for slightly less than 60% of all intermediate households in the Auckland region. There were, however, no significant differences in terms of the percentage of each household age group, as measured by the age of the dwelling reference person, in the intermediate housing market, with all five year step age groups within three or four percentage points of 64%. By household composition, however, a more mixed pattern emerged. For example, 68% of one person private renter households were in the intermediate housing market in 2006 and 66% of couple with children private renter households were in the intermediate housing market, but only 53% of one parent private renter households and 60% of couple only private renter households were in the intermediate market.

In summary, there have been a number of significant changes in housing consumption trends at the Auckland region level over the last decade. Demand for housing has increased significantly over that period and the supply response, up until relatively recently, has been strong. There are, however, indications that housing shortages at the aggregate level, given the significant contraction in new building over recent years, may be emerging. A growing proportion of new dwelling supply is now multi-unit rather than standalone dwelling in part, it is argued, due to affordability constraints with households dwelling type preferences still heavily biased towards standalone dwellings. New standalone dwelling supply, increasingly over the last decade, however, has tended to focus on the middle to upper end of the market at relatively high prices.

The Auckland residential property market, like markets in most developed economies experienced a boom in property prices over the 2001 to 2007 period. House prices in nominal terms in the Auckland urban area increased by 95% over the period. Median rents also increased relatively strongly, albeit only by about a third of the rate of house prices and at around the rate of income growth. While affordability for renter households has at worst remained flat over recent years the very significant increases in house prices over the 2001 to 2007 period, well in excess of income growth, has made it much more difficult for renters to make the transition to home ownership. Home ownership rates have been falling in the Auckland region for a couple of decades and continued to fall over the 1996 to 2006 period with the home ownership rates of younger households, single person households and family households falling by the most.

¹¹⁴ Households with a reference person aged 20 to 39 years of age

3.7 Auckland Region Governance Reforms

The objective of this section is to provide an overview of the governance reforms currently underway in the Auckland region.

In October 2007 the Royal Commission on Auckland Governance (The Commission) was established by the Government to respond to growing concerns about the workability of local government arrangements in Auckland¹¹⁵. The terms of reference provide that an aim of local governance reform is to assist Auckland to become and to be recognised as, a “successful, sustainable city in the Asia Pacific region”¹¹⁶. The terms of reference included a provision for the Commission to investigate what is required;

to support and enhance... the performance of the Auckland region....and its role as a key transport hub for New Zealand and the Pacific regions; andthe ability of the Auckland region to compete internationally as a desirable place to live, work, invest and do business

In terms of housing the Commission highlighted a number of issues including¹¹⁷:

- Housing affordability – noting that in 2008 Auckland was the second least affordable region in New Zealand and that housing in Auckland was relatively expensive by international standards;
- A growing number of working households unable to purchase a house even at the lower quartile price end of the housing market;
- A shortage of affordable and secure rental accommodation for poorer households and vulnerable people; and
- The proportion of Auckland region’s population living in crowded housing in 2006 was the highest in the country at 16%, with considerable variation across the region from 5% in Rodney to 25% in Manukau.

The Royal Commission considered that the lack of affordable housing to be both a social and economic issue noting that where Aucklanders can afford to live, the quality of their housing, and how much income they have left over after meeting housing costs affects people’s education, health and employment¹¹⁸. The Commission went on to suggest that housing costs may constrain Auckland’s economy by limiting options for low-to-medium income workers and determining whether employees locate or remain in the region.

¹¹⁵ Salmon, P. et al, 2009:1.

¹¹⁶ Ibid: 49.

¹¹⁷ Royal Commission on Auckland Governance, 2009: 77-78.

¹¹⁸ Ibid.

The Commission reported back to the Government in March 2009. The key elements of the local government model proposed by the Commission were as follows:

- A single unitary authority (Auckland Council) for the region;
- One Mayor for Auckland with governance powers, elected at large by the region's residents and ratepayers;
- 23 councillors – 10 elected by all Aucklanders, 8 in four urban wards, two in two rural wards, two by voters on the Maori electoral role, and one appointed by mana whenua;
- Six elected local councils, which would be subsidiary to the greater Auckland Council;
- No community boards except for Great Barrier Island and Waiheke Island and the Auckland CBD; and
- One rating system and rates bill, one LTCCP, one Waterfront Development Agency, one charge for water, one regional transport authority, one water and wastewater provider, and one District Plan.

In April 2009 the Government released its decision on the Royal Commission's recommendations. The key change was around the nature of the two tier governance structure:

- A governing body made up of a Mayor and 20 councillors on the Auckland Council – 8 elected at large and 12 elected from wards¹¹⁹; and
- Approximately 20 to 30 local boards across the region as the second tier of governance.

The governing body will be responsible for: the regulatory functions of the Council (e.g. RMA, Health and Building Acts, Civil Defence); making decisions on non-regulatory activities where an Auckland-wide approach will better promote the wellbeing of communities across Auckland; financial and asset management; staff and resources of the Council; providing Council services and facilities; and implementing agreements made with local boards¹²⁰.

The role of the Mayor will be to: promote a vision for Auckland; provide leadership to achieve that vision; lead the development of plans, policies and budgets for consideration by the governing body of the Council; and ensure there is effective engagement between the Auckland Council and the people of Auckland.

The purpose of the local boards is to: enable democratic decision-making by, and on behalf of, communities in the local board area; and enable the promotion of the social, economic, environmental and cultural well-being of communities in the local board area. Local boards will be responsible for: decision-making on those non-regulatory functions of the Auckland Council that do not require an Auckland-wide approach. These functions will be identified in the Council's long-term and annual plans; identifying and communicating the interests and preferences of people in their area on the policies and plans of the Council; adopting a local board plan for local activities, and reaching agreement with the governing body on their provision; and identifying and developing bylaws, and proposing them to the governing body.

Subsequent to the Government's April 2009 decision on the Royal Commission's recommendations Parliament has passed a number of bills putting into effect the new Auckland region governance arrangements. Local body elections will be held in October 2010. It is intended that the new governance arrangements for the Auckland region will come into effect on 1 November 2010.

¹¹⁹ The Local Government (Auckland Council) Act 2009 stated that all 20 members of the Council will be elected from single multi-member wards. No councillors will be elected at large.

¹²⁰ Source: www.auckland.govt.nz

In conclusion, local governance arrangements in the Auckland region are currently being reformed. The reforms were a response to widespread concerns that the existing governance arrangements were not working and hampering developments in the region across a number of spheres including social, economic, housing, planning, and infrastructure. It is intended that the new governance arrangements for the Auckland region will come into effect on 1 November 2010. There are high expectations, that over the course of the next few years, the reforms will begin to make a significant positive difference to the region across a wide number of areas.

4.0 Demographic Structure, Trends and Projections

4.1 Introduction

The objective of this chapter is to consider for each of the 14 housing market areas their current demographic structure, recent trends and the projected growth in household numbers in each HMA. The key outputs from this step of the assessment are firstly, an understanding of the current mix of households by location, type, age, tenure, etc by housing market area and secondly, household number projections by HMA to 2026.

The growth projected in household numbers in a housing market together with recent and current demographic trends are key indicators of what the housing market might look like in the future. An understanding of these issues, projected growth and current demographic structure, enables developers, planners and policy makers alike to identify not only the likely amount of new housing that will be required to meet future housing demand, but also the type of housing likely to be suitable for the future demographic characteristics of the housing market area.

This chapter presents a summary of key demographic trends and household projections only. Additional supporting information on key demographic characteristics by HMA including comments on tenure, household income, household type, ethnicity, occupation, employment status, dwelling size, dwelling type and crowding levels is found in Appendix 3 (see Auckland Housing Market Assessment, Volume 2 - Appendices).

4.2 Demographic Overview

The objective of this section is to present the summary results of the demographic data analysis for each of the 14 Auckland housing market areas (HMA).

Rural North HMA

Over the 1996 to 2006 period the total number of households in the Rural North HMA increased from 16,125 to 20,910 or by 29.7%. In 2006 couple with children households accounted for 35.6% of all households in the Rural North, couple only households for 28.9%, one person households for 15.6% and 'other' households¹²¹ for 13.3% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in couple only (1,383), one person (1,233), and couple with children (1,170) households and the strongest percentage growth was in one person (49%) and one parent with children (46.1%) households.

In 2006 households with a reference person of European ethnicity accounted for 90.8% of all households in the Rural North, Maori households for 6.7%, Pacific people households for 1.2%, and Asian households for 1.6% of all households. In 2006 36.3% of households in the HMA had household incomes greater than \$70,000 per annum and 19.6% had household incomes below \$30,000 per annum. The number of owner occupier households in the Rural North HMA increased over the 1996 to 2006 period from 12,102 to 14,298 (2,196) or by 18.1%, whilst the number of renter households increased from 2,205 to 3,771 (1,566) or by 71%. Over the same period the home ownership rate in the Rural North fell from 84.6% to 79.1% or by 5.5 percentage points.

¹²¹ 'Other' households include: one-family households with other people; two-family households; three-or more family households; other multi-person households; and households whose composition was unidentifiable.

Rodney Southern Coastal HMA

Over the 1996 to 2006 period the total number of households in the Rodney Southern Coastal HMA increased from 10,500 to 14,889 or by 41.8%. In 2006 couple with children households accounted for 27.2% of all households in Rodney Southern Coastal, couple only households for 31.3%, one person households for 22.7% and 'other' households for 10.3% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in couple with children (1,257), couple only (1,140) and one person (1,131) households and the strongest percentage growth was in one person (50.3%) and one parent with children (55.6%) households.

In 2006 households with a reference person of European ethnicity accounted for 93.1% of all households in Rodney Southern Coastal, Maori households for 4.9%, Pacific people households for 1.0%, and Asian households for 2.3% of all households. In 2006 32.9% of households in the HMA had household incomes greater than \$70,000 per annum and 25.6% had household incomes below \$30,000 per annum. The number of owner occupier households in the Rodney Southern Coastal HMA increased over the 1996 to 2006 period from 7,575 to 9,663 (2,088) or by 27.6%, whilst the number of renter households increased from 1,920 to 3,444 (1,524) or by 79.4%. Over the same period the home ownership rate in Rodney Southern Coastal fell from 79.8% to 73.7% or by 6.1 percentage points.

North Shore HMA

Over the 1996 to 2006 period the total number of households in the North Shore HMA increased from 60,327 to 72,114 or by 19.5%. In 2006 couple with children households accounted for 32.5% of all households in the North Shore HMA, couple only households for 23.3%, one person households for 18.8% and 'other' households for 16.6% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in couple with children (2,985), one person (2,754), and couple only (2,472) households and the strongest percentage growth was in one person (25.5%) and one parent with children (28.9%) households.

In 2006 households with a reference person of European ethnicity accounted for 80.3% of all households in the North Shore HMA, Maori households for 4.4%, Pacific people households for 1.8%, and Asian households for 13.5% of all households. In 2006 42.6% of households in the HMA had household incomes greater than \$70,000 per annum and 17.9% had household incomes below \$30,000 per annum. The number of owner occupier households in the North Shore HMA increased over the 1996 to 2006 period from 43,152 to 46,677 (3,525) or by 8.2%, whilst the number of renter households increased from 12,666 to 18,291 (5,625) or by 44.4%. Over the same period the home ownership rate in the North Shore HMA fell from 77.3% to 71.8% or by 5.5 percentage points.

Waitakere HMA

Over the 1996 to 2006 period the total number of households in the Waitakere HMA increased from 47,247 to 58,674 or by 24.2%. In 2006 couple with children households accounted for 29.9% of all households in the Waitakere HMA, couple only households for 19.8%, one person households for 17.8% and 'other' households for 21.2% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in one person (3,393), 'other' (3,267), and couple only (1,725) households and the strongest percentage growth was in one person (48.1%) and 'other' (35.5%) households.

In 2006 households with a reference person of European ethnicity accounted for 69.5% of all households in the Waitakere HMA, Maori households for 9.4%, Pacific people households for 8.9%, and Asian households for 12.5% of all households. In 2006 31.8% of households in the HMA had household incomes greater than \$70,000 per annum and 19.9% had household incomes below \$30,000 per annum. The number of owner occupier households in the Waitakere HMA increased over the 1996 to 2006 period from 33,195 to 34,752 (1,557) or by 4.7%, whilst the number of renter households increased from 10,023 to 15,729 (5,706) or by 56.9%. Over the same period the home ownership rate in the Waitakere HMA fell from 76.8% to 68.8% or by 8.0 percentage points.

Auckland CBD HMA

Over the 1996 to 2006 period the total number of households in the Auckland CBD HMA increased from 1,692 to 9,531 or by 463.3%. In 2006 couple with children households accounted for 4.2% of all households in the Auckland CBD HMA, couple only households for 21.7%, one person households for 37.7% and 'other' households for 32.9% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in one person (3,135), 'other' (2,367), and couple only (1,740) households and the strongest percentage growth was in one person (692.1%) and couple only (532.1%) households.

In 2006 households with a reference person of European ethnicity accounted for 42.4% of all households in the Auckland CBD HMA, Maori households for 3.5%, Pacific people households for 2.1%, and Asian households for 34.2% of all households. In 2006 21.4% of households in the HMA had household incomes greater than \$70,000 per annum and 26.9% had household incomes below \$30,000 per annum. The number of owner occupier households in the Auckland CBD HMA increased over the 1996 to 2006 period from 303 to 1,836 (1,533) or by 505.9%, whilst the number of renter households increased from 771 to 5,088 (4,317) or by 559.9%. Over the same period the home ownership rate in the Auckland CBD fell from 28.2% to 26.5% or by 1.7 percentage points.

Auckland North East HMA

Over the 1996 to 2006 period the total number of households in the Auckland North East HMA increased from 27,972 to 31,311 or by 11.9%. In 2006 couple with children households accounted for 29.3% of all households in the Auckland North East HMA, couple only households for 25.4%, one person households for 23.2% and 'other' households for 14.9% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in couple with children (1,242), couple only (1,122), and one person (1,092) households and the strongest percentage growth was in one parent with children (23.0%) and one person (17.7%) households¹²².

In 2006 households with a reference person of European ethnicity accounted for 82.3% of all households in the Auckland North East HMA, Maori households for 3.4%, Pacific people households for 1.5%, and Asian households for 11.6% of all households. In 2006 51.2% of households in the HMA had household incomes greater than \$70,000 per annum and 15.2% had household incomes below \$30,000 per annum. The number of owner occupier households in the Auckland North East HMA increased over the 1996 to 2006 period from 17,520 to 19,410 (1,890) or by 10.8%, whilst the number of renter households increased from 7,395 to 8,397 (1,002) or by 13.5%. Over the same period the home ownership rate in the Auckland North East HMA fell from 70.3% to 69.8% or by just 0.5 percentage points.

¹²² The number of 'other' households in the Auckland North East actually declined over the period from 5,202 to 4,668 (534) or by 10.3%.

Auckland North West HMA

Over the 1996 to 2006 period the total number of households in the Auckland North West HMA increased from 39,597 to 43,704 or by 10.4%. In 2006 couple with children households accounted for 26.1% of all households in the Auckland North West HMA, couple only households for 20.0%, one person households for 22.4% and 'other' households for 24.2% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in couple with children (1,986), couple only (1,023), and one person (870) households and the strongest percentage growth was in couple with children (21.0%) and one parent with children (17.8%) households¹²³.

In 2006 households with a reference person of European ethnicity accounted for 74.0% of all households in the Auckland North West HMA, Maori households for 5.0%, Pacific people households for 4.8%, and Asian households for 16.4% of all households. In 2006 46.4% of households in the HMA had household incomes greater than \$70,000 per annum and 16.5% had household incomes below \$30,000 per annum. The number of owner occupier households in the Auckland North West HMA increased over the 1996 to 2006 period from 21,474 to 22,242 (768) or by 3.6%, whilst the number of renter households increased from 13,752 to 16,569 (2,817) or by 20.5%. Over the same period the home ownership rate in the Auckland North West HMA fell from 61.0% to 57.3% or by 3.7 percentage points.

Auckland South East HMA

Over the 1996 to 2006 period the total number of households in the Auckland South East HMA increased from 15,828 to 17,595 or by 11.2%. In 2006 couple with children households accounted for 24.0% of all households in the Auckland South East HMA, couple only households for 16.2%, one person households for 20.5% and 'other' households for 27.8% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in couple with children (600), one person (519), and couple only (423) households and the strongest percentage growth was in couple only (17.4%) and one person (16.8%) households.

In 2006 households with a reference person of European ethnicity accounted for 48.0% of all households in the Auckland South East HMA, Maori households for 13.2%, Pacific people households for 21.1%, and Asian households for 18.7% of all households. In 2006 24.8% of households in the HMA had household incomes greater than \$70,000 per annum and 22.4% had household incomes below \$30,000 per annum. The number of owner occupier households in the Auckland South East HMA fell over the 1996 to 2006 period from 6,549 to 6,363 (186) or by 2.8%, whilst the number of renter households increased from 7,101 to 8,736 (1,635) or by 23.0%. Over the same period the home ownership rate in the Auckland South East HMA fell from 48.0% to 42.1% or by 5.9 percentage points.

Auckland South West HMA

Over the 1996 to 2006 period the total number of households in the Auckland South West HMA increased from 32,706 to 37,068 or by 13.3%. In 2006 couple with children households accounted for 27.2% of all households in the Auckland South West HMA, couple only households for 17.0%, one person households for 20.5% and 'other' households for 26.0% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in other (1,911), couple with children (1,425), and one person (513) households and the strongest percentage growth was in other (24.8%) and couple with children (16.5%) households.

¹²³ The number of 'other' households in the Auckland North East actually declined over the period from 10,818 to 10,544 (264) or by 2.43%.

In 2006 households with a reference person of European ethnicity accounted for 55.2% of all households in the Auckland South West HMA, Maori households for 6.2%, Pacific people households for 11.2%, and Asian households for 26.1% of all households. In 2006 31.3% of households in the HMA had household incomes greater than \$70,000 per annum and 22.1% had household incomes below \$30,000 per annum. The number of owner occupier households in the Auckland South West HMA increased over the 1996 to 2006 period from 18,642 to 18,801 (159) or by 0.9%, whilst the number of renter households increased from 10,833 to 13,176 (2,343) or by 21.6%. Over the same period the home ownership rate in the Auckland South West HMA fell from 63.2% to 58.8% or by 4.4 percentage points.

Manukau North HMA

Over the 1996 to 2006 period the total number of households in the Manukau North HMA increased from 26,334 to 37,464 or by 42.3%. In 2006 couple with children households accounted for 37.6% of all households in the Manukau North HMA, couple only households for 22.4%, one person households for 13.8% and 'other' households for 17.4% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in couple with children (3,249), 'other' (2,973), and couple only (2,034) households and the strongest percentage growth was in 'other' (83.7%) and one parent with children (69.8%) households.

In 2006 households with a reference person of European ethnicity accounted for 69.3% of all households in the Manukau North HMA, Maori households for 3.6%, Pacific people households for 2.1%, and Asian households for 24.7% of all households. In 2006 44.1% of households in the HMA had household incomes greater than \$70,000 per annum and 16.6% had household incomes below \$30,000 per annum. The number of owner occupier households in the Manukau North HMA increased over the 1996 to 2006 period from 20,700 to 25,578 (4,878) or by 23.6%, whilst the number of renter households increased from 3,723 to 8,175 (4,452) or by 119.6%. Over the same period the home ownership rate in the Manukau North HMA fell from 84.8% to 75.8% or by 9.0 percentage points.

Manukau North West HMA

Over the 1996 to 2006 period the total number of households in the Manukau North West HMA increased from 30,990 to 35,073 or by 13.2%. In 2006 couple with children households accounted for 27.8% of all households in the Manukau North West HMA, couple only households for 11.4%, one person households for 13.2%, 'other' households for 35.5%, and one parent and children households for 12% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in 'other' (2,601), couple with children (651), and one person (579) households and the strongest percentage growth was in 'other' (26.4%) and one parent with children (15.0%) households¹²⁴.

In 2006 households with a reference person of European ethnicity accounted for 34.3% of all households in the Manukau North West HMA, Maori households for 15.2%, Pacific people households for 33.9%, and Asian households for 16.3% of all households. In 2006 25% of households in the HMA had household incomes greater than \$70,000 per annum and 18.5% had household incomes below \$30,000 per annum. The number of owner occupier households in the Manukau North West HMA fell over the 1996 to 2006 period from 17,121 to 15,279 (1,842) or by 10.8%, whilst the number of renter households increased from 10,119 to 13,230 (3,111) or by 30.7%. Over the same period the home ownership rate in the Manukau North West HMA fell from 62.9% to 53.6% or by 9.3 percentage points.

¹²⁴ The number of couple only households in the Manukau North West actually declined over the period from 4,302 to 4,011 (291) or by 6.8%.

Manurewa and Papakura HMA

Over the 1996 to 2006 period the total number of households in the Manurewa and Papakura HMA increased from 25,695 to 31,758 or by 23.6%. In 2006 couple with children households accounted for 27.9% of all households in the Manurewa and Papakura HMA, couple only households for 17.5%, one person households for 16.4%, and 'other' households for 25.3% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in 'other' (2,034), one person (1,704), and one parent with children (987) households and the strongest percentage growth was in one person (48.5%) and 'other' (34%) households.

In 2006 households with a reference person of European ethnicity accounted for 60.4% of all households in the Manurewa and Papakura HMA, Maori households for 21.5%, Pacific people households for 12.2%, and Asian households for 8.4% of all households. In 2006 29.3% of households in the HMA had household incomes greater than \$70,000 per annum and 19.5% had household incomes below \$30,000 per annum. The number of owner occupier households in the Manurewa and Papakura HMA increased over the 1996 to 2006 period from 16,596 to 16,674 (78) or by 0.5%, whilst the number of renter households increased from 6,633 to 10,569 (3,936) or by 59.3%. Over the same period the home ownership rate in the Manurewa and Papakura HMA fell from 71.4% to 61.2% or by 10.2 percentage points.

Pukekohe HMA

Over the 1996 to 2006 period the total number of households in the Pukekohe HMA increased from 4,236 to 5,928 or by 39.9%. In 2006 couple with children households accounted for 29.8% of all households in the Pukekohe HMA, couple only households for 22.9%, one person households for 21.9% and 'other' households for 15.3% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in one person (438), couple with children (435), and couple only (432) households and the strongest percentage growth was in one person (50.9%) and couple only (46.8%) households.

In 2006 households with a reference person of European ethnicity accounted for 79.5% of all households in the Pukekohe HMA, Maori households for 12.2%, Pacific people households for 2.9%, and Asian households for 6.0% of all households. In 2006 30.7% of households in the HMA had household incomes greater than \$70,000 per annum and 22.5% had household incomes below \$30,000 per annum. The number of owner occupier households in the Pukekohe HMA increased over the 1996 to 2006 period from 2,766 to 3,441 (675) or by 24.4%, whilst the number of renter households increased from 1,011 to 1,641 (630) or by 62.3%. Over the same period the home ownership rate in the Pukekohe HMA fell from 73.2% to 67.7% or by 5.5 percentage points.

Rural South HMA

Over the 1996 to 2006 period the total number of households in the Rural South HMA increased from 10,893 to 13,431 or by 23.3%. In 2006 couple with children households accounted for 35.7% of all households in the Rural South HMA, couple only households for 29.2%, one person households for 15.6% and 'other' households for 12.6% of all households. The strongest absolute growth in household numbers over the 1996 to 2006 period was in couple only (801), couple with children (693), and one person (594) households and the strongest percentage growth was in one person (39.6%) and one parent with children (36.0%) households.

In 2006 households with a reference person of European ethnicity accounted for 89.4% of all households in the Rural South HMA, Maori households for 7.1%, Pacific people households for 1.2%, and Asian households for 2.6% of all households. In 2006 42.6% of households in the HMA had household incomes greater than \$70,000 per annum and 16.6% had household incomes below \$30,000 per annum. The number of owner occupier households in the Rural South HMA increased over the 1996 to 2006 period from 7,887 to 9,267 (1,380) or by 17.5%, whilst the number of renter households increased from 1,542 to 2,274 (732) or by 47.5%. Over the same period the home ownership rate in the Rural South HMA fell from 83.6% to 80.3% or by 3.3 percentage points.

While there are many similarities, there are also a number of fundamental differences in the demographic characteristics of each of the 14 housing market areas (HMAs) that make up the Auckland region. The key similarities and differences likely to influence the future housing market are highlighted below:

- Home ownership rates in 2006 varied widely by HMA. They were highest in the Rural South (80.3%), Rural North (79.1%), Manukau North (75.8%), Rodney Southern Coastal (73.7%) and North Shore (71.8%) HMAs and lowest in the Manukau North West HMA (53.6%) and the Auckland isthmus HMAs, all of which, with the exception of the Auckland North East HMA (69.8%), had home ownership rates below 60%;
- Home ownership rates declined across all fourteen HMAs between 1996 and 2006, but with significant variation in terms of the percentage point fall. Home ownership rates fell by the most in the South Auckland HMAs, down in each by about 10 percentage points and in the Waitakere HMA, down by 8 percentage points, and by the least in the Auckland isthmus HMAs, all with the exception of the Auckland South East HMA, down by less than 5 percentage points;
- The number of owner occupier households increased in twelve of the fourteen HMAs over the 1996 to 2006 period and most quickly in the Auckland CBD (505.9%), Rodney Southern Coastal (27.6%), Pukekohe (24.4%), and Manukau North (23.6%) HMAs. In the Manukau North West (-10.8%) and Auckland South East (-2.8%) HMAs the number of owner occupier households fell over the period;
- The number of renter households grew in all fourteen HMAs between 1996 and 2006, most quickly in the Auckland CBD (559.9%), Manukau North (119.6%), Rodney Southern Coastal (79.4%), and Rural North (71%) HMAs and most slowly in the Auckland isthmus HMAs (with the exception of the CBD), the number of renter households in each growing by less than 25% over the decade. The Auckland CBD and Auckland South East HMAs are the only two housing markets where the number of renter households in 2006 was greater than the number of owner households;
- Auckland CBD stands apart as the most diverse of the housing markets defined, in particular the home ownership rate in this HMA is substantially lower than all the other HMAs at just 26.5% in 2006;
- Auckland CBD is also the only HMA where the housing market (both owner and renter) is dominated by multi-unit dwellings, however, in both Auckland North East and Auckland North West multi-unit dwellings house the majority of renter households;
- Auckland CBD in 2006 also had the youngest age profile, with the majority of households (69.1%) aged between 20 and 39 years. The majority of households in all other HMAs are more evenly spread across the age groups;
- Rodney Southern Coastal has the oldest age profile, whilst the majority (63.3%) of households are aged between 30 and 64 years, 29.5% of households are aged 65 years and over, significantly more than any other HMA;

- In terms of overall household growth over the past 10 years (1996 to 2006), most HMAs recorded an overall increase in households of between 10% and 30.7%. Manukau North, Rodney Southern Coastal and Pukekohe all had notably higher growth rates at 42.3%, 41.8% and 39.9% respectively, whilst the Auckland CBD recorded the highest overall growth rate of 463.3%;
- Dwelling size varied between each of the HMAs, this was largely linked to the household type, i.e. HMAs with higher proportions of couple with child(ren) households tended to have higher proportions of three and four-bedroom dwellings. One trend that was noted across the majority of HMAs was the increased growth in four-bedroom plus dwellings over the past 10 years;
- Households with higher income levels, i.e. in excess of \$70,000, experienced the most growth between 1996 and 2006 across all HMAs; and
- European households were the most numerous ethnic group across all HMAs¹²⁵. However, a notable trend across the vast majority of HMAs was that proportion of European households has been steadily declining. With the exception of Pukekohe, households where the reference person indicated Asian ethnicity experienced the largest percentage growth across all HMAs. In Pukekohe, Pacific people households experienced the largest percentage growth, followed by Asian households.

In summary, the 14 HMAs vary markedly in terms of household numbers and the rate of household growth over the last decade. While the demographic structure of each of the 14 HMAs is similar in many respects, each has their distinct characteristics, which in turn shape housing demand and housing consumption in the HMA. The most obvious demographic differences relate to the type and age of households, and their size, which in turn links to dwelling size. Another key area of difference between the HMAs is around household income with household income a key determinant of household tenure. Specifically in terms of tenure there are significant differences between the HMAs in terms of home ownership rates and also in terms of the rate of change in home ownership rates over the last decade.

4.3 Household Projections

The objective of this section is to present household growth projections for each of the 14 HMAs. Table 4.1 presents household projections for the 14 defined Auckland housing market areas at five year rests between 2006 and 2026. Note these are Statistics New Zealand's projections and are not Darroch's demand forecasts as presented in Chapter 10. Statistics New Zealand's projections are presented here for illustrative purposes only.

¹²⁵ Ethnicity is defined in terms of the ethnic group that the dwelling reference person identifies with. For this reason caution needs to be exercised in the interpretation of household ethnicity data. Also, the ethnicity question is one of several census questions in which people may provide more than one response.

Table 4.1: Household Projections by HMA 2006 to 2026

HMA	2006e	2011p	2016p	2021p	2026p	Change 2006 to 2026	
						No	%
Rural North	20,916	23,340	25,610	27,840	30,130	9,214	44.1%
Rodney Southern Coastal	14,889	16,620	18,430	20,270	22,180	7,291	49.0%
North Shore	72,111	78,500	85,260	92,420	99,470	27,359	37.9%
Waitakere	58,674	65,160	71,690	78,210	84,800	26,126	44.5%
Auckland CBD	9,531	12,870	16,650	20,620	25,120	15,589	163.6%
Auckland North East	31,311	33,830	36,540	39,160	41,710	10,399	33.2%
Auckland North West	43,707	47,350	51,230	54,930	58,630	14,923	34.1%
Auckland South East	17,595	19,430	21,490	23,470	25,480	7,885	44.8%
Auckland South West	37,065	40,240	43,110	45,800	48,420	11,355	30.6%
Manukau North	37,464	44,130	51,200	57,570	63,630	26,166	69.8%
Manukau North West	37,464	40,700	46,670	51,640	55,520	18,056	48.2%
Manurewa & Papakura	31,758	35,340	38,230	41,150	44,120	12,362	38.9%
Pukekohe	5,928	6,780	7,510	8,220	9,030	3,102	52.3%
Rural South	13,434	14,970	16,680	18,220	19,740	6,306	46.9%
All 14 HMAs	431,847	479,260	530,300	579,520	627,980	196,133	45.4%

Source: Statistics New Zealand

The largest percentage growth in households between 2006 and 2026 is expected to occur within the Auckland CBD HMA where the number of households is projected to more than double over the next 20 years. The largest absolute growth in households between 2006 and 2026 is expected to occur within the North Shore HMA where the number of households is projected to increase by 27,359, followed by Manukau North (26,166) and Waitakere (26,126).

The lowest percentage growth in households between 2006 and 2026 is expected to occur within the Auckland South West HMA where the number of households is projected to increase by just under one third over the next 20 years, whilst the lowest absolute growth in households between 2006 and 2026 is expected to occur in the Pukekohe HMA where the number of households is projected to increase by just 3,102.

5.0 Labour and Employment Market Trends and Projections

5.1 Introduction

In Section 5 of Chapter 3, employment location as the key determinant of households' location choices under traditional neo-classical models of urban form was discussed. Also discussed was the way in which significant economic, social, and technological change over the last thirty years has weakened this relationship. Today employment location is just one factor, along with a number of others, that households consider when making their housing location choices.

Labour market and employment trends and location nonetheless still warrant specific consideration. Labour force participation and employment type and occupational structure are key determinants of household income levels, which in turn shape the ability of households to consume housing. It is important therefore to understand labour market engagement in the housing market area, as well as the mix and location of higher and lower paid jobs in the area. In addition it is important to understand a housing market's workplace geography, or where people live and where they work. Workplace geography has significant implications in terms of infrastructure provision, and in particular transport infrastructure provision. Finally, it is crucial to understand the type and location of projected employment growth in a housing market area and the implications of that growth for housing demand.

This chapter has three key objectives. Firstly, to understand recent labour market and employment developments in the region by looking at labour market trends and employment trends by sector, occupational group and location. Secondly, to consider the employment growth projected for the housing market areas in the period out to 2026. Thirdly, to consider the implications of the employment growth projected for future housing demand in the 14 housing market areas.

The chapter is structured in the following way:

- Labour market engagement;
- Employment trends by occupational group;
- Employment trends by employment node;
- Workplace geography patterns;
- Projected employment growth by industry sector, occupational group and location; and
- Implications of projected employment growth for housing demand.

5.2 Labour Market Engagement

In this section we consider labour market engagement in the Auckland region and in the 14 housing market areas. Labour force participation rates have important implications for the distribution of income and are an important indicator of the ability of individuals and households within an area to meet their housing needs without assistance.

Table 5.1 shows the level of labour market engagement by HMA for those aged 15 years of age and over as at the 2006 Census¹²⁶. It also shows the percentage of the labour force unemployed as at the 2006 Census.

Table 5.1: Labour Force Status by HMA as at 2006

HMA	Number of People Aged 15 Years of Age and Over					Labour Force Participation Rate (%)	% of Labour Force Unemployed
	Employed Full-time	Employed Part-time	Unemployed	Total Labour Force	Not in the Labour Force		
Rural North	23,181	7,404	1,011	31,605	11,973	72.5%	3.2%
Rodney Sthrn	13,830	4,452	717	18,999	10,893	63.6%	3.8%
North Shore	84,201	24,678	4,938	113,799	47,556	70.5%	4.3%
Waitakere	66,306	16,950	5,181	88,431	39,966	68.9%	5.9%
Auckland NW	54,168	13,518	3,396	71,082	25,950	73.3%	4.8%
Auckland SW	41,061	11,043	3,825	55,920	30,096	65.0%	6.8%
Auckland CBD	7,593	2,109	1,152	10,857	5,772	65.3%	10.6%
Auckland NE	34,800	9,876	1,611	46,284	19,629	70.2%	3.5%
Auckland SE	19,812	4,344	2,058	26,226	13,893	65.4%	7.8%
Manukau NW	42,372	9,609	5,415	57,405	34,053	62.8%	9.4%
Manukau Nth	45,870	13,080	2,832	61,803	27,450	69.3%	4.6%
Man & Pap	36,210	8,037	3,813	48,081	24,315	66.4%	7.9%
Pukekohe	6,402	1,605	444	8,445	3,663	69.7%	5.3%
Rural South	16,089	4,557	669	21,312	7,359	74.3%	3.1%
All 14 HMAs	491,895	131,262	37,062	660,249	302,568	68.6%	5.6%

Source: Statistics New Zealand, Census 2006

Labour force participation is highest amongst those aged 15 years of age and older living in the Rural South (74.3%), Auckland North West (73.3%), Rural North (72.5%), and North Shore (70.5%) and lowest amongst those living in the Manukau North West (62.8%), Rodney Southern Coastal (63.6%), Auckland South West (65.0%) and the Auckland CBD (65.3%). The percentage of the labour force unemployed was highest in the Auckland CBD, Manukau North West (9.4%), Manurewa and Papakura (7.9%) and Auckland South East (7.8%).

In summary, there are five HMAs characterised by a lower than average labour force participation rate and a higher than average percentage of their labour force unemployment. They are the Auckland South West, Auckland CBD, Auckland South East, Manukau North West, and Manurewa and Papakura HMAs. This implies that the households in those HMAs are likely to have greater difficulty meeting their housing needs without assistance.

¹²⁶ Persons not in the labour force include students who are not engaged in or pursuing employment, retired people, those with family responsibilities and those unable to work.

5.3 Employment by Occupational Structure

In this section we consider the occupational structure of the Auckland economy and employment growth trends by occupation. Occupational structure has an influence on individual and household income and consequently households' ability to afford different types of housing by tenure, dwelling size and type. Table 5.2 presents employment by the key occupation groups¹²⁷ in the Auckland region as at the 1996 and 2006 Censuses.

Table 5.2: Auckland Region – Occupational Structure 1996 and 2006

Occupational Group	1996		2006		Change 1996 to 2006	
	Number	%	Number	%	Number	%
Legislators, Administrators and Managers	68,481	14.0%	106,377	16.9%	37,896	55.3%
Professionals	59,589	12.2%	103,122	16.4%	43,533	73.1%
Technicians and Associate Professionals	62,097	12.7%	88,932	14.2%	26,835	43.2%
Clerks	76,431	15.7%	77,916	12.4%	1,485	1.9%
Service and Sales Workers	64,743	13.3%	79,203	12.6%	14,460	22.3%
Agriculture and Fishery Workers	13,557	2.8%	12,174	1.9%	-1,383	-10.2%
Trade Workers	48,051	9.8%	51,672	8.2%	3,621	7.5%
Plant & Machine Operators & Assemblers	35,754	7.3%	39,408	6.3%	3,654	10.2%
Labourers & Elementary Service Workers	31,863	6.5%	35,022	5.6%	3,159	9.9%
Not Elsewhere Included	27,768	5.7%	34,014	5.4%	6,246	22.5%
Total Occupation	488,328	100.0%	627,834	100.0%	139,506	28.6%

Source: Statistics New Zealand 1996 and 2006 Census, NZSC099 Classification.

The key occupational groups in the Auckland region as at the 2006 census were legislators, administrators and managers (16.9% of total employment), professionals (16.4%), technicians and associate professionals (14.2%) and service and sales workers (12.6%). Over the 1996 to 2006 period employment growth was strongest for professionals (73.1%), legislators, administrators and managers (55.3%) and technicians and associate professionals (43.2%) and weakest for clerks (1.9%) and trade workers (7.5%).

In summary, a trend of much stronger employment growth in higher skilled occupations implies higher average incomes and improved affordability and reduced financial stress. However, in the face of very significant dwelling price increases in the Auckland region over the 1996 to 2006 period, the opposite has in fact occurred, that is, affordability has deteriorated and financial housing stress has increased.

Occupational structure can be presented as a location quotient to show the type of occupations that people who work and live in an area are either over or under-represented in. Table 5.3 presents this analysis for the 14 HMAs. A score greater than one indicates a relative concentration of people in the particular occupational group living in a HMA compared to the Auckland region, while a score less than one indicates that a particular occupation, in terms of people living in the HMA, is under-represented compared to the Auckland region.

¹²⁷ Major occupation group for full and part time employed combined usually resident population count aged 15 years and over.

Table 5.3: Occupation Location Quotients by Housing Market Area as at 2006

HMA	Manager	Profess	Tech & Trade	Comm. & Personal	Clerical	Sales	Machine Operator & Drivers	Labourers
Rural North	1.29	0.85	1.21	0.93	0.89	0.79	0.85	1.21
Rodney Southern	1.12	0.83	1.20	1.10	1.02	1.10	0.78	1.01
North Shore	1.11	1.11	0.94	1.08	1.05	1.06	0.61	0.76
Waitakere	0.83	0.84	1.23	1.07	1.05	1.03	1.14	1.14
Auckland Nth West	1.13	1.57	0.73	0.94	0.87	0.91	0.42	0.53
Auckland Sth West	0.84	1.02	0.99	1.01	1.05	1.09	1.04	1.00
Auckland CBD	1.00	1.26	0.61	1.63	0.91	1.17	0.24	0.59
Auckland Nth East	1.47	1.52	0.55	0.83	0.93	0.91	0.29	0.37
Auckland Sth East	0.65	0.73	1.12	1.04	0.92	0.93	1.71	1.57
Manukau Nth West	0.51	0.54	1.07	1.02	0.93	0.89	2.33	1.82
Manukau North	1.15	0.99	1.02	0.86	1.12	1.17	0.75	0.73
Manurewa & Pap	0.70	0.59	1.16	1.04	1.07	0.98	1.90	1.49
Pukekohe	0.97	0.70	1.18	0.95	0.90	0.97	1.44	1.60
Rural South	1.36	0.75	1.16	0.82	0.94	0.81	1.05	1.22

Source: Statistics New Zealand, Census 2006, ANZSCO Classification

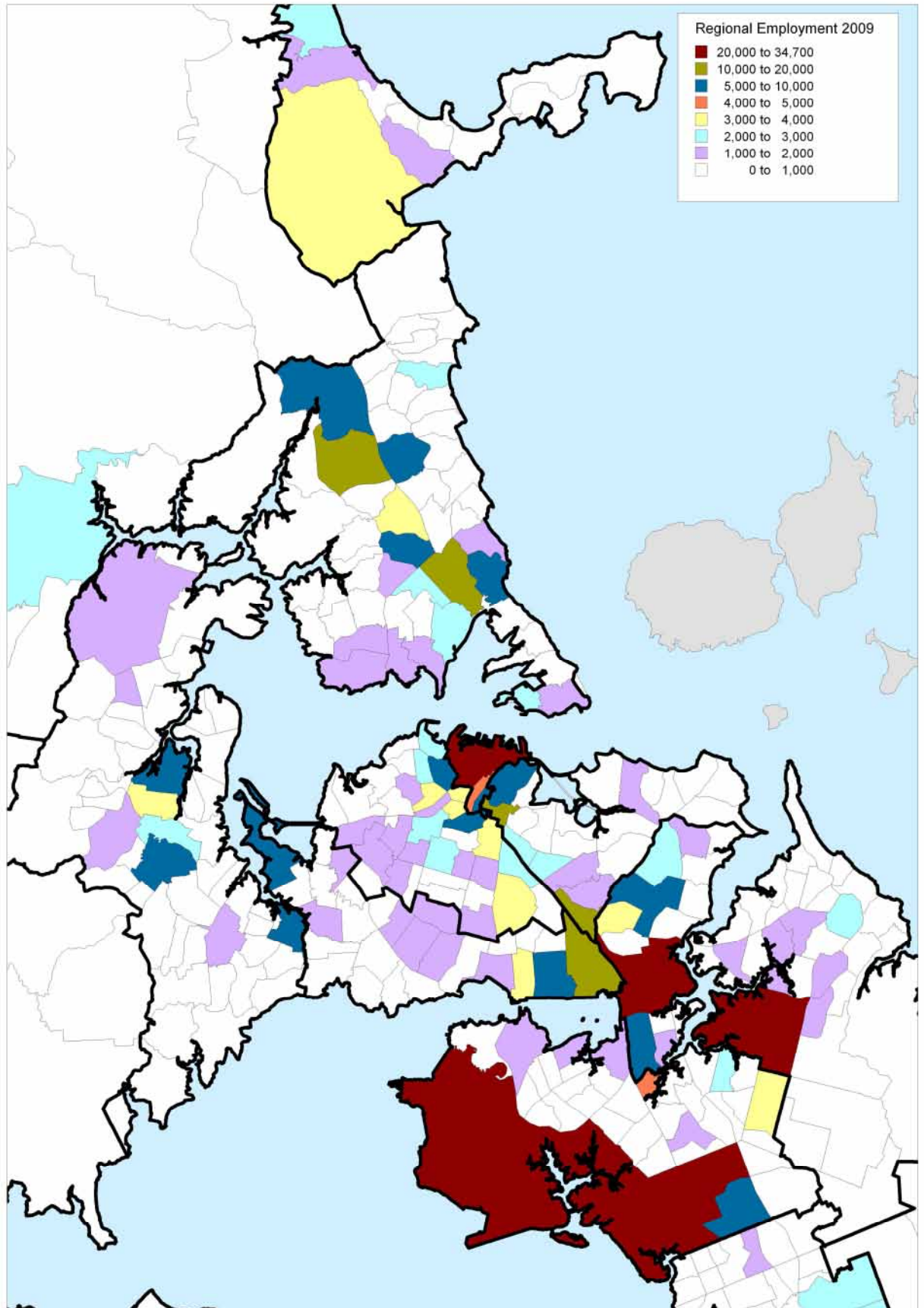
Managers and professionals are over-represented in the North Shore, Auckland North West, the Auckland CBD, and Auckland North East HMAs. Community and personal services, clerical and sales are over-represented in Rodney Southern Coastal, North Shore, Waitakere, and Auckland South West. Machine operators and drivers and labourers are over-represented in Waitakere, Auckland South East, Manukau North West, Manurewa and Papakura, Rural South, and Pukekohe.

5.4 Employment by Employment Node

In this section we consider employment and employment growth in the Auckland region by key employment nodes. The location of employment in a housing market and where people live has important implications in terms of households' housing location choices. As discussed in Section 5 in Chapter 3, however, employment location is now just one of a multiplicity of factors that households consider in terms of where they choose to live. Given this, the interrelationship between where people live and where they work, to a greater extent than ever before, has significant implications in terms of transport infrastructure provision.

Figure 5.1 presents the location of employment in the Auckland region as at February 2009. The boundaries on the map identify the 14 HMA areas.

Figure 5.1 Auckland Region – Spatial Distribution of Employment by HMA 2009



Employment and employment growth is typically concentrated in key employment nodes. From Figure 5.1 we have identified 12 key employment nodes based on employment concentration by area unit. Table 5.4 presents employment by these nodes as at February 2000 and February 2009¹²⁸.

Table 5.4: Employment Change by Employment Node 2000 to 2009

Employment Node	2000	2009	Absolute Change 2000 to 2009	% Change 2000 to 2009
Orewa/Silverdale	5,430	7,880	2,450	45.1%
Albany	12,970	28,530	15,560	120.0%
Wairau/Takapuna	33,810	34,250	440	1.3%
Henderson	15,410	19,770	4,360	28.3%
Rosebank/Avondale	14,060	15,220	1,160	8.3%
CBD	71,170	81,200	10,030	14.1%
CBD Fringe	64,380	71,700	7,320	11.4%
Greenlane	9,300	10,840	1,540	16.6%
Mt Wellington/Penrose/Onehunga	62,820	73,830	11,010	17.5%
Otahuhu	12,280	14,660	2,380	19.4%
Airport/Manukau Central	37,200	48,960	11,760	31.6%
East Tamaki	20,520	32,450	11,930	58.1%
Employment outside key nodes	156,033	179,576	23,543	15.0%
Auckland Region	515,383	618,866	103,483	20.1%

Source: Statistics New Zealand, BDS Database

In 2000 the twelve key employment nodes in the Auckland region accounted for 69.7% of all employment in the region. Over the 2000 to 2009 period almost 80% of employment growth in the region occurred in one of these twelve nodes with 65% of the region's growth focused on just six key nodes, namely: Albany (15,560), East Tamaki (11,930), Airport / Manukau Central (11,760), Mt Wellington Penrose / Onehunga (11,010), the CBD (10,030), and CBD Fringe (7,320).

In summary, HMAs with significant employment nodes in close proximity are the Auckland isthmus HMAs as well as the North Shore, Manukau North, Manukau North West, and Manurewa and Papakura HMAs while the Rural South, Rural North, Rodney Southern Coastal and Waitakere HMAs are relatively more removed from the key employment nodes.

¹²⁸ Auckland region employees, whose employment is not located in one of the 14 defined HMAs - the vast majority who work on Waiheke Island, are excluded from the total industry count. In 2000 that amounted to 1,767 employees and in 2009 to 2,564 employees.

5.5 Workplace Geography Patterns

The objective of this section is to provide an overview of the work place geography associated with the 14 housing market areas. Workplace geography looks at the relationship between a persons' place of residence and their place of work. This section should be read in conjunction with the work place employment maps that are presented in Appendix 4 (see Auckland Region Housing Market Assessment, Volume 2 - Appendices).

Tables 5.5 and 5.6 present for people in employment living in renter and owner occupier households the proportion in each housing market area working in the region's 12 key employment nodes (see Section 5.4). Tables 5.5 and 5.6 will not add to 100% because a certain percentage of each HMAs residents are working outside of any of the key employment nodes. Table 5.7 presents for people employed in each housing market area where they work by housing market area. The data in Tables 5.5 to 5.7 is sourced from the 2006 Census.

Table 5.5: Housing Market Area Residents (Renters) who are Employed by Place of Work (by Employment Node) 2006

Employment Node	HMA Residence													
	Rural North	Rodney Southn Coastal	North Shore	Waite	Akld CBD	Akld North East	Akld North West	Akld South East	Akld South West	Man -- North	Man - North West	Man & Papa	Puke	Rural South
Orewa/Silverdale	3%	28%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Albany	4%	9%	12%	2%	1%	1%	1%	0%	1%	0%	0%	0%	0%	0%
Wairau/Takapuna	3%	7%	21%	2%	2%	2%	2%	1%	1%	1%	0%	0%	0%	0%
Henderson	4%	0%	1%	14%	1%	1%	1%	1%	2%	0%	0%	0%	0%	0%
Rosebank/Avondale	1%	0%	1%	8%	0%	1%	1%	0%	5%	0%	1%	0%	0%	0%
CBD	3%	4%	11%	7%	44%	19%	22%	6%	10%	5%	3%	2%	1%	2%
CBD Fringe	4%	2%	6%	7%	19%	19%	24%	6%	12%	5%	3%	2%	0%	1%
Greenlane	0%	0%	1%	1%	1%	3%	2%	2%	2%	1%	1%	0%	0%	0%
Mt Wgtn/Penrose/Onehunga	1%	1%	3%	4%	4%	12%	6%	23%	13%	14%	12%	9%	3%	6%
Otahuhu	0%	0%	0%	1%	1%	2%	1%	5%	2%	2%	5%	3%	0%	1%
East Tamaki	0%	0%	1%	1%	0%	2%	1%	5%	2%	14%	9%	6%	2%	4%
Airport/Manukau Central	0%	0%	1%	2%	1%	3%	2%	5%	4%	7%	15%	15%	4%	7%
Total employed in a key node	24%	53%	58%	47%	75%	65%	66%	53%	52%	50%	49%	39%	11%	21%

Source: Statistics New Zealand, 2006 Census

Table 5.6: Housing Market Area Residents (Owner Occupiers) who are Employed by Place of Work (by Employment Node) 2006

Employment Node	HMA Residence													
	Rural North	Rodney Southn Coastal	North Shore	Waite	Akid CBD	Akid North East	Akid North West	Akid South East	Akid South West	Man -- North	Man - North West	Man & Papa	Puke	Rural South
Orewa/Silverdale	3%	28%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Albany	5%	9%	11%	2%	1%	1%	1%	1%	1%	0%	0%	0%	0%	0%
Wairau/Takapuna	3%	8%	20%	2%	2%	2%	2%	1%	2%	1%	0%	0%	0%	0%
Henderson	5%	1%	1%	13%	0%	1%	1%	1%	2%	0%	0%	0%	0%	0%
Rosebank/Avondale	2%	0%	1%	7%	0%	1%	1%	1%	5%	0%	1%	0%	0%	0%
CBD	4%	5%	11%	9%	42%	16%	17%	8%	11%	6%	4%	3%	2%	2%
CBD Fringe	4%	4%	8%	9%	17%	16%	23%	8%	13%	6%	4%	3%	1%	2%
Greenlane	1%	0%	1%	1%	1%	5%	4%	2%	2%	1%	1%	1%	0%	1%
Mt Wgtn/Penrose/Onehunga	3%	2%	3%	5%	5%	11%	7%	23%	11%	12%	13%	11%	4%	6%
Otahuhu	0%	0%	0%	1%	0%	1%	1%	5%	1%	2%	5%	3%	1%	2%
East Tamaki	0%	0%	1%	1%	1%	2%	1%	5%	2%	13%	8%	7%	2%	5%
Airport/Manukau Central	1%	1%	1%	2%	2%	3%	3%	5%	4%	7%	16%	15%	6%	8%
Total employed in a key node	30%	59%	59%	52%	72%	58%	63%	58%	55%	49%	54%	44%	17%	27%

Source: Statistics New Zealand, 2006 Census

Table 5.7: Housing Market Residents who are Employed by Place of Work (by Housing Market Area) 2006

HMA Employed	HMA Residence													
	Rural North	Rodney Southn Coastal	North Shore	Waite	Akld CBD	Akld North East	Akld North West	Akld South East	Akld South West	Man -- North	Man - North West	Man & Papa	Puke	Rural South
Rural North	41.6%	3.4%	0.6%	1.4%	0.1%	0.2%	0.2%	0.1%	0.3%	0.1%	0.1%	0.0%	0.0%	0.1%
Rodney Southern Coastal	3.2%	41.7%	0.9%	0.1%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
North Shore	10.1%	20.6%	52.8%	4.8%	4.3%	3.3%	4.6%	1.7%	2.8%	1.5%	0.9%	0.8%	0.1%	0.4%
Waitakere	8.6%	1.1%	1.6%	34.7%	0.9%	1.1%	2.8%	0.9%	5.8%	0.5%	0.7%	0.3%	0.1%	0.2%
Auckland CBD	4.7%	5.4%	12.3%	9.9%	49.8%	20.0%	22.3%	8.2%	13.4%	6.7%	4.0%	3.4%	1.9%	2.6%
Auckland North East	2.0%	1.5%	3.5%	3.6%	9.1%	31.7%	9.0%	10.3%	6.5%	5.5%	3.2%	2.9%	1.4%	2.1%
Auckland North West	3.6%	2.3%	4.9%	8.4%	10.5%	9.6%	29.9%	4.9%	13.7%	3.9%	3.2%	2.3%	0.6%	1.8%
Auckland South East	1.1%	1.1%	1.8%	2.4%	2.3%	7.4%	3.5%	25.6%	4.7%	10.1%	9.0%	6.9%	2.8%	4.0%
Auckland South West	3.1%	1.3%	2.3%	9.5%	3.1%	4.8%	6.6%	7.7%	23.8%	5.2%	7.4%	5.0%	1.5%	2.3%
Manukau North	0.3%	0.3%	0.6%	0.7%	0.8%	2.8%	1.3%	6.0%	1.6%	35.5%	7.8%	6.5%	2.1%	5.8%
Manukau North West	1.0%	0.9%	1.6%	2.7%	2.0%	4.5%	4.0%	8.6%	6.5%	11.6%	32.7%	20.8%	7.2%	10.3%
Manurewa and Papakura	0.0%	0.0%	0.2%	0.3%	0.0%	0.7%	0.4%	1.0%	0.5%	1.8%	2.8%	23.3%	4.8%	8.2%
Pukekohe	0.0%	0.0%	0.1%	0.1%	0.3%	0.2%	0.2%	0.1%	0.1%	0.2%	0.2%	0.7%	41.7%	5.8%
Rural South	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%	0.1%	0.2%	0.1%	0.6%	0.4%	2.7%	8.9%	35.5%
Other ¹²⁹	20.8%	20.5%	16.8%	21.2%	16.7%	13.4%	15.0%	24.6%	20.1%	16.9%	27.6%	24.3%	27.0%	21.0%

¹²⁹ Includes not further defined and outside the Auckland region.

A number of key patterns in terms of work-place geography are evident from Tables 5.5, 5.6 and 5.7.

First, the proportion of people working in key employment nodes varies significantly by HMA irrespective of whether people live in renter or owner occupier households. Typically HMAs on the Auckland isthmus, close to the key employment nodes, have much higher proportions, of people in employment working in the key employment nodes, between 55% and 75%, compared to non-isthmus HMAs, which typically have less than 50% of people in employment working in key employment nodes¹³⁰. Similarly, in general, the further a HMA is from the Auckland isthmus and the key employment nodes, the higher the proportion of people in that HMA who will live and work in it. HMAs on the Auckland isthmus for example, with the exception of the Auckland CBD, all have employment self-containment measures of between 25% and 30%. In comparison the urban edge HMAs typically have self-containment measures in the order of 40%.

Second, and without exception, it will be the HMA that a resident lives in that they are most likely to work in with the probability in terms of the 14 HMAs ranging from 23.3% (Manurewa and Papakura) to 52.8% (North Shore). Also, for employed residents in most HMAs, with a couple of key exceptions, if they are not working in their own HMA, they are most likely to be working in a HMA immediately adjacent.

Third, and notwithstanding the proximate pattern noted above a significant proportion of people do travel significant distances for their employment. The three most notable examples of this are the North Shore, Waitakere, and Manukau North HMAs which can be characterised as 'commuter' HMAs with strong employment links to the Auckland isthmus HMAs¹³¹. The main employment nodes, such as the Auckland CBD and CBD Fringe, largely as a function of their size therefore, have a much wider employment draw than the smaller employment nodes.

Fourth, in the majority of HMAs, with the exception of the CBD; Auckland North East; and Auckland North West; a greater proportion of employed people living in owner occupier households work in one of the key employment nodes in comparison to employed people living in renter households. Associated with this owner occupiers would appear to have a greater propensity to be employed in more distant employment nodes in comparison to renters.

Key workplace geography patterns specific to individual HMAs include¹³²:

- In the Rural North HMA just 24% of renters and 30% of owner occupiers are employed in a key employment node, most commonly Orewa / Silverdale, Albany, Henderson, Wairau / Takapuna, and the CBD / CBD Fringe. 41.6% of employed Rural North residents work in the HMA;
- In the Rodney Southern Coastal HMA 53% of renters and 59% of owner occupiers are employed in a key node. Of those employed in a key node, 53% of renters and 47% of owner occupiers work in Orewa / Silverdale, with other significant nodal concentrations in Albany, Wairau / Takapuna and the CBD / CBD Fringe. 41.7% of employed Rodney Southern Coastal residents work in the HMA;

¹³⁰ There are a couple of exceptions to this pattern, the North Shore City and Rodney Southern Coastal HMAs both have in excess of 50% of employed people in both renter and owner occupier households working in key employment nodes.

¹³¹ In this context Manukau North and Manukau North West can be with reference to the Auckland isthmus characterised as second tier 'commuter' HMAs.

¹³² The workplace geography patterns discussed are based on Tables 5.6, 5.7 and 5.8 as well as the work place geography maps presented for each HMA in Appendix 5.

- In the North Shore HMA 58% of renters and 59% of owner occupiers are employed in a key node. Of those employed in a key node, 36% of renters and 34% of owner occupiers work in Wairau / Takapuna, 29% of renters and 32% of owners occupiers work in the CBD / CBD Fringe and 21% of renters and 18% of owner occupiers work in the Albany employment node. 52.8% of employed North Shore residents work in the HMA;
- In the Waitakere HMA 47% of renters and 52% of owner occupiers are employed in a key node. Of those employed in a key node, 47% of renters and 38% of owner occupiers work in Rosebank / Avondale and 30% of renters and 35% of owner occupiers work in either the CBD or CBD Fringe employment nodes. 34.7% of employed Waitakere HMA residents work in the HMA;
- In the Auckland CBD HMA approximately 63% of renters and 59% of owner occupiers work in either the CBD or the CBD Fringe employment node and about 5% of each tenure work in the Mt Wellington / Penrose / Onehunga employment node. 49.8% of employed Auckland CBD residents work in the HMA;
- In the Auckland North East HMA 65% of renters and 58% of owner occupiers are employed in a key node. Of those employed in a key node, 58% of renters and 55% of owner occupiers work in either the CBD or the CBD Fringe and 18% of renters and 19% of owner occupiers work in the Mt Wellington / Penrose / Onehunga employment node. 31.7% of employed Auckland North East residents work in the HMA;
- In the Auckland North West HMA 66% of renters and 63% of owner occupiers are employed in a key node. Of those employed in a key node, 70% of renters and 63% of owner occupiers work in either the CBD or CBD Fringe and 9% of renters and 11% of owner occupiers work in the Mt Wellington / Penrose / Onehunga employment node. 29.9% of employed Auckland North West residents work in the HMA;
- In the Auckland South East HMA 53% of renters and 58% of owner occupiers are employed in a key node. Of those employed in a key node, 43% of renters and 40% of owner occupiers work in the Mt Wellington / Penrose / Onehunga employment node; 23% of renters and 40% of owner occupiers work in either the CBD or CBD Fringe nodes; and smaller concentrations in Otahuhu, East Tamaki and Airport / Manukau Central. 25.6% of employed Auckland South East residents work in the HMA;
- In the Auckland South West HMA 52% of renters and 55% of owner occupiers are employed in a key node. Of those employed in a key node, 42% of renters and 44% of owner occupiers work in either the CBD or CBD Fringe and 25% of renters and 20% of owner occupiers work in the Mt Wellington / Penrose / Onehunga employment node. 23.8% of employed Auckland South West residents work in the HMA;
- In the Manukau North HMA 50% of renters and 49% of owner occupiers are employed in a key node. Of those employed in a key node, 28% of renters and 24% of owner occupiers work in Mt Wellington / Penrose / Onehunga, 28% of renters and 26% of owner occupiers work in the East Tamaki employment node, and 20% of renters and 24% of owner occupiers work in either the CBD or CBD fringe employment nodes. 35.5% of employed Manukau North residents work in the HMA;
- In the Manukau North West HMA 49% of renters and 54% of owner occupiers are employed in a key node. Of those employed in a key node, 24% of both renters and owner occupiers work in Mt Wellington / Penrose / Onehunga, and 30% of both renters and owner occupiers work in the Airport / Manukau Central employment node. 32.7% of employed Manukau North West residents work in the HMA;

- In the Manurewa and Papakura HMAs just 39% of renters and 44% of owner occupiers are employed in a key node. Of those employed in a key node, 38% of renters and 34% of owner occupiers work in Airport / Manukau Central employment node, and 23% of renters and 25% of owner occupiers work in Mt Wellington / Penrose / Onehunga employment nodes. 23.3% of employed Manurewa and Papakura residents work in the HMA;
- Pukekohe is very much a rural centre with just 11% of renters and 17% of owner occupiers employed in a key node. 41.7% of employed Pukekohe residents work in the HMA; and
- In the Rural South HMA just 21% of renters and 27% of owner occupiers are employed in a key employment node, most commonly Mt Wellington / Penrose / Onehunga, East Tamaki, or Airport / Manukau Central. 35.5% of employed Rural South residents work in the HMA.

In conclusion, there are a couple of key patterns in terms of workplace geography. First, residential proximity to key employment nodes is the reality for a significant proportion of employed people, as is being able to work and live in the same HMA. Second, and notwithstanding the former, large proportions of people do travel significant distances to their place of employment. While local transport connections to local or proximate employment are important, so too for many people, are longer distance transport links and transport infrastructure. Transport solutions referenced to employment cannot therefore be a one size fits all, but must meet a multiplicity of needs, while at the same time acknowledging other trip motivators such as education, social etc.

5.6 Projected Employment Growth

The objective of this section is to consider projected employment growth in the Auckland region over the 2006 to 2026 period. The composition of employment growth is an important indicator of likely housing demand by housing market segment¹³³. The spatial distribution of employment growth can also be an important indicator of likely demand for new dwellings by different locations. It can also point to likely transport implications when the spatial characteristics of projected employment growth are matched against the spatial pattern of projected household growth.

The Auckland Regional Council has produced employment projections by TLA based on the ARC's low, medium and high population projections, as part of the Auckland Region Economic Futures work stream¹³⁴. The projections are not available at a level below TLA. The focus in this section, therefore, will be on employment projections at the TLA level.

Table 5.8 presents the medium baseline employment projections for the Auckland Region by industry sector at five yearly rests from 2006 to 2026.

¹³³ For instance, is growth projected to be dominated by medium and high income industry sectors (financial and insurance services, professional, scientific and technical services) and occupations (managers and professionals) or by lower income industry sectors (manufacturing, retail, administrative and support services) and occupations (clerical and administrative workers and labourers)?

¹³⁴ Auckland Regional Council, 2009b.

Table 5.8: Employment Projections by Sector 2006 to 2026

Sector	Employment (FTE)					2006 to 2026		
	2006a	2011p	2016p	2021p	2026p	Absolute Change	Share of Growth (%)	% Change
Agri., For., & Fishing	10,086	10,426	10,860	11,311	11,783	1,697	0.9%	16.8%
Mining	365	388	418	447	478	113	0.1%	31.0%
Manufacturing	90,783	96,742	102,352	108,659	115,509	24,726	12.6%	27.2%
Elec., Gas etc	2,013	2,200	2,395	2,591	2,791	778	0.4%	38.6%
Construction	40,845	39,516	41,195	42,226	42,726	1,881	1.0%	4.6%
Wholesale Trade	59,719	63,817	68,214	72,292	76,126	16,407	8.4%	27.5%
Retail Trade	71,226	78,866	87,667	96,227	104,990	33,764	17.3%	47.4%
Acc., & Food Services	25,127	28,308	32,529	36,281	40,687	15,560	8.0%	61.9%
Transport, Postal, Whsg	30,043	32,717	36,225	39,441	42,799	12,756	6.5%	42.5%
Media & Tele	13,372	14,607	15,619	16,731	17,952	4,580	2.3%	34.3%
Fin., & Insurance	23,201	23,547	23,938	24,138	24,220	1,019	0.5%	4.4%
Real Estate Services	10,771	10,506	10,240	9,871	9,443	-1,328	-0.7%	-12.3%
Business Services ¹³⁵	96,816	108,965	123,396	139,043	156,609	59,793	30.6%	61.8%
Public Administration	20,169	21,035	21,951	22,667	23,194	3,025	1.5%	15.0%
Education & Training	36,334	37,286	38,616	39,617	40,284	3,950	2.0%	10.9%
Health & Social	38,568	39,074	40,255	41,372	42,617	4,049	2.1%	10.5%
Arts & Rec. Services.	16,678	18,416	20,762	22,725	24,841	8,163	4.2%	48.9%
Other Services	15,496	16,554	17,774	18,964	20,174	4,678	2.4%	30.2%
Total Industry	601,612	642,970	694,406	744,603	797,223	195,611	100.0%	32.5%

Source: Horizon 2031, ARC 2008

It is projected that employment in the Auckland region will increase from 601,612 in 2006 to 797,223 in 2026. This represents an absolute increase of 195,611 or 32.5%. Employment growth over the period is projected to be relatively evenly distributed in absolute terms, with about 51,000 new jobs over each five year period, with the exception of the 2006 to 2011 period when growth is projected to be about 41,000. In percentage terms growth is projected to be 6.9% over the 2006 to 2011 period, and then decline slightly over each subsequent five year period, as labour force growth eases, from 8.0% over 2011 to 2016, to 7.2% over 2016 to 2021 and to 7.1% over 2021 to 2026.

Over the 2006 to 2026 period the structure of the Auckland economy is expected to be relatively unchanged and it is industries that are comparatively strong in the region and are of significant size that are projected to be the key drivers of growth¹³⁶. These industries include, business services, 62% growth in employment over the 2006 to 2026 period; retail trade, 47% growth; wholesale trade, 27% growth; and manufacturing, 27% growth.

¹³⁵ Comprises Professional, Scientific & technical as well as Administration and Support Services

¹³⁶ Auckland Regional Council, 2009b:6.

Table 5.9 presents the baseline employment projections for the Auckland Region by occupation as at 2026 and compares against actual employment in 2006.

Table 5.9: Employment Projections by Occupation 2006 and 2026

Occupation	Employment (FTE)		2006 to 2026		
	2006a	2026p	Absolute Change	Share of Growth (%)	% Change
Legislators, administrators, and managers	108,550	163,646	55,096	27.9%	50.8%
Professionals	98,199	149,741	51,542	26.1%	52.5%
Technicians & associated professionals	86,956	124,008	37,052	18.8%	42.6%
Clerks	78,482	76,278	-2,205	-1.1%	-2.8%
Service and sales workers	75,932	98,556	22,624	11.5%	29.8%
Agriculture and fishery workers	11,432	11,194	-239	-0.1%	-2.1%
Trades workers	51,387	56,234	4,847	2.5%	9.4%
Plant & machine operators, & assemblers	41,644	53,602	11,958	6.1%	28.7%
Elementary occupations	49,030	65,706	16,676	8.4%	34.0%
Total occupations	601,612	798,963	197,351	100.0%	32.8%

Source: Horizon 2031, ARC 2008

Growing demand for semi to highly skilled occupations is projected to drive employment growth¹³⁷. Three occupational groups legislators, administrators, and managers (27.9%), professionals (26.1%), and technicians and associated professionals (18.8%), are together projected to account for slightly less than 73% of the increase in employment in the region over the 2006 to 2026 period. Lower skilled occupational groups such as service and sales workers (11.5%), elementary occupations (8.4%), and plant and machine operators and assemblers (6.1%) are projected to make much smaller contributions to employment growth. Two occupational groups, clerks (-1.1%) and agriculture and fishery workers (-0.1%) are projected to experience absolute declines in employment. This projected pattern of much stronger employment growth in higher skilled occupations implies higher average incomes and potentially, although a number of other factors will influence actual outcomes, improved housing affordability and reduced financial housing stress.

¹³⁷ Auckland Regional Council, 2009b:5.

Table 5.10 presents the baseline employment projections for the Auckland region by territorial local authority as at 2026 and compares against actual employment in 2006¹³⁸.

Table 5.10: Employment Projections by Territorial Local Authority 2006 and 2026

TLA	2006a	2026p	Change 2006 to 2026	Share of Growth 2006 to 2026	% Change 2006 to 2026
Rodney	23,596	30,789	7,193	3.7%	30.5%
North Shore	81,563	103,563	22,000	11.2%	27.0%
Waitakere	45,750	58,631	12,881	6.6%	28.2%
Auckland	298,637	398,842	100,205	51.2%	33.6%
Manukau	121,198	166,888	45,690	23.4%	37.7%
Papakura	15,677	20,396	4,719	2.4%	30.1%
Franklin	15,191	18,113	2,922	1.5%	19.2%
Region	601,612	797,223	195,611	100.0%	32.5%

Source: Horizon 2031, ARC 2008

It is projected that employment growth over the 2006 to 2026 period will be focused on Auckland City TLA (51.2% of total growth), Manukau City TLA (23.4%), and North Shore City TLA (11.2%). The remaining four territorial local authorities (Rodney, Waitakere, Papakura and Franklin) are together projected to account for just slightly more than 14% of the region's employment growth over the period.

Both Manukau City TLA (29.5% to 23.4%) and North Shore City TLA (17.8% to 11.2%) are projected to see their share of regional employment growth fall over the 2006 to 2026 period in comparison to what they achieved over the 2000 to 2009 period. Rodney, Waitakere, Papakura and Franklin combined are projected to see their share of regional employment growth fall slightly from 16.6% over the 2000 to 2009 period to 14% over the 2006 to 2009. Auckland City TLA is projected to significantly increase its share of regional employment growth, from 36.1% over the 2000 to 2009 period, to 51.2% over the 2006 to 2026 period. In summary, employment growth over the 2006 to 2026 period is projected to be, more so than over the 2000 to 2009 period, focused on the urban core of the Auckland region, namely Auckland City TLA.

¹³⁸ Franklin District numbers include only those area units in the Auckland region.

Table 5.11 presents the absolute growth in employment by industry sector for the Auckland Region over the 2006 to 2026 period and each TLAs share of industry sector growth. Papakura and Franklin District, which account for just 2.4% and 1.5% respectively of the projected growth in employment in the Auckland region over the 2006 to 2026 period, are not shown.

Table 5.11: Employment Projections by Industry Sector and TLA Share 2006 to 2026

Sector	Regional growth 06 to 26	Rodney TLA	North Shore TLA	Waitakere TLA	Auckland TLA	Manukau TLA
Business Services	59,793	1.1%	10.6%	3.1%	72.0%	12.0%
Retail Trade	33,764	5.2%	15.9%	10.9%	36.5%	25.7%
Manufacturing	24,726	3.1%	10.6%	9.7%	34.2%	39.0%
Wholesale Trade	16,407	2.4%	14.1%	5.7%	47.8%	25.8%
Accommodation & Food Services	15,560	4.9%	8.9%	4.7%	59.6%	18.1%
Transport, Postal, Warehousing	12,756	2.2%	4.5%	2.7%	38.1%	50.0%
Arts & Recreation Services.	8,163	4.7%	10.8%	6.6%	61.5%	13.1%
Other Services	4,678	3.5%	10.2%	6.6%	53.1%	22.6%
Media and Telecommunications	4,580	1.5%	15.5%	3.0%	64.3%	14.9%
Health & Social Assistance	4,049	7.1%	15.9%	9.8%	25.8%	35.6%
Education & Training	3,950	4.3%	8.8%	9.0%	39.8%	34.2%
Public Administration	3,025	3.6%	15.3%	15.0%	34.7%	27.5%
Construction	1,881	41.9%	3.4%	36.5%	-9.6%	-16.0%
Agriculture, Forestry & Fishing	1,697	34.1%	2.2%	7.6%	5.8%	17.7%
Financial & Insurance Services	1,019	3.7%	7.5%	3.4%	61.1%	24.4%
Electricity, Gas, Water & Waste	778	2.1%	-0.1%	0.0%	59.1%	30.8%
Mining	113	22.6%	0.2%	0.0%	9.5%	15.3%
Real Estate Services	-1,328	4.7%	19.7%	7.2%	54.3%	8.4%
Total Industry	195,611	3.7%	11.2%	6.6%	51.2%	23.4%

Source: Horizon 2031, ARC 2008

Auckland City TLA accounts for a significant proportion of the projected employment growth in the region's largest growing sectors. This is especially the case in terms of business services (72% of regional growth), wholesale trade (48%), and accommodation food and services (59.6%).

A number of factors can be put forward to account for this evolving spatial pattern of employment growth projected for the region over the 2006 to 2026 period. Firstly, the sectors and occupational groups projected to experience the strongest gains in employment over the 2006 to 2026 period are already significantly over-represented in Auckland City TLA. For example 67% of Auckland region business services employment is already found in Auckland City TLA. Secondly, as available greenfields business land in Manukau City TLA and North Shore City TLA is developed the share of employment growth secured by those two TLAs will decline, and at the same time the rate of brownfields land redevelopment, which is likely to be focused on Auckland City TLA, will increase.

In summary, employment in the Auckland region over the 2006 to 2026 period is projected to increase by 195,611 or 32.5% with the growth relatively evenly spread over the period. It is projected that there will be much stronger employment growth in higher skilled occupations which implies higher average incomes and, other things being equal, improved housing affordability and reduced financial housing stress. Spatially, employment growth over the 2006 to 2026 period is projected to be, more so than over the 2000 to 2009 period, focused on the urban core of the Auckland region, namely Auckland City TLA.

5.7 Projected Employment Growth and Housing Demand

The objective of this section is to consider possible implications of the employment growth projected on housing demand. There would appear to be two key issues for housing demand in the Auckland region given the type of employment growth projected for the Auckland region over the 2006 to 2026 period. First, how does the type of employment growth projected match anticipated labour force composition changes? Second, what are the implications for Auckland region housing demand of the spatial distribution of projected employment growth? Each of these two issues will be considered.

In terms of employment growth by occupational type perhaps the key point is the concentration of employment growth in medium and higher skilled occupational groups. The employment growth projected for lower skilled occupations, by comparison, is much less. A much stronger increase, in relative terms, in the number of medium and higher skilled jobs in the region implies higher average incomes which should enhance households' ability to participate in the housing market and consume housing. While the type of employment growth projected for the Auckland region in the period to 2026 is likely to enhance the ability of middle and higher income households to participate in the housing market, the relative position of lower income households, however, could worsen.

The Auckland region's labour force in the period to 2026 is projected to become older and more ethnically diverse. A key driver of the increasing ethnic diversity of the workforce is the changing age structure of the region's population which over the next twenty years will be characterised by an ageing and slow growing European ethnic group, much younger and faster growing Maori and Pacific people ethnic groups, and a younger Asian ethnic group. Matching labour force growth with employment growth and the requirement for higher level skills has been identified by the ARC as a challenge for the Auckland region economy moving forward¹³⁹. A failure to up-skill the labour force is likely to have implications both for the economic growth rate able to be achieved by the regional economy, and for the ability of those with lower skill sets to raise average household incomes and participate in the housing market.

¹³⁹ Auckland Regional Council, 2009b:30.

The second key issue for Auckland region housing demand arises out of the spatial distribution of employment growth. One of the key challenges facing the Auckland region over the next twenty years is the dislocation of where household growth is expected to occur relative to the expected employment growth. Table 5.12 presents the projected growth in the number of households and employment growth by local authority boundaries between 2006 and 2026.

Table 5.12: Projected Household and Employment Growth by TLA 2006 to 2026

	Rodney	North Shore	Waitakere	Akld	Manukau	Papak	Franklin	Total All TLAs
Households								
2006	34,900	77,000	65,700	155,400	101,100	15,800	21,400	471,300
2026	51,900	106,000	94,400	220,200	156,000	21,600	31,500	681,600
Growth 06 to 26	17,000	29,000	28,700	64,800	54,900	5,800	10,100	210,300
% of Tot Growth	8.1%	13.8%	13.6%	30.8%	26.1%	2.8%	4.8%	
Employment								
2006	23,596	81,563	45,750	298,637	121,198	15,677	15,191	601612
2026	30,789	103,563	58,631	398,842	166,888	20,396	18,113	797222
Growth 06 to 26	7,193	22,000	12,881	100,205	45,690	4,719	2,922	195,610
% of Tot Growth	3.7%	11.2%	6.6%	51.2%	23.4%	2.4%	1.5%	
Difference	4.4%	2.5%	7.1%	-20.4%	2.7%	0.3%	3.3%	

Source: Statistics New Zealand and ARC

The pattern of employment growth will see an increased concentration of employment in the core part of the Auckland region, namely, Auckland City TLA. All TLAs in the Auckland region over the 2006 to 2026 period, with the exception of Auckland City TLA, are projected to secure a lower share of employment growth over the 2006 to 2026 period in comparison to the 2000 to 2009 period. Approximately 51% of the total employment growth is expected to occur within Auckland City's boundaries whereas 31% of household growth is expected to occur within the city's boundaries over the same time period. The increased concentration of employment growth in Auckland City TLA is tied largely to the type of employment growth anticipated, that is higher skilled business services sectors jobs, which gravitate and cluster in those parts of the urban region where similar jobs predominate and the requisite social, economic and transport infrastructure is in place.

The discrepancy between projected job growth and projected household growth on the Auckland isthmus has a number of important strategic implications. Firstly, the much stronger growth projected for higher skilled and high paid occupations is likely to increase the demand for isthmus housing, and in particular for standalone housing, potentially making it less affordable for lower paid workers. The Auckland South West and Auckland South East HMAs, where standalone dwelling prices are significantly below standalone dwelling prices in the Auckland North West and Auckland North East HMAs, are likely to be the HMAs most impacted by this increased competition.

A second key implication of the discrepancy between the projected job growth and projected household growth on the Auckland isthmus is the likely significant increase in the number of people commuting into Auckland City TLA for employment. This could potentially strengthen the case for further public transport infrastructure investment¹⁴⁰. In Section 5.6 three key commuter HMAs, North Shore, Waitakere and Manukau North were identified as having the strongest employment links to the Auckland isthmus HMAs. Table 5.12 indicates a significant discrepancy over the 2006 to 2026 period in Waitakere City TLA in particular, but also in North Shore City TLA between projected employment growth and projected household growth.

One potential issue, raised by a number of commentators around journey to work patterns, is the potential impact of a significant increase in transport costs and what this could mean for people's location preferences. Maclennan notes that "there is also just now emerging an understanding across cities that rising fuel and carbon costs and growing costs of infrastructure provision will create a new salience for accessibility and proximity for households and firms alike"¹⁴¹. He goes on to argue that likely rising fuel and transportation costs over the next couple of decades will have significant 'transformative' implications for metropolitan structure as well as for dwelling size¹⁴². Assuming such a 'transformative' change our expectation would be that as transport costs increase people will increasingly choose to live closer to their place of work than hitherto has been the case. A significant increase in transport costs could result in much stronger growth in demand for dwellings within an easy commute of the significant employment nodes than has been projected.

Historically, households have traded-off dwelling price and location against transportation costs, with transportation costs historically conceptualised in terms of cost to and from the main 'bread-winners' employment location, but more recently thought of in terms of the residential location which, all other things being equal, optimises dwelling costs against accessibility cost to a multiplicity of urban amenities used by the household. It will be interesting to see whether we are in fact entering a truly transformative period where the increase in transport costs is so great as to re-order the traditional trade-offs households have made between residential location and their transport costs.

¹⁴⁰ In Section 6.3 a range of transport infrastructure initiatives are considered. One of the key objectives of these transport initiatives is to significantly improve the connectivity between place of residence and key employment nodes in the region.

¹⁴¹ Maclennan, D:3.

¹⁴² Maclennan, D. 2009:14.

6.0 Strategic Issues

6.1 Introduction

Future housing provision is not something that can be planned for in isolation, it must be considered as part of wider community and regional planning. It is important to identify and establish the relationship between future housing provision and the strategic environment within which the housing market operates. The aim of this chapter is to consider four key strategic issues in the Auckland region, namely: land use management; transport strategy and infrastructure; wastewater, storm water and water services infrastructure; and dwelling development capacity. Each of these issues influences not only housing supply, but also households' location choices and housing consumption.

Land use management and planning is a key factor in housing markets because it determines where residential development can occur and of what type. In terms of understanding the capacity of different parts of the housing market to accommodate growth it is important to know, what development is possible or permitted, and where. Land use patterns and transport infrastructure provision are closely linked. Where people travel to and from in a region being largely determined by land use patterns; with decisions on proposed land use directly impacting on transport and vice versa¹⁴³ Transport infrastructure therefore plays a critical role in households' location choices and the way in which an urban area develops and evolves spatially. The timing of future wastewater, storm water and water services infrastructure is a key determinant of when land earmarked for development will be available.

Dwelling development capacity, where it is located and when it is available, reflects all of the aforementioned strategic planning and infrastructure issues as well as land owner intentions and aspirations. Also, in the context of this study the dwelling capacity estimates presented in Section 5 of the chapter are a key input in our modelling of HMA demand-supply balances, which are presented in Chapter 10.

This chapter is structured in the following way:

- Land use management and planning;
- Transport strategy and infrastructure;
- Wastewater, storm water and water services infrastructure; and
- Dwelling capacity.

Additional supporting information on strategic issues is found in Appendices 5, 6 and 7 (see Auckland Housing Market Assessment, Volume 2 - Appendices). Appendix 5 provides more detailed information on residential land use management in the region. Appendix 6 provides more detailed information on transport strategy and infrastructure issues. Appendix 7 provides more detailed information on the development capacity estimates used.

¹⁴³ Auckland Regional Council, 2010:48.

6.2 Land Use Management

6.2.1 Introduction

The key objective of this section is to provide a brief overview of the region's residential land use management regime. In addition this section will consider some of the implications of that management regime for housing in the region.

Additional supporting information on the Auckland Regional Growth Strategy and greater detail on each TLAs District Plan documents in terms of residential regulations and related development controls can be found in Appendix 5 (see Auckland Region Housing Market Assessment, Volume 2 - Appendices). Appendix 5 also reviews, for each of the seven territorial authorities that currently make up the Auckland region, recent plan changes in their jurisdictions that may impact future residential development.

Under the changes to Auckland governance all existing local government planning functions will be consolidated into a single organisation. Existing District and Regional Plans will have the same legal status as they do currently when the new Auckland Council comes into effect and will continue to do so until they are replaced. Plan Changes and Variations begun by existing Auckland local authorities will continue to have effect when the new Auckland Council comes into existence. The new Auckland Council will develop a spatial plan for the Auckland Council area setting out how Auckland may develop in the future, broad objectives for land use, transport and other infrastructure and environmental management. The plan would identify residential, business and industrial activities in a similar fashion to existing plans and would need to go through a public consultation process before it can be adopted by the new Council.

6.2.2 Auckland Region Land Use Regime

Under the existing Auckland governance structure, the District Plan is a TLAs primary tool for managing land use throughout its city / district. Its main purpose is to maintain and enhance amenity values of neighbourhoods and residential areas and of individual sites. This is achieved through a multi-zone approach and through the implementation of controls and constraints for each zone in order to mitigate the effects of any development on the environment. Another key objective of the District Plan is to recognise the different situations in which residential growth may occur. Thus the District Plan is an important tool for the implementation of any future provision of housing in the city / district.

There are many similarities between each of the seven District Plans – not only in terms of structure, but also in terms of the use of zoning regulations to differentiate areas allocated for residential development with varying levels of density and / or to protect areas of particular natural, heritage or cultural value. Not always referred to as 'zones', the terms 'environments', 'strategic management areas' and 'precincts' are also used in some of the District Plans, however, they are all utilised in the same way as a tool for the management of land use activities.

The controls and constraints put in place to manage development in identified residential 'zones' such as; maximum height controls and parking requirements; are also very similar across the District Plans. They set about to control development intensity and limit any adverse environmental effects on the surrounding areas. The specific development controls and constraints for permitted and controlled activities are teamed with rigorous assessment criteria and sometimes, particularly in the case of high intensity integrated housing, such as high rise apartments, strict design guidelines are also required to be addressed.

Aside from the District Plan there are other strategic documents that also influence the location, type and nature of residential development and housing provision throughout the Auckland region, in particular the Auckland Regional Growth Strategy, but also TLA specific planning documents such as the Long Term Council Community Plans.

The Auckland Regional Growth Strategy (RGS) was produced in 1999 by the Auckland Regional Growth Forum and adopted by the region's territorial local authorities and regional council soon after. It provides a broad framework for the future direction of growth and development within the region. The growth concept underpinning the RGS is based on compact urban environments with greater emphasis on intensification than expansion, to avoid spreading the effects of urbanisation over a greater area, resulting in growth focused on a network of centres providing integrated communities offering a range of services and facilities connected by high quality passenger transport. This sees a shift in land use patterns towards a more compact urban form which focuses growth in more intensive mixed use centres along the northern, western and southern passenger transit corridors, as well as near main arterial roads.

Whilst intensification or 'building a compact city' is the central theme running through the Regional Growth Strategy, some expansion to the current metropolitan urban limits (MUL) in new greenfield areas is seen as necessary under the RGS to provide sufficient land and location choice for households and businesses alike. Within each District Plan the territorial authorities, where feasible, have identified areas for future growth that provided potential greenfield opportunities. These areas are managed in the preliminary 'pre-development' stage through the use of structure plans to ensure a holistic approach is taken to the development of the entire area and to avoid the ad hoc isolated pockets of development that have occurred in the past.

Before the RGS was implemented – change and development in the region was largely developer led. The intent of the RGS is to move Auckland away from a largely effects based approach to managing growth and development to a more holistic and sustainable approach. This approach to growth management issues highlights the importance and centrality of the infrastructure requirements needed to accommodate projected growth.

The current more structured and holistic approach means the councils are not only focused on which areas are zoned for what activities, but rather are looking at the development of entire towns and communities including infrastructure requirements (drainage, sewerage etc), social infrastructure requirements (schools, libraries etc), proximity to and provision of public transport facilities and roads. This more integrated approach to planning is required in order to facilitate the outcomes desired from the Regional Growth Strategy.

The seven territorial authorities that currently operate within the Auckland region all support the direction of the RGS and are committed to aligning their policies, including their District Plans, and funding to support and implement the Strategy. The key areas of focus for the local authorities, beyond District Plan provisions, are:

- Integrating rapid transit investment with transit-supportive higher density mixed land uses along the western, southern and northern transit corridors;
- Upgrading the storm water and waste water infrastructure within the existing urban area to provide intensification opportunities; and
- Providing or upgrading the social infrastructure to service new development areas.

Specifically in terms of District Plan changes, most over the past 10 years that impact residential land use are a reflection of the Regional Growth Strategy in that they either promote urban intensification, for example, making it easier for developers to proceed with higher density housing options around main centres and key transport routes; or promote a structured planning approach for those greenfield areas identified for future urban development. On balance it can be argued that plan changes which involve moving the MUL have progressed more rapidly than planning for the redevelopment of centres and providing for intensification. The Regional Growth Forum's evaluation of the Growth Strategy showed that since 1999 14% of residential development in the region has occurred outside of the MUL, and the MUL has been extended by 2,000 hectares since 1999.

6.2.3 Land Use Management Regime and Housing Implications

A significant amount of new housing will be required to meet new housing demand in the Auckland region over the next twenty years. Given the intent of the RGS the majority of this demand will need to be met within the existing urban area.

Whilst some of the plan changes implemented since 2000 have encouraged more intensive residential development in identified growth areas throughout the region through infill development, re-zoning for more intensive uses and through the creation of structure plans / concept plans for greenfield land; other plan changes, such as the introduction of heritage type restrictions in Auckland City TLA and North Shore City TLA have made intensification more difficult by invoking tighter controls and more involved planning processes, which ultimately make it harder to develop residential units.

Even ignoring the heritage measures the number of plan changes since 2000 to facilitate new supply within the existing urban area has been limited. The Regional Growth Strategy envisaged considerable intensification around transport corridors and town centres. In reality, however, plan changes to facilitate such development have been relatively minor.

In 2007 the Auckland Regional Growth Forum undertook a comprehensive evaluation of the Regional Growth Strategy¹⁴⁴. Whilst the evaluation showed that the Regional Growth Strategy has correctly anticipated a market shift towards medium and higher density living, much of the development has occurred outside identified growth centres and has been located in business zones or in attractive areas of high amenity, areas with views or proximity to open space or water¹⁴⁵. The evaluation identified a range of challenges including barriers to comprehensive quality centre-based development - such as current planning and approval processes and infrastructure constraints, limited good development examples, community opposition, limited tools and uncertainty as to the sequencing and nature of future growth and investment.

Whilst there is a requirement at a regional level to give effect to the Regional Growth Strategy within each District Plan, essentially they are formulated at a local city / district level which has arguably led to disjointed land use planning across the region as a whole, particularly when it comes to the distribution of residential intensification across the urban areas. Under the existing governance structure the 'NIMBY' (not in my backyard) syndrome is a factor, in that whilst all territorial local authorities acknowledge and support the Regional Growth Strategy, few, with the exception of Auckland City TLA in the CBD, have been pro-active in facilitating intensive development within their boundaries. The evaluation also acknowledged that the seeming lack of regulatory response to the requirements of the Regional Growth Strategy may reflect long policy development windows rather than a lack of will on the part of local authorities.

In summary, the RGS was agreed during the late 1990s with the goal of creating a more compact, intensively developed and sustainable urban area; one where growth would be focused around growth nodes and transport corridors. Since that time, while there has been an increase in more intense forms of residential development, lower density housing developments remain the dominant form. Whilst some plan changes implemented over the last decade have encouraged more intensive residential development in identified growth areas much of the higher density development undertaken has been relatively piecemeal, fragmented and uncoordinated, or in the Auckland CBD¹⁴⁶. In addition a significant proportion of the higher density development undertaken has been of relatively poor quality and amenity, some of which has had 'leaking building' issues, and in terms of market segment has been oriented to the investor market. While the intent of the RGS is to house more people in higher density dwellings there is a sense that people's housing type preferences remain firmly orientated towards lower density options.

The Auckland Regional Growth Forum's 2007 review of the RGS recommended a range of actions that it hoped would facilitate implementation of the RGS in a manner such that the objectives of the RGS were met. These actions included: identifying priority areas for implementation; refining the classification of centres, business areas and corridors; completing plan changes; developing and trialing new approaches to encourage quality residential and business intensification and large-scale urban transformation; coordinating infrastructure planning and investment; improving communication, monitoring and information sharing.

¹⁴⁴ Regional Growth Forum, 2007.

¹⁴⁵ Statistics New Zealand in a 2009 report titled 'Mapping Trends in the Auckland Region' reached similar conclusions. It noted that while there has been some, but not significant population growth in town centres or near transport corridors, infill and greenfield housing development have been the most popular methods to facilitate population growth since the inception of the RGS.

¹⁴⁶ Motu Economic and Public Policy Research, 2008 in a report to the Centre for Housing Research state that apart from the CBD there is little evidence of a relative increase in overall development in growth nodes over and above what was occurring already prior to the adoption of the RGS.

The new governance arrangements currently being transitioned in the Auckland region should streamline TLAs plans, specifically through the proposed Regional Spatial Plan, which should address some of the issues outlined by the Forum's review and ideally encourage more intensive development. In addition other government reforms to the Resource Management Act, the Local Government Act and Building Act should assist in simplifying the regulatory and planning environment and also, ideally, encourage more intensive development. Whether the NIMBY syndrome becomes less of an issue under the new Auckland Council will become apparent only with time. The RMA, however, will still require, as in the past, consultation with communities.

Of particular interest will be the approach of the new Auckland Council to the heritage restrictions currently in place in some parts of the region. In addition the issue of how to bring together sufficiently large blocks of land in and around growth centres and growth corridors to enable the comprehensive redevelopment and intensification envisaged by the RGS to occur remains as yet unanswered. A key tool in many overseas jurisdictions to facilitate comprehensive urban redevelopment has been the ability of government, where deemed necessary, to compulsory purchase key strategic sites. To date this approach has been given very little consideration in the Auckland context. It is one that perhaps needs to be given serious consideration.

6.3 Transport Strategy and Infrastructure

6.3.1 Introduction

Transport strategy and infrastructure play a key role in not only an urban areas economy, but also in households' location choices and the way in which an urban area develops and evolves spatially. The Auckland Regional Land Transport Strategy (ARLTS) notes that while for quality of life Auckland consistently ranks in the top 10 OECD cities, in respect of infrastructure provision, Auckland ranks in the bottom group at 46¹⁴⁷. The ARLTS goes on to say that business surveys report that transport is the number one issue of concern for more than 90% of businesses and that other surveys of people living in Auckland consistently report traffic congestion, poor public transport and air pollution caused by traffic as main concerns.

It can be argued the complex interactions between housing demand and supply, the location of employment and other amenities such as schools and hospitals can best be addressed by good transport connections. The proximity of and access to major road and motorway networks and the availability of public transport are important considerations for households considering a residential location. Transport infrastructure therefore is an important part of future housing provision. The availability of the requisite transport infrastructure in an area can act to encourage residential development, while equally, its absence, can constrain residential development. As noted in the introduction to this chapter transport infrastructure and land use planning are closely linked with land use planning in Auckland, up until relatively recently, tending to reinforce patterns of transport demand that are heavily reliant on cars¹⁴⁸.

This section has two key objectives. The first is to provide an overview of transport strategy and transport infrastructure issues in the Auckland region. The second is to consider at a HMA scale, the housing market implications of the key transport infrastructure changes and improvements planned. Supporting information on planned transport infrastructure provision in the region can be found in Appendix 6 (see Auckland Region Housing Market Assessment, Volume 2 - Appendices).

6.3.2 Transport Strategy and Infrastructure in the Auckland Region

In the Auckland region the Auckland Regional Council is responsible for preparing the regional land transport strategy. A range of other agencies are involved in transport planning, funding and delivery. The Auckland Regional Transport Authority (ARTA) is responsible for the integrated planning and funding of transport (excluding State Highways) throughout the Auckland region. The NZ Transport Agency (NZTA) is responsible for firstly; land transport funding and promoting safety and sustainability, and secondly; for planning, managing and developing the state highways. The seven territorial local authorities in the region are responsible for managing and developing local transport infrastructure.

¹⁴⁷ Auckland Regional Council, 2010:7.

¹⁴⁸ Auckland Regional Council, 2010:48.

Under the changes to Auckland governance all existing local government transport functions will be consolidated into a single organisation. This organisation would be a council-controlled organisation of the Auckland Council. The intention is that this will improve the speed and quality of transport decision-making in Auckland and ensure funding is able to be directed where it is most needed. Auckland Transport will manage the region's transport network with the exception of state highways, railways, off street parking facilities and airfields. Auckland Transport will also be responsible for functions traditionally performed by councils such as parking and traffic management, control of roads other than state highways and roading by-laws. The Auckland Council will influence regional transport priorities through the preparation of a new regional land transport strategy, the first of which must be prepared by November 2016.

The current regional transport strategy, Auckland Regional Land Transport Strategy 2010-2040, was finalised in mid 2010 and is shaped by the need for improvements to the region's transport infrastructure that will 'catch up' with the effects of past growth while catering for the expected future growth¹⁴⁹. The aim of the strategy is to develop a transport system which provides balanced levels of access, high reliability and safety, and where people and businesses have realistic choices about how and where they travel¹⁵⁰.

To achieve this aim the strategy will require: continued investment to complete the agreed strategic roading system, including giving greater attention to improving the efficiency of the network of arterial roads; and significantly greater investment in public transport (both infrastructure and services), walking, cycling, and behaviour change measures to counter long term under investment in these modes. The intention is that the investment in public transport, walking, cycling and behaviour change measures will limit growth in private car use and when combined with improvements to the road network will be more effective in reducing growth in congestion and supporting national economic growth and productivity than road investment alone. It is also intended that by providing greater balance, variety and choice to all parts of the region, the strategy will result in a transport system which is much more resilient than the current system.

The transport strategy is integrated with Auckland's land use strategy. Indeed the Auckland Regional Land Transport Strategy notes that integrating transport and land use planning lies at the heart of the Auckland Regional Growth Strategy and the Auckland Regional Policy Statement. It is intended that by concentrating household and employment growth, and high trip generating activities in particular, in centres and corridors, linked by high frequency public transport corridors and good walking and cycling connections where appropriate, will allow people to access opportunities with less need for travel, and will improve the feasibility of public transport.

The main components of the transport strategy are:

- Integrated transport ticketing and fares by 2012;
- Expanding the rapid transit network (RTN) and quality transit networks (QTN);
- Higher frequency of services on the RTN and QTN and improvements to the local connector network (LCN);
- Continuing growth in behaviour change initiatives;
- Expanding the road network;
- Widespread arterial road improvements with a focus on public transport and the regional strategic freight network (RSFN); and
- Walking and cycling infrastructure improvements.

¹⁴⁹ The Auckland Regional Transport Strategy 2010-2040 notes that freight volume trips are projected to double by 2020 (Auckland Regional Council, 2010:7).

¹⁵⁰ Auckland Regional Council, 2010: 8.

A rapid transit network (RTN) involves a passenger transport system with a high frequency, high quality service operating on a 'transport spine' that does not get held up by road traffic congestion.

A quality transit network (QTN) is intended to meet the future needs for cross-town travel, and travel to Auckland's CBD from areas not on the RTN. The QTN is intended to provide fast, high frequency and high quality passenger transport services between key centres. The QTN will mainly be based on major bus corridors with extensive bus priority measures, modern bus shelters, information and branded services.

6.3.3 Transport Infrastructure Developments by Housing Market Area

In this section we identify the key transport infrastructure projects either underway or proposed for the region and consider potential implications for each housing market area. Often a transport infrastructure project will have implications across a number of different HMAs, and some transport infrastructure projects will have region wide implications. For example, electrifying the Auckland region rail network, due to be completed by 2015, will have benefits across the region, as well as for specific HMAs.

The following is our understanding of the status of various projects as at the time of writing. It is important to appreciate that because of the transition currently underway to the new Auckland governance arrangements the priority given to specific projects and associated timing may change. Appendix 6 (see Auckland Region Housing Market Assessment, Volume 2 - Appendices) presents more detailed information about the key transport infrastructure projects planned in the Auckland region.

Rural North and Rodney Southern Coastal HMAs

There are two major roading projects planned for the northern part of the region over the next 10 to 15 years with implications for the Rural North and Rodney Southern Coastal HMAs. They are the Puhoi-Wellsford State Highway 1 extension and the Penlink Project.

The Puhoi-Wellsford SH1 extension is a natural progression of the recently completed Northern Gateway Toll Road from Orewa to Puhoi. The Government announced in March 2009 that this extension, which will run for 38 kilometres from Puhoi to Wellsford, was one of seven roads of national significance. Construction is planned to begin in 2014 and be completed by 2022. The four-lane extension should improve both travelling time and safety when travelling through Rodney District, and in particular should reduce the driving time from towns in the Rural North such as Warkworth / Snells Beach and Wellsford, to North Shore City TLA and Auckland City TLA. This should result in easier and faster commutes for those travelling in and out of the district for employment, and increase the relative attractiveness of the Rural North in particular, as a place to live.

The Penlink project proposes to provide a direct access road between the Whangaparaoa Peninsula and the Northern Motorway at Redvale via Stillwater. The Penlink project, once complete, should vastly improve the traffic flow to and from the Whangaparaoa Peninsula, Rodney Southern Coastal's most densely populated and fastest growing sub-area, and should consequently, further increase the desirability of this area as a place to live. A secondary consequence of the Penlink project will be that traffic flows past Silverdale will improve as fewer cars will need to travel along this route. This should increase the desirability of Silverdale, both as a residential location and for employment. The timing around the Penlink project, however, is uncertain following its priority downgrading by the new National Government in March 2009 and with the imminent consolidation of local transport responsibilities as part of the Auckland governance reforms.

In terms of public transport the Rodney District Council under its 2009-2019 LTCCP proposed to develop 'park and ride' stations at several locations in the District including Silverdale, Orewa, Whangaparaoa, Gulf Harbour, Kumeu / Huapai, Waimauku and Helensville. 'Park and rides' have, with the opening of the Northern Busway in 2008, been popular on the North Shore. Under the ARLTS, however, it is not planned to extend the Northern Busway to Orewa until the 2031 to 2040 period.

In summary, the completion of the Puhoi-Wellsford State Highway 1 upgrade should substantially improve the accessibility of the Rural North HMA to the rest of the region. Timing around the Penlink project, however, is uncertain and it may be the case that it does not get completed within the time period which is the focus of this housing market assessment (2006 to 2026). Once completed, however, the Penlink project should significantly improve the accessibility of the heavily populated Whangaparaoa Peninsula to employment nodes in North Shore City TLA, and further south, and therefore increase its appeal as a residential location.

Given the large number of people that live in Rodney District, but work outside the district, particularly on the North Shore and in Auckland City TLA, the 'park and ride' stations should increase the desirability of the district as a place to live for commuters, particularly those with a public transport preference and living in proximity to one of the stations. Table 5.8 in Section 6 in Chapter 5 showed that almost a third of employed people living in the Rodney Southern Coastal HMA and almost a quarter of employed people living in the Rural North HMA work in either North Shore City TLA or Auckland City TLA.

North Shore HMA

The key transport projects that will have an impact on the North Shore HMA over the next 10 to 15 years include planned additional cross-harbour ferry links to the Auckland CBD and a proposed new 'park and ride' bus station between the existing ones at Albany and Constellation Drive. In addition, under the ARLTS it is planned over the 2021 to 2030 period to extend the Northern Busway to Albany. The ARLTS also proposes developing the Henderson-Westgate-Albany bus connection as a QTN. The new ferry terminals, new 'park and ride' bus station, all scheduled to be completed before 2020, together with the existing ferry terminals and the Northern Busway extension, should increase the overall efficiency of public transport in the HMA, ease traffic congestion, and improve cross-harbour public transport connections. The overall impact of these public transport improvements should be to improve the connectivity of the HMA with Auckland City and therefore the attractiveness of the North Shore as a place to live.

The key roading project with implications for the North Shore HMA over the long term is a proposed second Waitemata Harbour crossing. However, in terms of timing, it is unlikely that a second Waitemata Harbour crossing would be completed before 2025 at the earliest, which places its impact largely outside of this assessments timeframe. A second Waitemata Harbour crossing is considered necessary as the existing Auckland Harbour Bridge is nearing capacity and the 'clippons' nearing the end of their life. Table 5.8 in Section 5 in Chapter 5 showed that almost a quarter of people in employment and living in the North Shore HMA work in Auckland City. Options for the new harbour crossing include rail lines and separate lanes for public transport and general traffic. This separation of public and private transport modes would greatly alleviate traffic congestion experienced while on public transport and increase the attractiveness of using this mode of transport. A final decision on the second Waitemata Harbour Crossing is scheduled for sometime during 2010.

In summary, a second Waitemata harbour crossing, while at least 15 years away, should when complete, significantly improve the accessibility of North Shore HMA households to the key regional employment hubs in Auckland City, and consequently, reinforce demand for dwellings in the HMA. In the period until 2025, however, it will be public transport initiatives such as additional cross-harbour ferry links, a new 'park and ride' station on Greville Road and possibly the extension of the Northern Busway to Albany that will drive North Shore HMA – Auckland City accessibility improvements.

One key infrastructure project in the context of the North Shore HMA is the Western Ring Route, one of the seven roads of national significance announced by the Government in early 2009. This project is a 48 kilometre motorway from Manukau to Albany scheduled to be completed by 2016, around Auckland City by-passing the CBD, connecting the South-Western (SH20), North-Western (SH16) and Upper Harbour (SH18) Highways. The Western Ring Route should significantly improve travel between Manukau and Albany via West Auckland. The improved accessibility of the North Shore HMA to key employment nodes in Auckland City, but in particular key employment nodes in Manukau City, should on balance increase the desirability of the North Shore HMA as a place to live. Finally, the completion of the Victoria Park Tunnel project in Auckland City (see Auckland City HMAs), scheduled to be finished by 2012, should improve North Shore to Auckland City commute times.

Waitakere HMA

There are two key roading projects that are likely to have significant implications for the Waitakere HMA over the next 10 to 15 years. They are the Waterview Connection and the State Highway 16 and 18 extensions. Both of these projects are key components of the Western Ring Route and should increase the overall connectivity and accessibility of the Waitakere HMA with the North Shore and South Auckland. The ARLTS also proposes developing the Henderson-Westgate-Albany bus connection as a QTN although the timing of this project is likely to be post our assessment timeframe.

The Waterview connection, scheduled for completion by 2016, is the last major component of the Western Ring Route that is not already under construction. The 5.5 kilometre motorway, construction of which is scheduled to commence in late 2011, will begin at the end of State Highway 20 in Mt Roskill and connect to State Highway 16 adjacent to the Great North Road via Mt Albert and Avondale. The State Highway 18 and 16 extensions will complete the section of the Western Ring Route that connects West Auckland and Albany. The State Highway 18 section of the Western Ring Route, connecting West Auckland to Albany, is nearly complete. The last part to be finished is the Hobsonville Deviation which is in two parts; one is a 6 kilometre, 4-lane motorway from the end of the North-Western Motorway at Hobsonville Road to the western end of Upper Harbour Bridge in Hobsonville and the other part is a 3 kilometre, 2-lane extension of the State Highway 16 North-Western Motorway from Hobsonville Road to Brigham Creek Road in Whenuapai. Construction is already underway on this stretch of motorway and is scheduled to be complete in 2012.

The completed Western Ring Route should create employment opportunities along the corridor and should enable more reliable and efficient transport of goods and services and improve travel times to Auckland International Airport. In addition it should provide better links between key industrial areas in Manukau, Auckland, Waitakere and North Shore. In terms of housing implications for the Waitakere HMA the Waterview Connection and State Highway extensions should improve the accessibility of Waitakere HMA residents to key employment nodes on the North Shore and in Manukau City, and as a consequence, increase the desirability of the Waitakere HMA as a residential location.

The other key transport projects that will have an impact on the Waitakere HMA, albeit not as significant as the two major roading projects, include the double tracking of the Western Rail Line and additional proposed 'park and ride' bus stations. The double tracking of the Western Rail Line which commenced in 2004 was completed in mid 2010. The completion of this project allows trains to travel frequently in both directions from Newmarket to Swanson, and will improve the frequency and reliability of the service and should reduce commuting times for those living in the Waitakere HMA and working in Auckland City. In Waitakere City there are currently two 'park and ride' facilities operating at Sturges Road and Sunnyvale. The Waitakere City Council is currently working towards 'park and ride' facilities at Swanson, New Lynn, Ranui, Henderson and Glen Eden.

In summary, the completion of the Western Ring Route connection should significantly enhance Waitakere's connectivity with key employment growth nodes in Manukau City and North Shore City. The double tracking of the Western Line along with the new 'park and ride' bus stations should significantly increase the overall efficiency of public transport in the HMA, ease traffic congestion, and significantly improve commuter links with Auckland City.

Auckland Isthmus HMAs

The three key roading projects with implications for the Auckland isthmus HMAs¹⁵¹ over the next 10 to 15 years are the Victoria Park Tunnel, the Central Connector and the Newmarket Viaduct upgrade.

The Victoria Park Tunnel will complete the central Auckland motorway network and is the key to easing the traffic congestion in the Victoria Park / St Marys Bay area, which is one of the worst congestion points in the Auckland region. In addition it will unlock the capacity of the recently completed Central Motorway Junction. Construction has already begun with the widening of the existing motorway through St Marys Bay with construction of the tunnel programmed to begin in 2010, with completion of the whole project scheduled for 2012.

¹⁵¹ Auckland CBD, Auckland North East, Auckland North West, Auckland South East and Auckland South West HMAs.

The Central Connector project, currently underway, entails the construction of a new 4 kilometre road between Britomart and Newmarket. This road will give priority to buses and should decrease travel times on public transport between the CBD and Newmarket as well as improving the connectivity of Auckland University, Auckland City Hospital and Auckland Domain with those two key nodes. The project is due to be completed at the end of 2010.

The Newmarket Viaduct upgrade project entails an upgrade of the Newmarket Viaduct as well as the provision of increased capacity on the southbound section of the Southern Motorway. An additional (fourth) southbound lane will be added to the Southern Motorway terminating at Greenlane. In addition there is also provision for an additional northbound lane. The project was started in 2008 and completion is expected in 2012.

The Victoria Park Tunnel, together with the Newmarket Viaduct Upgrade, should help travel times through Auckland City from the north and south and improve access to the central city and Newmarket. The benefits of the Central Connector project are more Auckland City specific. All three of these key projects should increase the flow of traffic through the city and access to key parts of the city.

Two other significant roading projects and one rail project that will have implications for the Auckland City HMAs over the short to medium term include: the Dominion Road widening; Neilson Street upgrade; Tiverton Road / Wolverson Street upgrade; and Onehunga Branch line re-instatement. Dominion Road is one of Auckland City's major arterial roads stretching from the CBD to Mt Roskill. The widening of Dominion Road which began in 2004 and is scheduled to be complete by 2016 should improve this key public transport route linking the Auckland City South West and Auckland City North West HMAs to the central city.

The Tiverton Road / Wolverson Street upgrade should strengthen the connection between Auckland and Waitakere cities and provide an improved link to the State Highway 20 extension for many living in the Auckland City South West HMA. The project is to be completed in two stages. The first, between Whitney Street and Blockhouse Bay Road, has been finished. The second stage is due to start in 2011 and involves widening of Wolverson Street and the rest of Tiverton Road to four lanes.

Work has begun on reopening the Onehunga branch railway line which has been closed since 1973. The line will be linked in with the existing Southern line. A new track is currently under construction with new signalling, power ducts, platforms and access and pedestrian mazes at all level crossings. New stations will be built in Onehunga on the old ITM site on the corner of Neilson Street and Onehunga Mall, Penrose, Te Papapa and later in Mt Smart. Construction started in late August 2009 and the branch line is expected to be opened during 2010. The Onehunga line when complete will open up the option of rail public transport access between parts of the Auckland City South West HMA and central Auckland. The extension of the rail line will increase the attractiveness for people to live in the area as there will be greater efficiency to travel around the region and into the city.

There is one other key transport project that could have a significant impact on the Auckland City HMAs over the longer term. It is the proposed CBD rail loop. However, in terms of timing it is unlikely that a CBD rail loop would be completed before 2021 at the earliest, which places its impact largely outside of this assessment's timeframe. The proposed link is currently under investigation by KiwiRail and the Auckland Regional Transport Authority with a study to be completed during the second half of 2010. The project proposes a 3.5 kilometre twin tracked tunnel that is 30 metres underground. The preferred alignment option announced in early 2010 has three station locations being Symonds Street / Khyber Pass Road (Newton); at Karangahape Road / Pitt Street (Karangahape Road); and at Albert Street / Wellesley Street (Aotea). A rail loop around the CBD would make travel into the CBD, especially for those travelling in for work by rail, but also for other commuters, much more efficient.

Finally, we would note that the Western Ring Route should alleviate traffic congestion caused by through travel within local suburbs, particularly in the Auckland South West HMA and critically, creates an alternative route around Auckland City to State Highway 1 and the Auckland Harbour Bridge.

In summary, the accessibility of the Auckland City HMAs and in particular the central city to other parts of the region should be enhanced by the mix of roading infrastructure projects and public transport initiatives across road, rail and ferry modes. These improvements across both private and public transport modes would appear critical given that Auckland City is projected to account for over half of all Auckland region employment growth over the 2006 to 2026 period. Also important are those initiatives which will enhance movement within the Auckland City HMAs. In this category we would include projects such as the Central Connector, Dominion Road widening, Onehunga Branch line re-instatement and the AMETI initiative¹⁵².

Manukau North and North West HMAs

The key transport projects likely to impact on the Manukau HMAs over the next 10 to 15 years are the second Manukau Harbour crossing, the SH20 to SH1 link at Manukau City, the Auckland-Manukau Eastern Transport Initiative (AMETI) and roading within and to and from Flat Bush.

The second Manukau Harbour crossing is an important part of the Western Ring Route. The new bridge will significantly increase the roading capacity over the Manukau Harbour and enhance Manukau City's connectivity with Waitakere City and the North Shore. Construction began in 2008 and is expected to be complete by 2011. The Western Ring Route is scheduled to be completed in its entirety by 2016.

The SH20 to SH1 Manukau extension project forms a 4.5 kilometre section of motorway linking SH20 Puhinui Interchange through to SH1 and will form the southern section of the Western Ring Route, together with the SH20 Manukau Harbour crossing project. The project is intended to improve access to and from Auckland Airport by providing a direct link from SH1 for traffic heading to the airport and central and western suburbs via SH20, ease congestion on key roads in the Manukau City centre area, and provide a key connection to support future growth at the Wiri and Auckland International Airport business zones, as well as the expected population increase in the new suburb of Flatbush. Construction began in 2006 and will be completed during 2010.

¹⁵² Refer to discussion on the Manukau City HMAs.

The Auckland-Manukau Eastern Transport Initiative (AMETI) aims to provide more transport options within and through the eastern suburbs of Auckland and Manukau cities including Glen Innes, Panmure, Mt Wellington, Sylvia Park, Pakuranga, Flat Bush, East Tamaki and Botany. In particular it is focused on enhancing the quality and attractiveness of public transport and removing traffic from town centres in order to promote land use changes in line with the RGS. The first stage of AMETI, expected to be completed by 2020, involves improvements around Panmure, future proofing for improvements between Pakuranga and Botany, and implementation of bus priorities between Panmure and Botany. Major improvements around Pakuranga and connecting Pakuranga with Botany are expected in the period 2021 to 2031. Over the period to 2021 it is proposed that a Panmure-Botany-Manukau bus connection will be developed as a QTN, with upgrading to RTN in the period 2021 to 2030.

Flat Bush is the major greenfields development occurring in Manukau City over the assessment period and roading infrastructure is necessary to cater for planned development in the area. Roading upgrades / development are planned between the Flat Bush development and Manukau City Centre, including bus priority routes. These initiatives are scheduled to run in the period through until 2024.

There are a number of other key transport projects that will have an impact on the Manukau City HMAs over the next 10 to 15 years. They include the Half Moon Bay Ferry Terminal Upgrade and associated 'Park and Ride' station and a new rail link to Manukau City Centre.

Redevelopment of the Half Moon Bay ferry terminal has been identified as the best option and location in the Pakuranga / Howick area for a main ferry terminal and associated 'park and ride'. Redevelopment of this facility will include vessel berthing and passenger facilities, such as bus-ferry interchange and car parking within the next five years. The project will be completed in two stages, the first being improvements made over 2009-2010 and the second stage involving the reclamation of land and all major work, with completion of the terminal expected by 2017 / 2018.

Auckland Regional Transport Authority, KiwiRail and Manukau City Council are working on a rail link and new railway station in Manukau City. The railway will run for 2 kilometres from Davies Ave in Manukau City linking with the Southern railway line at Puhinui. The project is currently underway with completion of the station due late 2010 and completion of the Manukau rail link expected by 2011.

In summary, the completion of the Western Ring Route by 2016 should significantly enhance connectivity between Manukau City HMAs, Waitakere HMA and the North Shore HMA. The key consequence of this, however, is likely to be improved accessibility to the key Manukau employment nodes for households living in those two HMAs. Over the 2006 to 2026 period, slightly less than a quarter of the region's employment growth is projected to occur in Manukau City, where as employment growth in the Waitakere and North Shore HMAs is projected to be much weaker.

In terms of the Manukau HMAs connectivity with Auckland City a number of initiatives can be noted. Firstly, various AMETI initiatives should increase the work-residence connectivity between the eastern suburbs of Manukau City and the eastern suburbs of Auckland City. Redevelopment of the Half Moon Bay ferry terminal and associated 'park and ride' station should significantly enhance public transport options between the Manukau North HMA and the CBD. Table 5.8 in Section 5 Chapter 5 showed that almost a third of people in employment and living in the Manukau North HMA work in one of the Auckland City HMAs. Similarly completion of the Manukau City rail link in 2011 should significantly enhance public transport options between Manukau North West HMA and the CBD. Table 5.8 in Section 5 in Chapter 5 showed that slightly more than a quarter of people in employment and living in the Manukau North West HMA work in one of the Auckland City HMAs.

Finally a range of initiatives including AMETI should significantly enhance workplace-residence connectivity of households living in Manukau City. In a similar vein are the transport proposals both within Flatbush, but also linking Flatbush with Manukau City Centre and the key centres in Manukau North.

Manurewa / Papakura, Pukekohe and Rural South HMAs

Transport infrastructure development proposed for the three southern HMAs over the assessment period is not significant, which is not surprising given that none of the three are a significant focus of either population or employment growth in the period to 2026.

The major roading project proposed for the Manurewa / Papakura HMA is the Mill Road corridor project. This project entails a link between Drury, Papakura and Flat Bush / Manukau. The proposed development timeframe for the Mill Road Corridor, however, is likely to be outside this assessments timeframe. The major roading project within the Franklin District over the assessment period is the Pukekohe Eastern Arterial Route. The objective of this project is to help reduce traffic flows in and around Pukekohe. In Papakura District there are proposals in place to build a new railway station with adjacent 'park and ride' facilities at Takanini and Drury. Similarly, construction of a Pukekohe rail station 'park and ride' facility is planned.

In summary, the Mill Road Corridor project is outside this assessments time frame while the Pukekohe Eastern Arterial Route project is Pukekohe specific. The proposed 'park and ride' facilities at Takanini, Drury and Pukekohe should increase the relative attractiveness of public transport options for those who reside in close proximity to the facilities and work in Manukau City or Auckland City.

6.3.4 Transport Infrastructure Conclusions

A key aim of Auckland's transport strategy is to ensure that Auckland's transport infrastructure development supports the region's spatial planning strategy. That strategy aims to concentrate household and employment growth, and high trip generating activities in particular, in centres and corridors, linked by high frequency public transport corridors. This is intended to enable people to access opportunities with less need for travel, and improve the feasibility of public transport.

There are a large number of transport infrastructure projects planned for the Auckland region over the next 10 to 15 years. The rationale for each individual project is often location or area specific, while in a collective sense the aim is to improve the connectivity and reliability of the transport links between the different parts of the region, within the parameters of the region's spatial strategy.

This improved connectivity, while couched in terms of accessing opportunities, in large part is focused upon improving the links between where people live and where they work. This approach in broad terms has two key elements. The first element is focused on improving the connections between existing residential areas and key employment nodes. Consequently, much of this transport infrastructure development is concerned with improving the speed and reliability of commuter access, both private and public, to key employment nodes in Auckland City and in particular the Auckland CBD. The second key element of the approach is more specifically focused on developing transport infrastructure which is supportive of employment and household growth that is focused around key centres and corridors. The first element therefore is driven by the need for improvements in the region's transport infrastructure that will 'catch-up' with the effects of past growth, while the second element caters for and attempts to shape the desired future pattern of growth.

6.4 Wastewater, Storm Water and Water Services Infrastructure

The objective of this section is to provide a very brief overview of key issues around wastewater, storm water and water services infrastructure provision and its impact on new dwelling supply in the region. Appendix 6 provides more detailed information on proposed wastewater, storm water and water services infrastructure in the region as well as on a range of infrastructure issues not specifically considered in the body of the report's text including network energy supplies (electricity and gas), schools and hospitals.

The Long Term Council Community Plan (LTCCP) and Annual Plan are a TLAs primary planning tools for infrastructure provision in their city / district. These plans assist in the future, long-term planning and development of the city / district, usually over a ten year period, by highlighting the infrastructure services and projects planned, prioritised and funded.

There are a number of wastewater, storm water and water services infrastructure services and projects identified by the territorial local authorities in their LTCCPs.

Storm water and wastewater infrastructure planned in the region will enable development to occur in those areas identified for future greenfields growth and depending on its extent, improve the feasibility for future developments by allowing greater housing density on land zoned for residential development, or identified for future growth. In terms of water supply more households will be willing to locate to an area if the water is supplied from the town supply versus tank water, which is the only option available to many Auckland residents in fringe urban and rural areas, particularly in many parts of Rodney, Papakura and Franklin. Infrastructure projects focusing on the provision of reticulated water supply networks will not only increase the attractiveness of these locations in encouraging households to reside there, but also allow a greater density of housing to be provided.

There are several key issues around wastewater, storm water and water services provision. Firstly, timing is crucial with the provision or non-provision of such infrastructure a key factor in determining when land earmarked for development will be available. Like transport infrastructure provision, which can increase an area's accessibility and therefore create demand for housing, the availability of wastewater, storm water and water services infrastructure can similarly create demand for housing in an area. Any delay in wastewater and storm water infrastructure provision will see development of an area delayed, demand frustrated, and pricing potentially impacted. Similarly, the provision of reticulated water supply networks will not only increase the attractiveness of areas previously without, encouraging people to live there, but also allow a greater density of housing to be provided.

Secondly, and related to the first, the comprehensive master planning required around both greenfield residential and residential development in and around centres is complex, time consuming and reliant on a significant degree of coordination between the public and the private sector.

Thirdly, there are often larger regional network issues that constrain development in certain areas, for example, the lack of Watercare Services network links has delayed residential development in the Birdwood Urban Concept Plan Area in Waitakere City.

Finally, there is an ongoing tension throughout the Auckland region between residential developers and TLAs around the provision of infrastructure services in terms of both timing and cost. The question often debated is 'what should come first the infrastructure or the development?' Developers traditionally believe that infrastructure services should be constantly upgraded and developed in anticipation of new developments in areas identified for future growth and with high housing demand, in an ideal world these services would be provided well in advance of the commencement of any construction activity.

However, as is often the case the infrastructure issues, whilst identified by TLAs within their planning documentation, are not often addressed until a residential development / sub-division is proposed for a site. The Local Government Act 2002 permits TLAs to levy developer contributions where the authorities incur capital expenditure to make provision for reserves and / or infrastructure, this enables the TLAs to re-coup some of the infrastructure provision costs from the developer and / or puts the onus on the developer to provide much of the infrastructure themselves as part of consent conditions.

This 'stand off' between developers and TLAs often not only leads to costly delays, but also ultimately results in a premium added to the development costs which inevitably is incurred by the house purchaser. However, much of this tension could ease as the planning approach to infrastructure is harmonised and regionalised under the region's new governance arrangements.

In conclusion, the provision of timely infrastructure services is a key component of the new dwelling supply chain for both greenfields and brownfields residential development and requires a significant degree of coordination between the public and private sectors. The availability of wastewater, storm water and water services infrastructure can create demand for housing in an area, while its absence will see development of an area delayed, demand frustrated, and pricing potentially impacted. There is an ongoing tension in the Auckland region around services infrastructure provision in terms of both its cost and timing. However, much of this tension could ease as the planning approach to infrastructure is harmonised and regionalised under the region's new governance arrangements.

It may, however, require more innovative thinking around infrastructure provision in the region. For example, might there be a role for TIF funding in the region, particularly in terms of residential redevelopment along growth corridors and in and around growth centres? TIF funding is used in the United States and refers to tax-increment funding¹⁵³. A TIF scheme usually begins when a territorial local authority designates a defined geographic area as a 'TIF district'. The intent of the TIF is to kick-start and encourage private investment in an area by leading with clearly defined and programmed public spending. The loans used to finance the public spending are repaid, over a period, from taxes (rates in New Zealand's case), recovered from the private property in the area.

¹⁵³ Article by Teena Pennington 'Glimpse of Adelaide Rd's future' in the Dominion Post newspaper 22 July 2010.

6.5 Development Capacity

6.5.1 Introduction

The objective of this section is to present Darroch's estimate of dwelling capacity by housing market area. These estimates are a key input in Chapter 10 where we present the results of our modelling of demand-supply balances in the region's housing market areas (HMAs). Our estimates are based, with adjustments, on Harrison Grierson and Market Economics Limited¹⁵⁴ dwelling capacity estimates, which are based, with adjustments, on the Auckland Regional Council's¹⁵⁵ dwelling capacity estimates.

Additional supporting information on development capacity is found Appendix 7 (see Auckland Housing Market Assessment, Volume 2 - Appendices).

6.5.2 Development Capacity Overview

Table 6.1 compares the Auckland Regional Council's (ARC's), Harrison Grierson and Market Economics Limited (HG and MEL) and Darroch's dwelling capacity estimates by HMA. It also shows for each HMA the average per annum growth in household numbers over the 1996 to 2006 period. The dwelling capacity estimates reflect current zoning and includes vacant land, vacant potential land, capacity in greenfield areas with structure plans, infill capacity, business land capacity and rural town and rural residential capacity. They do not include proposed plan changes where zoning does not yet allow residential, but do include capacity within Structure Plan areas.

The dwelling capacity estimates in Table 6.1 are presented in two ways. Firstly, in terms of total dwelling capacity, number of dwelling units, and secondly, in terms of the number of years supply based on the average growth in household numbers over the 1996 to 2006 period. The ARC's capacity estimates are as at March 2006, HG and MEL's as at June 2008 and Darroch's estimates as at June 2006.

HG and MEL for their study developed four capacity scenarios for the Auckland region. They were:

- Base Case – 20% of infill capacity not used and of the balance, 80% given over to general infill and 20% to redevelopment infill;
- Scenario 1 – a higher share of redevelopment infill as opposed to general infill;
- Scenario 2 – restricted rural; and
- Scenario 3 – no rural capacity.

Our preference in terms of the four scenarios is for Scenario 2 – restricted rural. This is because in our view, this scenario, where general rural capacity¹⁵⁶ is not available and countryside living¹⁵⁷ is included at 50% of theoretical capacity, is more realistic than any of the other three scenarios. HG and MEL note in their report that this sort of adjustment brings rural capacity more in line with recent consumption trends and it makes the assumption that this will continue into the future – rather than having the full amount available to accommodate households seeking conventional density.

¹⁵⁴Harrison Grierson and Market Economics Limited, 2008.

¹⁵⁵Auckland Regional Council, 2008c.

¹⁵⁶Farm locations able to be occupied and utilised as farms

¹⁵⁷Rural capacity on MUL edge able to be subdivided into lots of one hectare

All three capacity estimates in Table 6.1 reflect HG and MEL's Scenario Two – restricted rural. This assumes that 20% of available infill capacity will not come to the market. In addition, a portion, 20% of infill capacity, has been set to redevelopment infill rather than general infill. The ARC numbers in Table 6.1 reflect this assumption and therefore are not the same as the ARC's actual capacity figures where capacity is considered in terms of two mutually exclusive scenarios; Infill General: and Infill Redevelopment.

Also note that the ARC's March 2006 capacity numbers exclude most rural capacity as that data was not available at the area unit level at the time these capacity estimates were derived and consequently could not be allocated to the individual HMAs¹⁵⁸. ARC's estimates also exclude capacity that was estimated by HG and MEL to have become available between (2006 and 2008). If we add to ARC's capacity estimate the rural capacity as estimated under the restricted rural scenario (19,590) and the additional capacity added between 2006 and 2008 (7,450) this increases the ARC's capacity figure to 181,822.

In terms of HG and MEL's June 2008 capacity estimate (174,842), if we add back our estimate of capacity built on over the March 2006 to June 2008 period (8,803), HG and MEL capacity as at early 2006 is approximately 183,645.

Table 6.1: Auckland Region Dwelling Capacity Synopsis

HMAs	Hseholds Average growth 96 to 06	ARC March 2006		HG & MEL June 2008		Darroch June 2006	
		Capacity (dwelling units)	Years Supply	Capacity (dwelling units)	Years Supply	Capacity (dwelling units)	Years Supply
Rural North	479	5,460	11.4	19,787	41.3	20,933	43.7
Rodney Southn Coastal	439	7,016	16.0	6,088	13.9	6,560	14.9
North Shore	1,179	25,519	21.6	25,233	21.4	26,648	22.6
Waitakere	1,142	19,589	17.2	24,594	21.5	25,735	22.5
Auckland CBD	784	21,361	27.2	14,981	19.1	17,850	22.8
Auckland North East	335	6,838	20.4	9,347	27.9	9,724	29.0
Auckland North West	411	13,433	32.7	14,391	35.0	14,633	35.6
Auckland South East	176	8,545	48.6	7,619	43.3	8,042	45.7
Auckland South West	436	7,740	17.8	7,183	16.5	8,557	19.6
Manukau North	1,113	16,641	15.0	16,110	14.5	17,359	15.6
Manukau North West	408	10,903	26.7	11,631	28.5	12,980	31.8
Manurewa & Papakura	606	10,064	16.6	7,916	13.1	8,442	13.9
Pukekohe	169	1,227	7.3	2,663	15.8	3,293	19.5
Rural South	254	446	1.8	2,233	8.8	3,558	14.0
Unallocated		Na		5,067		na	
Total HMAs	7,989	154,782	19.4	174,842	21.9	184,315	23.1

Source: Various

¹⁵⁸ Note the analysis in this report was undertaken prior to the release of the ARC's Capacity for Growth Study 2006, Final Report in March 2010. ARC's Final Report includes the results of the completed survey of rural towns and coastal settlements. The estimated capacity in rural towns and coastal settlements from the completed survey is 20,272 to 22,736 (infill general to redevelopment infill), primarily in Rodney District. This compares to the rural town capacity assumed in our estimates of 9,855. Consequently, the years supply estimates presented in Table 6.1 for both the Rural North and Rural South HMAs are likely to be underestimates.

6.5.3 Darroch Dwelling Capacity Estimates

For this study Darroch requires Auckland region dwelling capacity estimates as at 2006, 2011, 2016, 2021 and 2026. We have opted to base our estimates around HG and MEL's June 2008 capacity data, adjusted back to 2006, rather than the ARC's 2006 estimate because HG and MEL's estimates:

- Include a capacity timing component, i.e. when capacity will be available;
- Categorise dwelling capacity by density (conventional, medium, high);
- Allow, if desired, four different capacity scenarios to be run; and
- Incorporates, where available, more recent data.

In terms of the timing issue, HG and MEL established the current stage of each parcel of land in the consent and development process so as to assess when land would come on line. This was done with reference to a range of factors including stage in the consent / development process, defined average timings for each stage of the consent / development process and by taking into account other dimensions of influence including landowner aspirations, infrastructure constraints, the property cycle etc.

Darroch obtained the area unit Capacity by Dwelling Type data produced by HG and MEL. We were provided with HG and MEL's Base Case capacity estimate and the three alternative capacity scenarios. HG and MEL's capacity estimates show capacity available as at June 2008 as well as the capacity estimated by HG and MEL becoming available over intervening time periods, for example, 2008 to 2011, 2011 to 2016, 2016 to 2021 etc. By making two adjustments to the HG and MEL capacity estimates we are able to rebase HG and MEL's June 2008 capacity estimate to June 2006. The two adjustments are as follows.

Firstly, we need to adjust for the capacity added between March 2006 and June 2008. The second adjustment to the HG and MEL capacity estimate that needs to be made is an allowance for capacity that was not available in June 2008, but was available in June 2006, i.e. capacity used over the 2006 to 2008 period. We have made this adjustment based on residential building consent data. This data allows us to estimate the number of units consented by area unit in the Auckland region over the June 2006 to June 2008 period.

Statistics New Zealand's dwelling consent data is broken down into categories similar to the density categories (conventional, medium, and high) defined by HG and MEL for their study. Statistics New Zealand dwelling consent data is defined in the following way¹⁵⁹:

- House - not attached to other;
- Unit / Flat / Townhouse / Studio (one or more levels) – attached and unattached horizontally;
- Apartment block – attached vertically 1-9 units; and
- Apartment block – attached vertically 10 or more units.

House – not attached to other, broadly equates to HG and MEL's conventional density type. Statistics New Zealand's unit / flat / townhouse / studio category could be classified as either conventional or medium density. We have opted to apportion, in terms of unit numbers, this type of consent evenly between the two density types. Both types of apartment consent (1-9 units and 10 or more units) equate to HG and MEL's high density type.

¹⁵⁹ Statistics New Zealand also defines four other residential dwelling categories. They are Granny Flat – unattached, dwelling added to other building, other residential buildings and sleep out. Because these four categories comprise such a small number of consents, 61 in total for the Auckland region over the June 2008 year, out of a total of 5,825 new dwelling consents, or little more than 1%, for the purposes of the capacity adjustment, we have ignored them.

Because not all dwelling consents issued result in a dwelling being constructed it is necessary to adjust Statistics New Zealand's consent data. We did this based on discussions with building consent officers of the key TLAs in the region.

Once the two adjustments to the HG and MEL data are made, for capacity available in June 2008, but not in June 2006 and vice versa, we then have capacity estimates by area unit for the Auckland region as at June 2006, and estimates of the amount of additional capacity estimated to become available over subsequent periods, i.e. 2006 to 2011, 2011 to 2016 etc.

Table 6.2 presents Darroch's capacity estimates for each of the fourteen HMAs on this basis under each of the four scenarios defined by HG and MEL.

Table 6.2: Darroch Auckland Region Capacity Estimates as at June 2006

HMA	Base Case	High Redevelopment	Restricted Rural	No Rural Capacity
Rural North	28,656	28,661	20,933	13,231
Rodney Southern Coastal	6,571	6,571	6,560	6,560
North Shore	26,884	29,102	26,648	26,443
Waitakere	25,875	28,037	25,735	25,620
Auckland CBD	17,850	17,857	17,850	17,850
Auckland North East	9,731	10,606	9,724	9,724
Auckland North West	14,638	15,338	14,633	14,633
Auckland South East	8,050	8,523	8,042	8,042
Auckland South West	8,567	9,618	8,557	8,557
Manukau North	17,729	18,565	17,359	17,015
Manukau North West	12,991	14,197	12,980	12,980
Manurewa and Papakura	8,453	8,989	8,442	8,442
Pukekohe	3,418	3,418	3,293	3,182
Rural South	5,512	5,512	3,558	2,348
Total HMAs	194,925	204,994	184,315	174,627

Source: Darroch

As noted our preference in terms of the four scenarios is for Scenario 2 – Restricted Rural.

In summary, Darroch, based on HG and MEL's capacity estimates, has derived dwelling capacity estimates by HMA and by density (conventional, medium and high) as at June 2006. Additions to capacity over the 2006 to 2011, 2011 to 2016, 2016 to 2021 and 2021 to 2026 have also been estimated. These estimates are a key input in Chapter 10 where we present the results of our modelling of demand-supply balances in the region's housing market areas.

7.0 Housing Stock

7.1 Introduction

The objective of this chapter is to provide an overview of the Auckland region's housing stock. Establishing the characteristics of a housing market's housing stock is necessary so that a broad understanding of the type of housing currently provided in the housing market can be reached¹⁶⁰. It is useful also to have a slightly more detailed understanding of the social housing stock in the housing market, including third sector housing stock, and in particular stock numbers and characteristics.

This chapter is structured in the following way:

- Total housing stock;
- Social housing stock; and
- Third sector housing stock.

Each of the three sections focuses, to the extent that the data allows on: dwelling stock numbers and the change in the number of dwelling units over time; the age of the dwelling stock; dwelling stock location; and dwelling stock typology and size. The data is presented both at the level of the housing market area and for the 14 HMAs combined.

7.2 Current Housing Stock

As at the 2006 Census there were 471,342 private dwellings in the Auckland region up from 422,919 in 2001 or by 11.4%.

Table 7.1 presents the number of occupied dwellings by dwelling type and HMA.

¹⁶⁰ Changes in the region's housing stock are considered in the next chapter which includes analysis of dwelling consents by housing market area over the 1996 to 2009 period.

Table 7.1: Occupied Dwellings by HMA and Dwelling Type 2001 and 2006

HMA	Separate House			Two or More Units Joined Together			Other & Undefined Occupied Dwellings			Total		
	2001	2006	Change	2001	2006	Change	2001	2006	Change	2001	2006	Change
Rural North	15,954	18,399	2,445	1,323	1,008	-315	1,143	1,194	51	18,420	20,601	2,181
Rodney Southern Coastal	9,525	11,466	1,941	2,097	2,583	486	876	693	-183	12,498	14,742	2,244
North Shore	48,651	53,421	4,770	13,950	16,269	2,319	3,411	2,355	-1,056	66,012	72,045	6,033
Waitakere	41,805	45,855	4,050	7,368	8,649	1,281	3,450	4,023	573	52,623	58,527	5,904
Auckland CBD	675	186	-489	2,874	7,275	4,401	474	2,055	1,581	4,023	9,516	5,493
Auckland North East	18,579	19,410	831	8,982	10,626	1,644	2,079	1,248	-831	29,640	31,284	1,644
Auckland North West	24,741	25,350	609	13,236	15,975	2,739	3,621	2,334	-1,287	41,598	43,659	2,061
Auckland South East	9,759	10,320	561	4,545	5,871	1,326	2,355	1,359	-996	16,659	17,550	891
Auckland South West	23,313	24,813	1,500	8,220	9,693	1,473	3,477	2,502	-975	35,010	37,008	1,998
Manukau North	24,975	29,892	4,917	5,226	6,465	1,239	1,299	1,071	-228	31,500	37,428	5,928
Manukau North West	22,392	24,567	2,175	5,766	6,597	831	4,284	3,753	-531	32,442	34,917	2,475
Manurewa & Papakura	22,533	25,239	2,706	3,603	4,044	441	2,127	2,316	189	28,263	31,599	3,336
Pukekohe	3,834	4,785	951	657	810	153	375	330	-45	4,866	5,925	1,059
Rural South	10,512	11,961	1,449	861	627	-234	687	684	-3	12,060	13,272	1,212
Auckland Region	280,314	309,168	28,854	78,996	96,687	17,691	30,324	26,196	-4,128	389,634	432,051	42,417

Source: Statistics New Zealand

The majority of the region's housing is standalone dwellings located in low density, non-mixed use neighbourhoods. The relatively high level of other and undefined dwellings masks some of the changes in the dwelling stock composition. This makes it difficult to comment in depth about the changes in the composition and number of dwellings within the HMAs.

Table 7.2 presents the change in the relative proportion of separate dwellings, two or more units joined together, and other dwellings.

Table 7.2: Proportion of Occupied Dwellings by HMA and Dwelling Type 2001 and 2006

HMA	Separate House			Two or More Units Joined Together			Other & Undefined Occupied Dwellings		
	2001	2006	Chge	2001	2006	Chge	2001	2006	Chge
Rural North	87%	89%	3%	7%	5%	-2%	6%	6%	0%
Rodney Sthn Coastal	76%	78%	2%	17%	18%	1%	7%	5%	-2%
North Shore	74%	74%	0%	21%	23%	1%	5%	3%	-2%
Waitakere	79%	78%	-1%	14%	15%	1%	7%	7%	0%
Auckland CBD	17%	2%	-15%	71%	76%	5%	12%	22%	10%
Auckland North East	63%	62%	-1%	30%	34%	4%	7%	4%	-3%
Auckland North West	59%	58%	-1%	32%	37%	5%	9%	5%	-3%
Auckland South East	59%	59%	0%	27%	33%	6%	14%	8%	-6%
Auckland South West	67%	67%	0%	23%	26%	3%	10%	7%	-3%
Manukau North	79%	80%	1%	17%	17%	1%	4%	3%	-1%
Manukau North West	69%	70%	1%	18%	19%	1%	13%	11%	-2%
Manurewa & Papakura	80%	80%	0%	13%	13%	0%	8%	7%	0%
Pukekohe	79%	81%	2%	14%	14%	0%	8%	6%	-2%
Rural South	87%	90%	3%	7%	5%	-2%	6%	5%	-1%
Auckland Region	72%	72%	0%	20%	22%	2%	8%	6%	-2%

Source: Statistics New Zealand

It would appear that the HMAs on the isthmus have had a significant increase in the relative proportion of two or more unit dwellings relative to total dwellings, however, a proportion of this increase could be due to a fall in the number of other and undefined dwellings. Typically the HMAs closer to the urban fringe experienced the smallest increase in the relative proportion of two or more unit dwellings.

Table 7.3 presents the growth in the number of occupied dwellings by HMA and dwelling type between 2001 and 2006.

Table 7.3: Growth in the Number of Occupied Dwellings 2001 to 2006

HMA	Separate Dwellings		Two or More units Joined Together		Other & Undefined		Total	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change
Rural North	2,445	15%	-315	-24%	51	4%	2,181	12%
Rodney Sthrn Coastal	1,941	20%	486	23%	-183	-21%	2,244	18%
North Shore	4,770	10%	2,319	17%	-1,056	-31%	6,033	9%
Waitakere	4,050	10%	1,281	17%	573	17%	5,904	11%
Auckland CBD	-489	-72%	4,401	153%	1,581	334%	5,493	137%
Auckland North East	831	4%	1,644	18%	-831	-40%	1,644	6%
Auckland North West	609	2%	2,739	21%	-1,287	-36%	2,061	5%
Auckland South East	561	6%	1,326	29%	-996	-42%	891	5%
Auckland South West	1,500	6%	1,473	18%	-975	-28%	1,998	6%
Manukau North	4,917	20%	1,239	24%	-228	-18%	5,928	19%
Manukau North West	2,175	10%	831	14%	-531	-12%	2,475	8%
Manurewa & Papakura	2,706	12%	441	12%	189	9%	3,336	12%
Pukekohe	951	25%	153	23%	-45	-12%	1,059	22%
Rural South	1,449	14%	-234	-27%	-3	0%	1,212	10%
Auckland Region	28,854	10%	17,691	22%	-4,128	-14%	42,417	11%

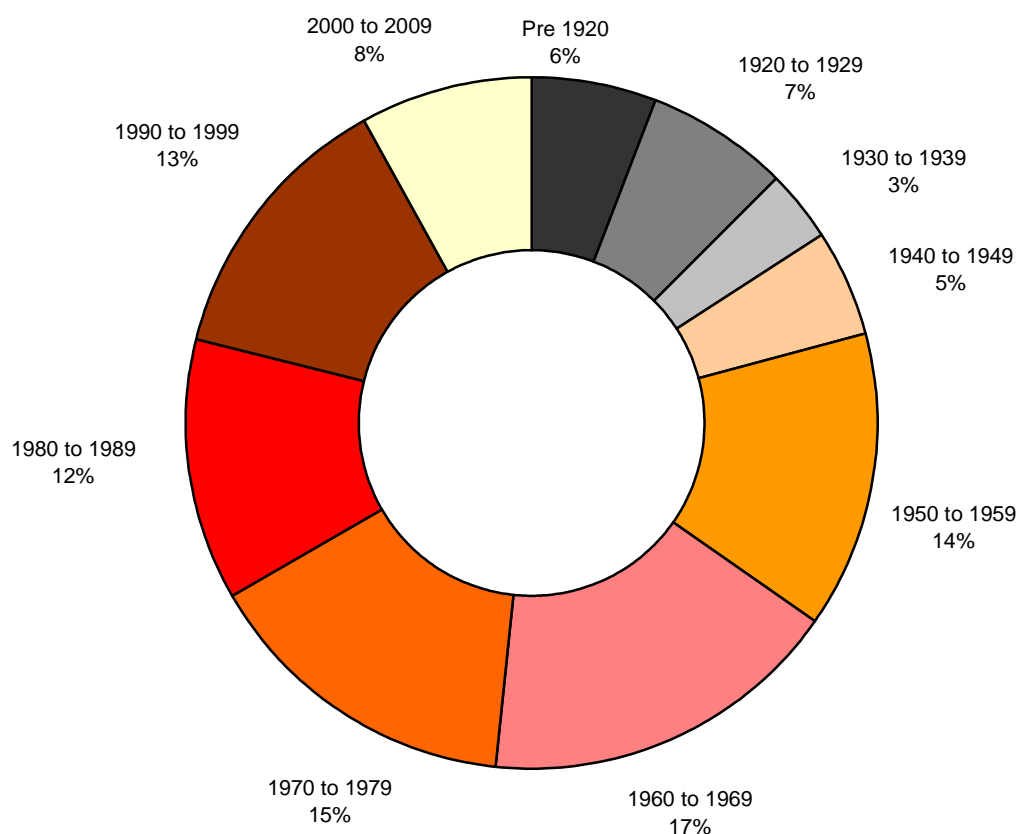
Source: Statistics New Zealand

NB: The change in the number of other and undefined dwellings masks some of the nuances associated with the change in the nature of occupied dwellings between 2001 and 2006.

The rate of dwelling growth between 2001 and 2006 was unevenly distributed between the HMAs. With the exception of the CBD, the HMAs on the isthmus, in terms of dwelling numbers, grew at a slower rate than non-isthmus HMAs, whilst the HMAs on the urban fringe grew at a faster rate. This is not surprising as the fringe HMAs had the greatest development capacity. In addition, in most HMAs, the number of two or more unit dwellings grew at a faster rate than separate dwellings.

Figure 7.1 presents Auckland Region's housing stock by the effective decade in which the dwelling was constructed. The effective age takes into account any significant renovations undertaken.

Figure 7.1: Age of Auckland Region's Housing Stock



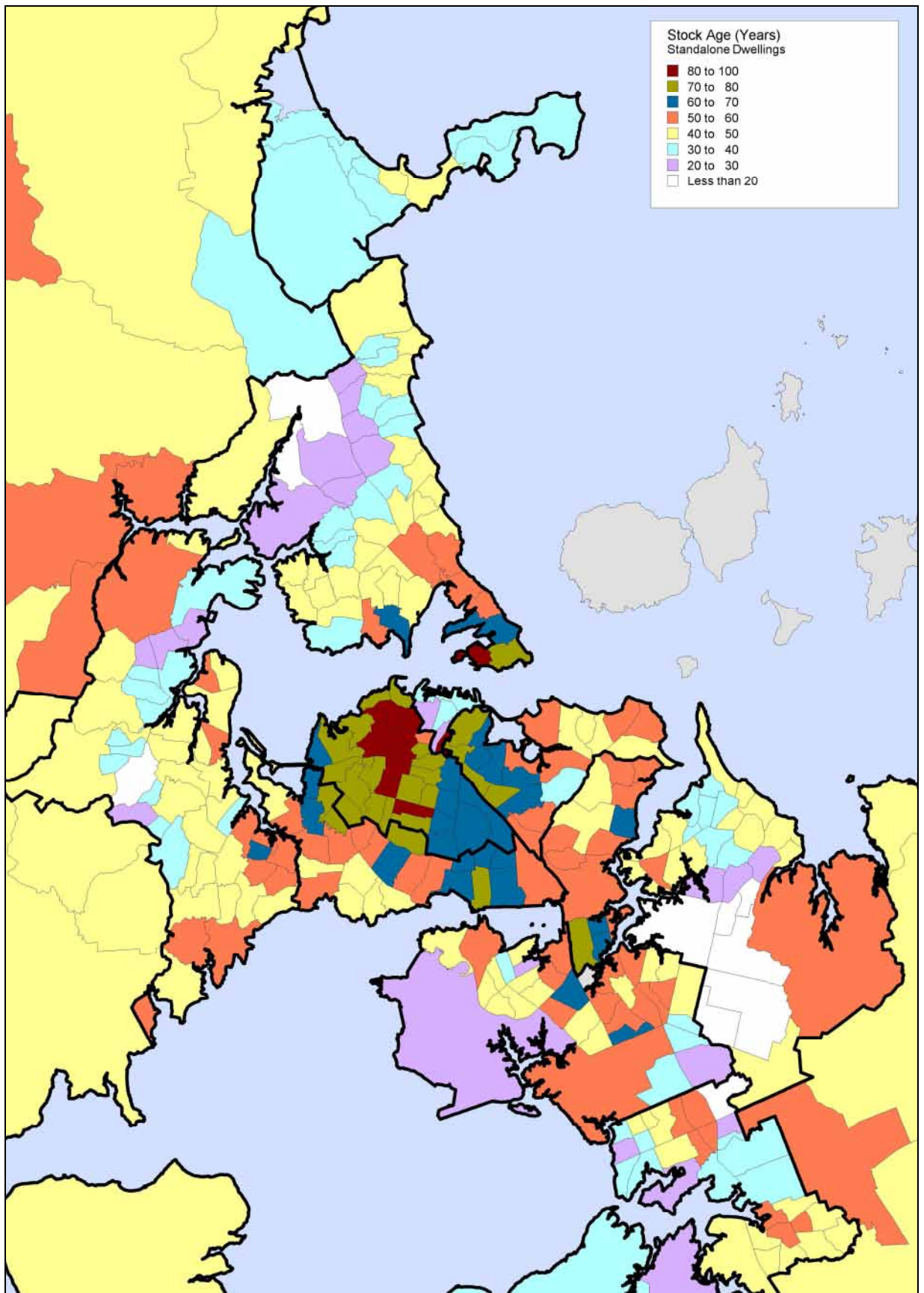
Source: Darroch / Headway Systems. Data as at 2009

Key points include:

- Approximately a third (32%) of the existing housing stock in the Auckland region was built after 1980;
- Approximately 35% of the housing stock was constructed prior to 1960; and
- Auckland's housing stock has steadily expanded since the beginning of the 1950s.

Figure 7.2 shows the spatial distribution of the Auckland region's standalone dwelling stock by age.

Figure 7.2: Standalone Dwelling Stock Age



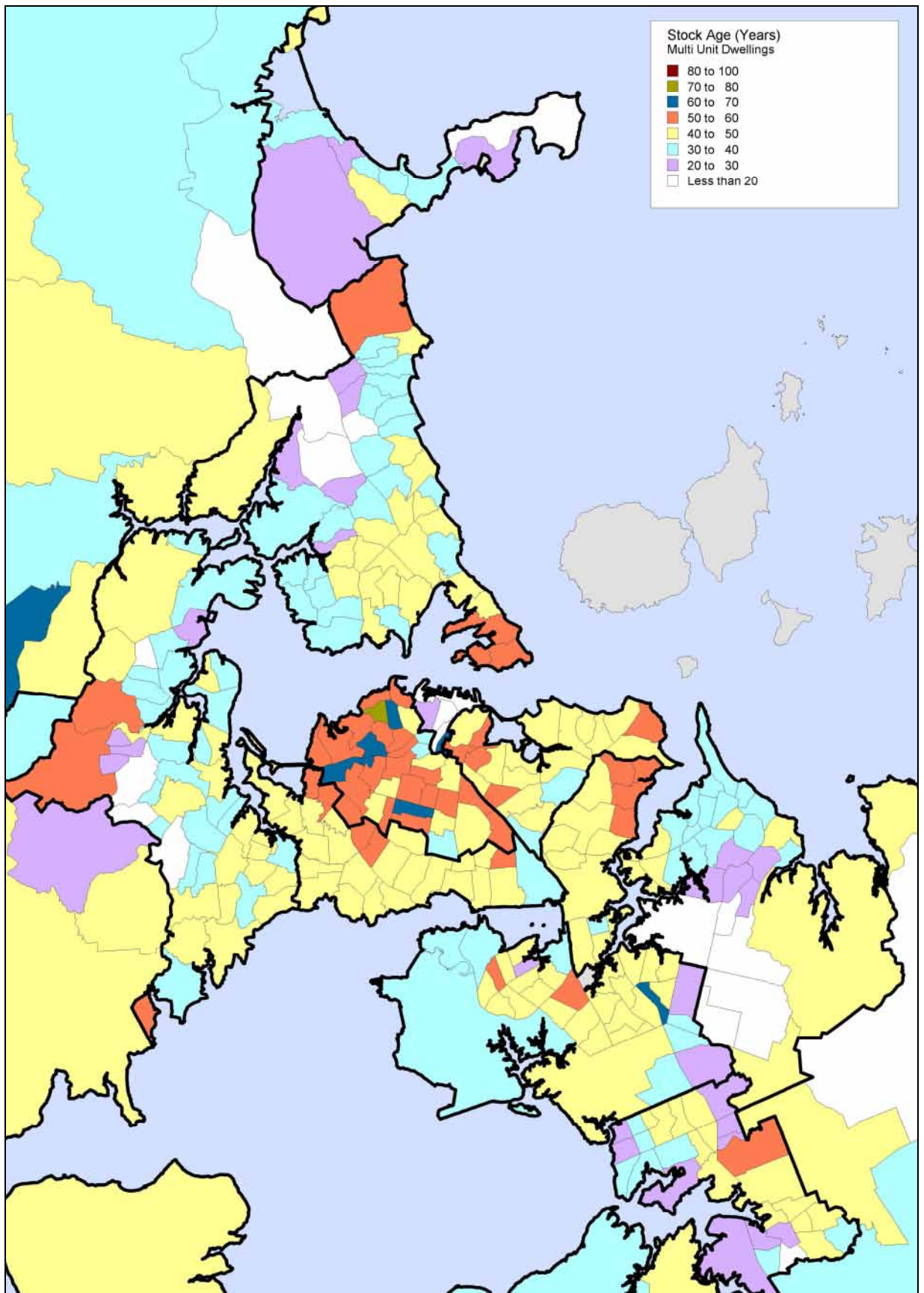
Source: Darroch / Headway Systems. Data as at 2009

Key points include:

- The majority of the housing stock in: the Rural North; Rodney Southern Coastal; North Shore; Waitakere; Manukau North; Manukau North West; Manurewa and Papakura; Pukekohe; and Rural South HMAs was built between 1950 and 1999. These HMAs represent the main growth areas in both urban and rural Auckland over the last 50 years;
- Housing stock age in the Auckland North East HMA is evenly spread over the decades between 1920 and 2000. On average, approximately 11% of the Auckland North East's stock originates from each decade over this period;
- Approximately 55% of Auckland North West's housing stock was built in the first 30 years of the 20th century; and
- As Auckland City expanded rapidly between 1950 and 1969 approximately 57% of Auckland South East's and 43% of Auckland South West's stock was constructed. This growth subsequently eased, as the land supply reduced, so that in both HMAs dwellings constructed during the 1970s, 1980s and 1990s account for between six and nine percent of their stock and dwellings constructed during the 2000s account for between three and four percent of each HMAs stock.

Figure 7.3 show the spatial distribution of Auckland Region's multi-unit dwelling stock by age.

Figure 7.3: Multi-Unit Dwelling Stock Age



Source: Darroch / Headway Systems. Data as at 2009

Key points include:

- The majority of multi-unit dwellings have been constructed in the second half of the 20th century. A change in housing expectations, social structure and a general intensification in land use has brought about this change. On average between 10% and 15% of the multi-unit housing stock is pre 1960s in age, whilst approximately 90% of the stock is post 1960s;
- Multi-unit dwelling construction has largely matched the expansion of the urban area. All of the Auckland City HMAs experienced multi-unit dwelling construction booms during the 1960s and 1970s as the city expanded. HMAs such as North Shore, Waitakere, and Manukau North West also experienced significant growth in multi-unit dwelling construction over the same period; and
- Approximately 69% of the Auckland CBD's stock was constructed over the 2000 to 2009 period, driven by an increase in demand for inner city apartments and the gentrification of the older, formerly industrial, areas of the waterfront and downtown area.

Table 7.4 presents the distribution of the standalone dwelling stock by dwelling floor area.

Table 7.4: Standalone Dwelling Size (square metres) by Housing Market Area 2009

HMA	Less than 50	50 to 100	100 to 150	150 to 200	200 to 250	250 to 300	300 to 400	400 to 500	500+
Standalone									
Rural North	4%	31%	32%	18%	9%	3%	2%	1%	0%
Rodney Southern Coastal	2%	23%	27%	24%	14%	6%	3%	1%	0%
North Shore	1%	21%	29%	22%	15%	7%	4%	1%	0%
Waitakere	1%	35%	32%	19%	9%	4%	2%	0%	0%
Auckland North East	2%	11%	25%	24%	17%	10%	7%	3%	1%
Auckland North West	1%	21%	42%	19%	9%	4%	2%	1%	1%
Auckland South East	1%	49%	31%	10%	5%	2%	1%	0%	0%
Auckland South West	1%	31%	39%	16%	7%	3%	1%	0%	0%
Manukau North	1%	12%	22%	29%	21%	9%	4%	1%	0%
Manukau North West	1%	48%	31%	12%	5%	2%	1%	0%	0%
Manurewa & Papakura	1%	39%	30%	18%	8%	3%	1%	0%	0%
Pukekohe	0%	25%	39%	21%	9%	4%	1%	0%	0%
Rural South	6%	31%	28%	17%	10%	5%	2%	0%	0%
Total	1%	28%	31%	19%	11%	5%	3%	1%	0%

Source: Darroch / Headway Systems

Key points include:

- The majority of standalone dwellings fall between 50 and 200 square metres in size. On average approximately 29% of standalone dwellings are between 50 and 100 square metres, 31% are between 100 and 150 square metres and 19% are between 150 and 200 square metres;
- In the lower income and lower value HMAs such as Auckland South East; Manukau North West; Manurewa and Papakura; and Waitakere a higher proportion of the standalone dwelling stock is between 50 and 100 square metres in size; and
- In contrast, the higher income HMAs of North Shore; Auckland North East; and Auckland North West have a higher percentage of large dwellings over 100 square metres in size.

It is not shown in Table 7.4, but over the last thirty or so years the size of the average standalone dwelling in New Zealand has significantly increased from about 120 square metres for dwellings built during the 1950s to about 194 square metres for dwellings built since 2000¹⁶¹.

Table 7.5 presents the distribution of the multi-unit dwelling stock by dwelling floor area.

Table 7.5: Multi-Unit Dwelling Size (square metres) by Housing Market Area 2009

HMA	Less than 50	50 to 100	100 to 150	150 to 200	200 to 250	250 to 300	300 to 400	400 to 500	500+
Rural North	10%	44%	18%	12%	7%	4%	3%	1%	1%
North Shore	5%	30%	19%	17%	11%	7%	7%	3%	2%
Waitakere	5%	33%	22%	18%	10%	6%	4%	2%	2%
Auckland North East	9%	40%	24%	13%	6%	4%	3%	1%	1%
Auckland North West	16%	43%	18%	10%	6%	3%	2%	1%	1%
Auckland South East	9%	66%	11%	7%	3%	2%	2%	0%	1%
Auckland South West	9%	58%	16%	9%	4%	2%	1%	1%	0%
Manukau North	5%	23%	25%	20%	11%	6%	6%	3%	1%
Manukau North West	5%	40%	21%	14%	8%	5%	4%	2%	1%
Manurewa & Papakura	9%	45%	18%	17%	6%	2%	2%	1%	1%
Pukekohe	3%	35%	25%	10%	14%	7%	3%	1%	3%
Rural South	7%	41%	14%	16%	8%	4%	3%	4%	3%
Total	10%	38%	19%	14%	8%	4%	4%	2%	1%

Source: Darroch / Headway Systems

¹⁶¹ DTZ, 2004: 181.

Key points include:

- Across all HMAs the vast majority of multi-unit dwellings are between 50 and 100 square metres in size; and
- The multi-unit dwelling stock in the Manukau North HMA is slightly larger on average, approximately 45% of multi-unit dwellings in that HMA are between 100 and 200 square metres in size.

In summary, there were 471,342 private dwellings in the Auckland region as at the 2006, up from 422,919 in 2001, or by 11.4%. Of the private dwellings in 2006, 432,051 were occupied. The percentage growth in occupied dwellings over the 2001 to 2006 period was greatest in the Auckland CBD, Pukekohe and Rodney Southern Coastal HMAs and the least in the Auckland isthmus HMAs. The majority of the region's housing (72%) is standalone dwellings, generally located in low density, non-mixed use neighbourhoods. The proportion of standalone dwellings is greatest in peripheral HMAs and lowest for those HMAs on the Auckland isthmus. HMAs on the isthmus over the 2001 to 2006 period have had a significant increase in the relative proportion of two or more unit dwellings relative to total dwellings.

Approximately 35% of the region's housing stock was constructed prior to 1960 and about a third built after 1980. The age of the region's standalone dwelling stock, by HMA, largely reflects successive decades of growth out from the Auckland isthmus. The multi-unit stock is much younger with about 90% of the stock by HMA built after 1960. By size approximately 29% of standalone dwellings are between 50 and 100 square metres in size, 31% are between 100 and 150 square metres and 19% are between 150 and 200 square metres in size. There is a pattern of larger standalone dwellings in the higher socio-economic areas and vice versa. Multi-unit dwellings in comparison to standalone dwellings are significantly smaller, the vast majority across all HMAs are between 50 and 100 square metres in size.

7.3 Social Housing Stock

7.3.1 Introduction

The objective of this section is to consider the number and characteristics of the social housing (Housing New Zealand and Territorial Local Authority) stock in the Auckland region. The section will begin by providing an overview of the social housing stock in the region focusing on the amount of stock. It will then consider the characteristics of the Housing New Zealand (HNZ) stock before looking at the characteristics of the Territorial Local Authority (TLA) stock.

Table 7.6 presents a summary of the social housing stock in the Auckland region. Note this table excludes third sector and emergency housing stock.

Table 7.6 Social Housing Stock Summary as at 2009

Social Housing Provider	Number of units	Percentage of Total
Housing New Zealand	30,085	95.2%
Council Housing	1,517	4.8%
Total	31,602	100.0%

Source: Housing New Zealand and TLAs

There are 31,602 social housing stock units in the Auckland region with Housing New Zealand accounting for slightly more than 95% of the stock and TLA social housing for 4.8% of the stock.

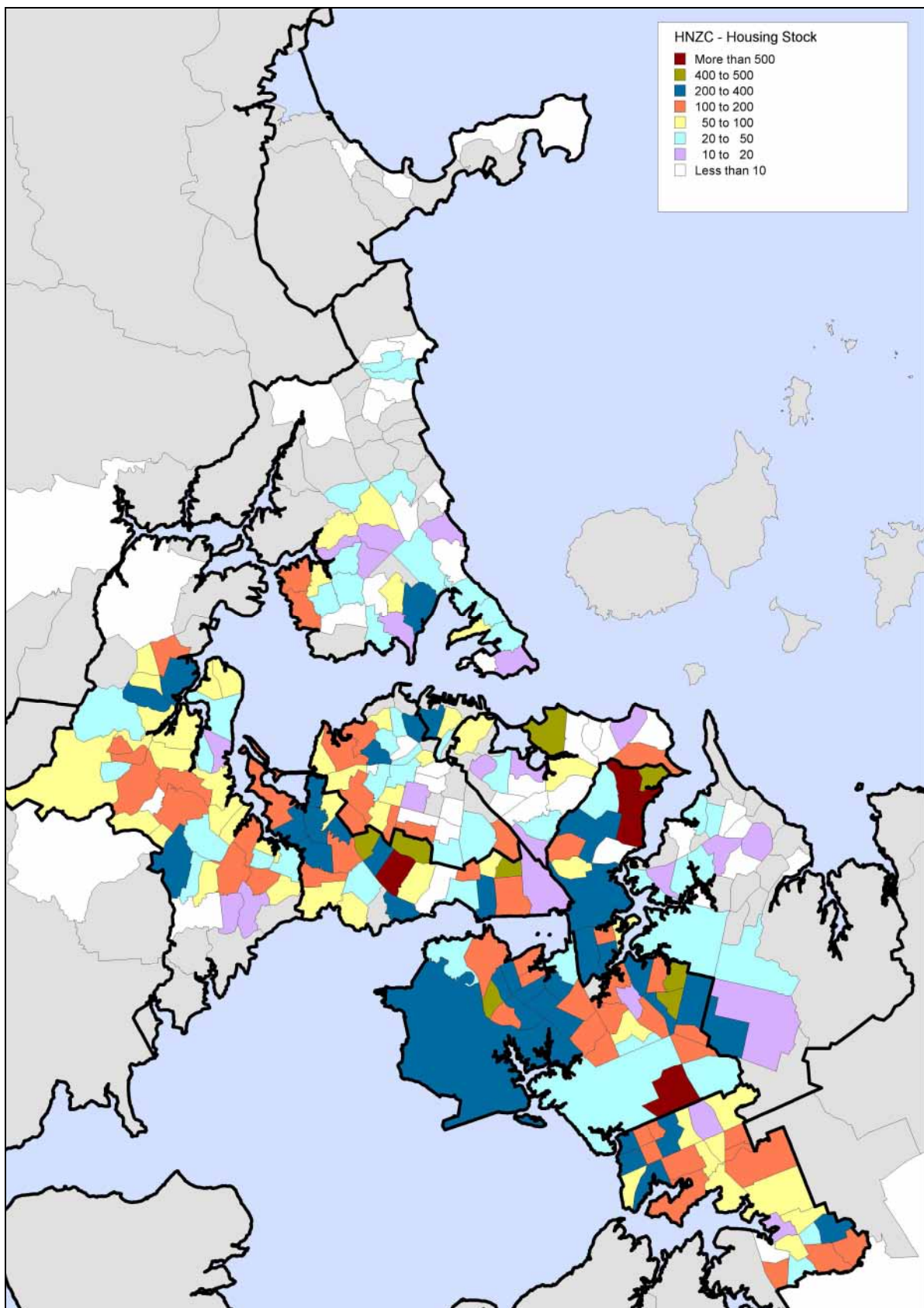
The social housing stock in the Auckland region is predominantly:

- One-bedroom (10.7%);
- Two-bedroom (31.1%);
- Three-bedroom (41.8%); and
- Four-bedroom (9.8%).

7.3.2 Housing New Zealand Stock

Figure 7.4 presents the spatial distribution by area unit of HNZ's stock in the Auckland region as at June 2009.

Figure 7.4: Spatial Distribution of Housing New Zealand's Housing Stock as at June 2009



Source: Darroch. As at June 2009

Housing New Zealand as at June 2009 had a total of 30,085 housing units in the region, representing approximately 18% of the Auckland region's rental market¹⁶². The HNZ stock is concentrated in the following HMAs:

- Manukau North West – 24.7% of total stock;
- Auckland South West – 18.2%;
- Auckland South East – 14.1%;
- Manurewa and Papakura – 12.4%; and
- Waitakere – 11.8%.

Table 7.7 presents the change in Housing New Zealand stock numbers in the Auckland region by HMA for owned and leased properties, but excluding Community Group Housing, over the last five years.

Table 7.7: Housing New Zealand Stock – 2005 to 2009

HMA	Stock as at					Change 05 to 09
	June 2005	June 2006	June 2007	June 2008	June 2009	
Rural North	54	54	57	58	64	10
Rodney Southern Coastal	33	33	33	33	33	0
North Shore	1,319	1,327	1,326	1,329	1,328	9
Waitakere	3,079	3,229	3,367	3,458	3,544	465
Auckland CBD	315	315	330	333	347	32
Auckland North East	970	965	961	936	895	-75
Auckland North West	2,158	2,157	2,144	2,141	2,141	-17
Auckland South East	4,079	4,098	4,211	4,221	4,254	175
Auckland South West	5,194	5,265	5,337	5,408	5,476	282
Manukau North	457	475	505	516	549	92
Manukau North West	7,034	7,203	7,291	7,383	7,423	389
Manurewa & Papakura	3,498	3,614	3,718	3,727	3,737	239
Pukekohe	218	226	232	246	253	35
Rural South	33	34	38	41	41	8
Total	28,441	28,995	29,550	29,830	30,085	1,644

Source: Housing New Zealand

Housing New Zealand's stock in the Auckland region has increased by approximately 329 units per annum over the last five years. The HMAs to experience the largest increase in stock numbers were Waitakere (465), Manukau North West (389), Auckland South West (282) and Manurewa and Papakura (239). The number of HNZ dwelling units in both Auckland North West (-17) and Auckland North East (-75) fell over the same period. Table 7.8 presents Housing New Zealand's stock as at June 2009 by number of bedrooms.

¹⁶² Total rental market, i.e. private rental, social rental and third sector combined.

Table 7.8: Housing New Zealand Stock by Number of Bedrooms as at June 2009

Type	Number	Percentage
Bedsit	337	1.1%
One-bedroom	2,665	8.9%
Two-bedroom	9,824	32.7%
Three-bedroom	13,219	43.9%
Four-bedroom	3,093	10.3%
Five-bedroom	766	2.5%
Six-bedroom	146	0.5%
Seven-bedroom or more	35	0.1%
Total	30,085	

Source: Housing New Zealand

Housing New Zealand's stock is dominated by three-bedroom (43.9%) and two-bedroom (32.7%) dwellings. Table 7.9 presents Housing New Zealand's stock as at June 2009 by HMA and bedroom number.

Table 7.9: Housing New Zealand Stock by Bedroom Number and HMA as at June 2009

HMA	Number of Units by Type								Total Stock
	Bedsit	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm	Five Bdrm	Six Bdrm	Seven + Bdrm	
Rural North	0	1	19	31	12	1	0	0	64
Rodney Southern Coastal	0	0	29	3	0	0	0	1	33
North Shore	3	89	486	619	112	14	5	0	1,328
Waitakere	0	38	1,145	1,690	580	84	7	0	3,544
Auckland CBD	21	121	201	4	0	0	0	0	347
Auckland North East	56	140	397	270	25	5	2	0	895
Auckland North West	138	613	839	443	96	10	2	0	2,141
Auckland South East	80	458	1,434	1,933	275	54	15	5	4,254
Auckland South West	39	1,043	2,100	1,810	393	79	10	2	5,476
Manukau North	0	12	110	321	89	16	1	0	549
Manukau North West	0	131	2,013	3,758	1,018	392	91	20	7,423
Manurewa & Papakura	0	13	964	2,201	439	101	13	6	3,737
Pukekohe	0	6	64	121	52	9	0	1	253
Rural South	0	0	23	15	2	1	0	0	41
Total	337	2,665	9,824	13,219	3,093	766	146	35	30,085

Source: Housing New Zealand

There are above average proportions of bedsit, one and two-bedroom HNZ dwellings in the Auckland North West, Auckland North East, and Auckland South West HMAs, above average proportions of three and four-bedroom dwellings in the South Auckland HMAs and Waitakere and above average proportions of dwellings five-bedroom and larger in the Manukau North West HMA.

Table 7.10 presents the Housing New Zealand stock by age and by HMA.

Table 7.10: Housing New Zealand Stock by Age and HMA as at June 2009

HMA	Pre 1960s	1960s	1970s	1980s	1990s	2000s	Total
Rural North	7	6	5	18	10	18	64
Rodney Southern Coastal	1	1	2	0	17	12	33
North Shore	226	411	284	228	110	69	1,328
Waitakere	224	187	701	693	698	1,041	3,544
Auckland CBD	185	0	0	1	14	147	347
Auckland North East	579	153	1	23	53	86	895
Auckland North West	1,189	209	145	192	158	248	2,141
Auckland South East	2,199	539	118	490	321	587	4,254
Auckland South West	2,969	532	484	500	431	559	5,475
Manukau North	3	55	122	24	199	146	549
Manukau North West	411	2,382	1,727	1,332	595	976	7,423
Manurewa & Papakura	96	372	910	1,188	611	560	3,737
Pukekohe	57	19	66	59	7	45	253
Rural South	3	0	9	16	6	7	41
Total	8,149	4,866	4,574	4,764	3,230	4,501	30,084

Source: Housing New Zealand

Housing New Zealand stock built before 1960 is over-represented in the Auckland isthmus HMAs, while the South Auckland HMAs and Waitakere have proportionally more stock from more recent decades.

In summary, HNZ as at June 2009 had a total of 30,085 housing units in the region representing approximately 18% of the Auckland region's rental market¹⁶³. The stock is concentrated in five HMAs: Manukau North West, Auckland South West, Auckland South East, Manurewa and Papakura, and Waitakere, that together account for 81% of the region's HNZ stock. The stock is dominated by three-bedroom (43.9%) and two-bedroom (32.7%) dwellings with 27% of the stock built prior to 1960 and the balance, by age, relatively evenly spread across successive decades. Housing New Zealand's stock in the Auckland region has increased by approximately 329 units per annum over the last five years with the bulk of the increase in the Waitakere, Manukau North West, Auckland South West, and Manurewa and Papakura HMAs.

7.3.3 Territorial Local Authority Housing Stock

Five of the region's seven TLAs: North Shore City; Waitakere City; Manukau City; Papakura District and Franklin District provide below market cost accommodation to low-income households, specifically elderly households. Rodney District has never owned social housing. Auckland City in 2003 sold its 1,700 unit social housing portfolio to central government (Housing New Zealand). Today, Manukau City is the fifth largest provider of social housing in New Zealand; North Shore City is the sixth largest provider; and Waitakere City the tenth largest provider. Housing New Zealand is the largest provider of social housing in New Zealand followed by Christchurch City, Wellington City and Dunedin City.

Table 7.11 presents territorial local authority housing stock in the Auckland region as at late 2009 by unit type.

Table 7.11: Auckland Region TLA Housing Stock by Unit Type - 2009

Unit Type	Number of Units by TLA					TLAs Combined	
	North Shore	Waitakere	Manukau	Papakura	Franklin	Number	%
Bed-sit	240	72	402	61	6	781	51.5%
One-bdrm	248	264	111	11	93	727	47.9%
Two-bdrm	7	0	2	0	0	9	0.6%
Total	495 ¹⁶⁴	336	515	72	99 ¹⁶⁵	1,517	100.0%

Source: North Shore City, Waitakere City, Manukau City, Papakura District, and Franklin District

Territorial local authority housing in the Auckland region provides 1,517 housing units representing approximately 1% of Auckland's rental market.

The stock by unit configuration is as follows:

- Bedsit – 51.5%;
- One-bedroom – 47.9%; and
- Two-bedroom – 0.6%.

Table 7.12 presents territorial local authority stock in the Auckland region by unit type and HMA.

¹⁶³ Total rental market, i.e. private rental, social rental and third sector combined.

¹⁶⁴ Thirty seven of the North Shore units are subsidised owner occupier

¹⁶⁵ Franklin District has a total social housing stock of 111 units. Twelve of these, however, are located in Tuakau, outside the Auckland Region.

Table 7.12: Territorial Local Authority Stock by Unit Type and HMA - 2009

HMA	Number of bedrooms			Total	Percentage
	Bedsit	One Bedroom	Two Bedroom		
Rural North	0	0	0	0	0.0%
Rodney Southern Coastal	0	0	0	0	0.0%
North Shore	240	248	7	495	32.6%
Waitakere	72	264	0	336	22.1%
Auckland CBD	0	0	0	0	0.0%
Auckland North East	0	0	0	0	0.0%
Auckland North West	0	0	0	0	0.0%
Auckland South East	0	0	0	0	0.0%
Auckland South West	0	0	0	0	0.0%
Manukau North	58	13	0	71	4.7%
Manukau North West	263	78	2	343	22.6%
Manurewa & Papakura	142	31	0	173	11.4%
Pukekohe	0	75	0	75	4.9%
Rural South	6	18	0	24	1.6%
Total	781	727	9	1,517	100.0%

Source: North Shore City, Waitakere City, Manukau City, Papakura District, and Franklin District

Territorial local authority social housing in the Auckland region is concentrated in the following HMAs:

- North Shore City – 32.6% of total stock;
- Manukau North West – 22.6%; and
- Waitakere – 22.1%.

Approximately 45% of territorial local authority stock in the Auckland region was built during the 1960s, 38% during the 1970s and 14% during the 1980s.

In summary, there are five territorial local authority providers in the Auckland region providing low income below market cost accommodation to low income households, specifically elderly households. In total they provide and manage 1,517 dwelling units. The territorial local authority stock therefore accounts for a very small proportion of the region's total dwelling units. Slightly more than a quarter of one percent of the total private occupied dwelling stock as determined by the 2006 Census.

By location the territorial local authority stock, compared to Housing New Zealand stock, is proportionally much more concentrated in the North Shore (32.6% of territorial local authority stock versus 4.4% of HNZ stock) and Waitakere HMAs (22.1% versus 11.8%) and proportionally much less concentrated in the Auckland South West (nil versus 18.2%) and Auckland North West (nil versus 14.1%). By dwelling size the territorial local authority stock, compared to HNZ's stock, has proportionally, significantly more bedsit and one-bedroom dwellings (99.4% of territorial local authority stock versus 10% of HNZ stock). This reflects the key target group provided for by territorial local authority stock, the elderly.

7.4 Third Sector Housing Stock

7.4.1 Introduction

The objective of this section is to consider the amount and characteristics of the third sector housing stock and emergency housing stock in the Auckland region. 'Third sector housing' is rental housing provided by not-for-profit organisations with social objectives. The 'third sector' plays an important role, along with the social housing sector, in providing housing for those with special housing need¹⁶⁶.

The section will begin by providing a broad overview of the third sector housing stock in the region and defining the key components of the sector, namely: low income; supported; specialised; and emergency housing. It will then focus more specifically on the characteristics of the third sector stock by location, type, target group and dwelling size before making some concluding comments.

7.4.2 Third Sector Housing Provision Overview

There are approximately 40 third sector providers of varying sizes in the Auckland region and a small number of for-profit providers providing low-income, specialised, supported and emergency housing. The objective of this section is to present data on the third sector stock by type, target group and HMA. Our estimates have been developed from a range of sources including individual third sector housing providers and Housing New Zealand. Our estimates need to be treated as a minimum as it is inevitable that not all third sector dwelling units in the region will have been counted. Note that the review of third sector housing provision in the Auckland region presented in this section excludes respite care or accommodation with a rehabilitation focus.

We have defined low-income, specialised, supported, and emergency housing in the following ways. We appreciate that providers will have their own definitions for the housing they provide. Often too, providers will mix the different types of provision in one service.

Low-income third sector housing refers to housing provided by third sector not-for-profit organisations, which offer long term tenancy to low income groups facing housing affordability constraints. The target groups most commonly catered for by third sector providers are the elderly and 'families'. These social housing landlords may be supportive landlords, but they are essentially accommodation providers.

¹⁶⁶ Individuals or households with special housing need are those with housing needs in addition to affordability. Individuals with special housing need may require physical modifications to a dwelling to make it suitable for them. Individuals with special housing need may also have difficulty accessing suitable housing in the face of discrimination. They may also lack financial management skills or have medical conditions, which can make it difficult for them to sustain housing without assistance.

Supported housing refers to housing most commonly provided by third sector providers for those with special housing need. In addition to its landlord role the provider will also deliver a range of services to the tenant some of which will be to assist the tenant to maintain their tenancy, while others will address more specifically the special needs of the individual. Some support may entail a 24 / 7 presence by provider staff at or in close proximity to a household. Supported housing can be delivered either to individuals in say one-bedroom dwellings or to individuals living with others in larger dwellings. The target groups most commonly catered for by third sector supported housing is those experiencing mental illness or those with an intellectual disability.

Specialised housing refers to housing that has been modified in some way, most commonly in terms of access. The target groups most commonly catered for by specialised housing are those people with a physical disability.

Emergency housing is that which is available to meet a specific and immediate need. It is short term and will essentially meet the shelter requirements of those who are homeless. There may be some level of support offered.

7.4.3 Third Sector Housing - Number and Type

There are approximately 35 third sector providers in the Auckland region providing low-income, supported and specialised housing (i.e. third sector housing excluding emergency housing).

Table 7.13 summarises our estimate of the number and type of third sector dwelling units in the Auckland region.

Table 7.13: Third Sector Stock by Housing Type – Number of Dwelling Units 2009

HMA	Housing Type			Total
	Low-income	Supported	Specialised	
Rural North	14	15	2	31
Rodney Southern Coastal	0	9	0	9
North Shore	6	85	8	99
Waitakere	64	127	9	200
Auckland CBD	0	1	0	1
Auckland North East	13	2	0	15
Auckland North West	111	129	7	247
Auckland South East	4	27	1	32
Auckland South West	41	55	0	96
Manukau North	35	16	1	52
Manukau North West	0	121	2	123
Manurewa & Papakura	26	76	4	106
Pukekohe	0	24	0	24
Rural South	0	4	0	4
Total	314	691	34	1,039

Source: Darroch

Supported housing accounts for a third of the stock, low-income housing accounts for approximately 30% of the third sector stock, and specialised housing for the balance.

The third sector stock is concentrated in six HMAs, namely:

- Auckland North West – 247 units or 23.8% of the third sector stock;
- Waitakere – 200 units or 19.2%;
- Manukau North West – 123 units or 11.8%;
- Manurewa and Papakura – 106 units or 10.2%;
- North Shore – 99 units or 9.5%; and
- Auckland South West - 96 units or 9.2% of the third sector stock.

Of the 1,039 third sector dwellings approximately 28% are leased by providers from Housing New Zealand (Community Group Housing), the balance either owned by providers (63.5%) or leased from the private sector (8.1%).

Table 7.14 summarises our estimate of the number of third sector dwelling units, excluding emergency housing, by target group.

Table 7.14: Third Sector Stock by Target Group – Number of Dwelling Units 2009

HMA	Target group					Total
	Elderly	Family	Intellectual Disability	Mental Illness	Physical Disability	
Rural North		0	15	0	2	31
Rodney Southern Coastal	0	0	6	3	0	9
North Shore	6	0	42	43	8	99
Waitakere	49	26	71	45	9	200
Auckland CBD	0	0	0	0	0	1
Auckland North East	13	0	1	1	0	15
Auckland North West	105	6	9	120	7	247
Auckland South East	4	0	9	18	1	32
Auckland South West	37	9	24	25	0	96
Manukau North	35	0	16	0	1	52
Manukau North West	0	0	49	72	2	123
Manurewa & Papakura	12	14	30	46	4	106
Pukekohe	0	0	20	4	0	24
Rural South	0	0	3	1	0	4
Auckland region	275	55	295	378	34	1,037 ¹⁶⁷

Source: Darroch

Housing for those experiencing mental illness accounts for 36% of the third sector stock (excluding emergency housing), housing for those with an intellectual disability accounts for 28% of the stock and housing for the elderly accounts for 26% of the stock.

Third sector provision for those experiencing mental illness is focused on the Auckland North West HMA (32%), and Manukau North West (19%). Third sector provision for those with an intellectual disability is focused on Waitakere (24%), Manukau North West (17%), and North Shore (14%). Third sector provision for the elderly is focused on the Auckland North West (38%), Waitakere (18%), and Manukau North (13%).

¹⁶⁷ Excludes two dwellings for released prisoners which are not included as a separate target group

Table 7.15 presents information on the dwelling size of third sector provision by target group.

Table 7.15: Third Sector Stock by Target Group – Dwelling Size 2009

Target Group	Bedsit	One-bdrm	Two-bdrm	Three-bdrm	Four-bdrm	Five Bdrm	Six Bdrm Plus	Total
Elderly	54	205	16	0	0	0	0	275
Family	0	0	20	24	4	5	2	55
Intellectual Disability	0	23	31	16	53	139	33	295
Mental Illness	0	181	127	29	15	15	11	378
Physical Disability	0	0	6	4	9	6	9	34
Auckland region	54	409	200	73	81	165	55	1,037 ¹⁶⁸

Source: Darroch

Provision for the elderly is focused on one-bedroom (75%) and Bedsit (20%) dwellings. For families provision is focused on two-bedroom (36%) and three-bedroom (44%) dwellings and for those with intellectual disabilities on four-bedroom (18%) and five-bedroom (47.1%) dwellings. Those experiencing mental illness are predominantly in one-bedroom (48%) and two-bedroom (34%) dwellings and those with a physical disability in larger group home style dwellings.

From Table 7.15 we can estimate the approximate total number of individuals in each target group provided for by third sector providers. Table 7.16 presents these estimates.

Table 7.16: Third Sector Stock by Target Group – Number of People 2009

Target Group	Bedsit	One-bdrm	Two-bdrm	Three-bdrm	Four-bdrm	Five Bdrm	Six Bdrm Plus	Total
Elderly	54	246	32	0	0	0	0	332
Family	0	0	50	84	16	25	12	187
Intellectual Disability	0	23	62	48	212	695	201	1,241
Mental Illness	0	181	254	87	60	75	71	728
Physical Disability	0	0	12	12	36	30	56	146
Auckland region	54	450	410	231	324	825	340	2,634

Source: Darroch

Individuals with an intellectual disability account for almost 50% of the individuals provided for followed by those experiencing mental illness who account for about 27% of individuals housed by the third sector.

¹⁶⁸ Excludes two dwellings for released prisoners which are not included as a separate target group

Table 7.17 summarises the emergency housing stock in the Auckland region by targeted group, dwelling numbers and bedrooms.

Table 7.17: Auckland Region Emergency Housing 2009

Target Group	Dwellings	Number of Bedrooms	Number of Beds
Family	25	87	Na
Men	-	-	155
Released Prisoners	1	5	Na
Women's Refuges	27	121	Na
Total	53	213	155

Source: Darroch

Note Bed numbers refer to adult beds

Emergency housing is generally operated by community groups that supply both accommodation and some support services. Support services are designed to respond to complex needs of the clients seeking help and to address the reasons the client requires emergency housing.

In summary, there are approximately 35 third sector providers in the Auckland region providing low income, supported and specialised third sector housing. In total they provide and manage approximately 1,039 dwelling units housing approximately 2,600 people. In addition emergency housing providers provide and manage approximately 53 dwelling units across the region. The third sector stock therefore, excluding emergency housing, accounts for a very small proportion of the region's total dwelling units. Slightly less than a quarter of one percent of the total private occupied dwelling stock as determined by the 2006 Census.

By location the third sector stock, compared to HNZ's stock, is much more concentrated in the Waitakere (19.2% of third sector stock versus 11.8% of HNZ stock) and Auckland North West HMAs (23.8% versus 7.1%) and much less concentrated in the Auckland South East (3.1% versus 14.1%), Auckland South West (9.2% versus 18.2%) and Manukau North West (11.8% versus 24.6%) HMAs. By dwelling size the third sector stock, compared to HNZ's stock, has significantly more large dwellings (five-bedrooms plus) and significantly more small dwellings (bedsit and one-bedroom dwellings). This reflects the key target groups provided for by the third sector, namely; those with intellectual and physical disabilities, often in groups homes; and those suffering from mental illness and the elderly, in smaller dwellings.

8.0 Housing Market Trends Part 1 – Prices, Dwelling Consents and Development Activity

8.1 Introduction

The objective of this chapter is to provide an overview of key housing market trends in the Auckland region housing market focusing on price and rental trends, trends in dwelling consents and current and possible future trends in residential development activity.

The trend in house sale prices shows how demand for housing in the market is responding to the totality of housing demand and supply drivers through changes in relative prices. Similarly, the trend in market rentals shows how demand for rental housing is responding to the totality of rental housing demand and supply drivers through changes in relative prices. Trends in dwelling consents and development activity show how supply is responding to demand and house price changes. The pattern and nature of development activity can also provide important insight into market trends.

This chapter is structured in the following way:

- Dwelling sale price trends;
- Dwelling rental trends;
- Dwelling consent trends; and
- Current and possible future trends in development activity.

8.2 Sale Price Trends

The objective of this section is to consider dwelling sale price trends in the Auckland region by housing market area over the 1996 to 2009 period. The trend in lower quartile and median dwelling prices over that period will be considered for both standalone and multi-unit dwellings. In addition three-bedroom median prices for both standalone and multi-unit dwellings are mapped by area unit. The trend in lower quartile dwelling prices in particular provides important base data for the analysis of trends in housing affordability for renters and potential first home buyers as presented in Chapter 9.

Table 8.1 presents the trend in lower quartile and median sale prices for standalone dwellings in the Auckland region by housing market area between 1996 and 2009. Table 8.2 presents the same analysis for multi-unit dwellings.

Table 8.1: Sale Price Trends – Standalone Dwellings 1996 to 2009

HMA	Sale Price		% Chge	Sale Price	% Chge	Sale Price	% Chge	Annual Average Growth Rate			
	1996	2001	96 to 01	2006	01 to 06	2009	06 to 09	96 to 01	01 to 06	06 to 09	96 to 09
Lower Quartile House Price											
Rural North	\$145,000	\$175,000	20.7%	\$340,000	94.3%	\$355,000	4.4%	3.8%	14.2%	1.4%	7.1%
Rodney Southern Coastal	\$185,750	\$190,000	2.3%	\$370,000	94.7%	\$410,000	10.8%	0.5%	14.3%	3.5%	6.3%
North Shore	\$212,000	\$213,000	0.5%	\$392,000	84.0%	\$420,000	7.1%	0.1%	13.0%	2.3%	5.4%
Waitakere	\$165,000	\$164,000	-0.6%	\$309,000	88.4%	\$315,000	1.9%	-0.1%	13.5%	0.6%	5.1%
Auckland Central	-	-	-	-	-	-	-	-	-	-	-
Auckland North East	\$310,000	\$330,000	6.5%	\$575,250	74.3%	\$585,000	1.7%	1.3%	11.8%	0.6%	5.0%
Auckland North West	\$260,000	\$290,000	11.5%	\$550,000	89.7%	\$510,000	-7.3%	2.2%	13.7%	-2.5%	5.3%
Auckland South East	\$155,000	\$158,000	1.9%	\$311,500	97.2%	\$320,000	2.7%	0.4%	14.5%	0.9%	5.7%
Auckland South West	\$200,000	\$200,000	0.0%	\$365,125	82.6%	\$375,000	2.7%	0.0%	12.8%	0.9%	5.0%
Manukau North	\$236,000	\$244,250	3.5%	\$428,000	75.2%	\$470,000	9.8%	0.7%	11.9%	3.2%	5.4%
Manukau North West	\$122,375	\$144,000	17.7%	\$260,000	80.6%	\$265,000	1.9%	3.3%	12.5%	0.6%	6.1%
Manurewa & Papakura	\$133,000	\$150,000	12.8%	\$260,000	73.3%	\$266,000	2.3%	2.4%	11.6%	0.8%	5.5%
Pukekohe	\$127,450	\$156,000	22.4%	\$285,000	82.7%	\$340,000	19.3%	4.1%	12.8%	6.1%	7.8%
Rural South	\$135,000	\$169,000	25.2%	\$302,000	78.7%	\$328,000	8.6%	4.6%	12.3%	2.8%	7.1%

Source: Darroch / Headway Systems

Table 8.1: Sale Price Trends – Standalone Dwellings 1996 to 2009 Continued

HMA	Sale Price		% Chge	Sale Price	% Chge	Sale Price	% Chge	Annual Average Growth Rate			
	1996	2001	96 to 01	2006	01 to 06	2009	06 to 09	96 to 01	01 to 06	06 to 09	96 to 09
Median House Price											
Rural North	\$187,000	\$225,000	20.3%	\$420,000	86.7%	\$430,000	2.4%	3.8%	13.3%	0.8%	6.6%
Rodney Southern Coastal	\$235,000	\$242,000	3.0%	\$450,000	86.0%	\$495,000	10.0%	0.6%	13.2%	3.2%	5.9%
North Shore	\$255,000	\$275,000	7.8%	\$495,000	80.0%	\$530,000	7.1%	1.5%	12.5%	2.3%	5.8%
Waitakere	\$192,000	\$202,500	5.5%	\$358,000	76.8%	\$370,000	3.4%	1.1%	12.1%	1.1%	5.2%
Auckland Central	-	-	-	-	-	-	-	-	-	-	-
Auckland North East	\$400,000	\$438,250	9.6%	\$750,000	71.1%	\$765,000	2.0%	1.8%	11.3%	0.7%	5.1%
Auckland North West	\$312,500	\$360,000	15.2%	\$680,000	88.9%	\$660,000	-2.9%	2.9%	13.6%	-1.0%	5.9%
Auckland South East	\$185,000	\$189,000	2.2%	\$367,000	94.2%	\$385,000	4.9%	0.4%	14.2%	1.6%	5.8%
Auckland South West	\$237,000	\$239,000	0.8%	\$427,750	79.0%	\$435,000	1.7%	0.2%	12.3%	0.6%	4.8%
Manukau North	\$285,000	\$290,000	1.8%	\$505,000	74.1%	\$555,500	10.0%	0.3%	11.7%	3.2%	5.3%
Manukau North West	\$150,000	\$175,000	16.7%	\$320,000	82.9%	\$321,000	0.3%	3.1%	12.8%	0.1%	6.0%
Manurewa & Papakura	\$157,500	\$190,000	20.6%	\$315,000	65.8%	\$332,500	5.6%	3.8%	10.6%	1.8%	5.9%
Pukekohe	\$168,000	\$190,000	13.1%	\$360,000	89.5%	\$396,000	10.0%	2.5%	13.6%	3.2%	6.8%
Rural South	\$175,000	\$210,000	20.0%	\$391,250	86.3%	\$404,500	3.4%	3.7%	13.3%	1.1%	6.7%

Source: Darroch / Headway Systems

Table 8.2: Sale Price Trends – Multi-Unit Dwellings 1996 to 2009

HMA	Sale Price		% Chge	Sale Price	% Chge	Sale Price	% Chge	Annual Average Growth Rate			
	1996	2001	96 to 01	2006	01 to 06	2009	06 to 09	96 to 01	01 to 06	06 to 09	96 to 09
Lower Quartile House Price											
Rural North	\$121,000	\$150,500	24.4%	\$200,750	33.4%	\$189,000	-5.9%	4.5%	5.9%	-2.0%	3.5%
Rodney Southern Coastal	\$178,500	\$179,000	0.3%	\$329,250	83.9%	\$380,000	15.4%	0.1%	13.0%	4.9%	6.0%
North Shore	\$170,000	\$160,000	-5.9%	\$305,000	90.6%	\$311,750	2.2%	-1.2%	13.8%	0.7%	4.8%
Waitakere	\$130,000	\$129,500	-0.4%	\$268,000	106.9%	\$286,250	6.8%	-0.1%	15.7%	2.2%	6.3%
Auckland Central	\$180,100	\$145,000	-19.5%	\$210,000	44.8%	\$139,800	-33.4%	-4.2%	7.7%	-12.7%	-1.9%
Auckland North East	\$188,250	\$198,750	5.6%	\$305,162	53.5%	\$321,775	5.4%	1.1%	9.0%	1.8%	4.2%
Auckland North West	\$160,000	\$144,875	-9.5%	\$258,250	78.3%	\$280,500	8.6%	-2.0%	12.3%	2.8%	4.4%
Auckland South East	\$113,875	\$105,000	-7.8%	\$172,000	63.8%	\$234,250	36.2%	-1.6%	10.4%	10.8%	5.7%
Auckland South West	\$145,750	\$140,750	-3.4%	\$260,000	84.7%	\$271,500	4.4%	-0.7%	13.1%	1.5%	4.9%
Manukau North	\$195,000	\$200,000	2.6%	\$345,000	72.5%	\$365,000	5.8%	0.5%	11.5%	1.9%	4.9%
Manukau North West	\$113,868	\$125,000	9.8%	\$220,000	76.0%	\$215,000	-2.3%	1.9%	12.0%	-0.8%	5.0%
Manurewa & Papakura	\$112,000	\$106,000	-5.4%	\$199,500	88.2%	\$200,000	0.3%	-1.1%	13.5%	0.1%	4.6%
Pukekohe	\$106,000	\$121,312	14.4%	\$211,500	74.3%	\$271,250	28.3%	2.7%	11.8%	8.6%	7.5%
Rural South	\$106,125	\$131,375	23.8%	\$242,500	84.6%	\$240,000	-1.0%	4.4%	13.0%	-0.3%	6.5%

Source: Darroch / Headway Systems

Table 8.2: Sale Price Trends – Multi-Unit Dwellings 1996 to 2009 Continued

HMA	Sale Price		% Chge	Sale Price	% Chge	Sale Price	% Chge	Annual Average Growth Rate			
	1996	2001	96 to 01	2006	01 to 06	2009	06 to 09	96 to 01	01 to 06	06 to 09	96 to 09
Median House Price											
Rural North	\$157,000	\$205,000	30.6%	\$278,000	35.6%	\$342,500	23.2%	5.5%	6.3%	7.2%	6.2%
Rodney Southern Coastal	\$207,000	\$245,000	18.4%	\$397,000	62.0%	\$530,000	33.5%	3.4%	10.1%	10.1%	7.5%
North Shore	\$208,000	\$210,000	1.0%	\$360,500	71.7%	\$380,000	5.4%	0.2%	11.4%	1.8%	4.7%
Waitakere	\$152,000	\$160,000	5.3%	\$336,000	110.0%	\$402,500	19.8%	1.0%	16.0%	6.2%	7.8%
Auckland Central	\$232,409	\$217,500	-6.4%	\$269,500	23.9%	\$200,000	-25.8%	-1.3%	4.4%	-9.5%	-1.1%
Auckland North East	\$260,000	\$282,250	8.6%	\$414,500	46.9%	\$416,500	0.5%	1.7%	8.0%	0.2%	3.7%
Auckland North West	\$205,500	\$200,000	-2.7%	\$335,000	67.5%	\$362,250	8.1%	-0.5%	10.9%	2.6%	4.5%
Auckland South East	\$145,500	\$139,000	-4.5%	\$247,500	78.1%	\$288,400	16.5%	-0.9%	12.2%	5.2%	5.4%
Auckland South West	\$182,000	\$170,000	-6.6%	\$305,000	79.4%	\$334,500	9.7%	-1.4%	12.4%	3.1%	4.8%
Manukau North	\$230,000	\$242,500	5.4%	\$410,000	69.1%	\$428,500	4.5%	1.1%	11.1%	1.5%	4.9%
Manukau North West	\$140,000	\$157,500	12.5%	\$251,000	59.4%	\$278,000	10.8%	2.4%	9.8%	3.5%	5.4%
Manurewa & Papakura	\$130,000	\$133,000	2.3%	\$225,000	69.2%	\$235,000	4.4%	0.5%	11.1%	1.5%	4.7%
Pukekohe	\$138,000	\$149,500	8.3%	\$235,000	57.2%	\$305,000	29.8%	1.6%	9.5%	9.1%	6.3%
Rural South	\$127,300	\$153,125	20.3%	\$284,000	85.5%	\$290,000	2.1%	3.8%	13.1%	0.7%	6.5%

Source: Darroch / Headway Systems

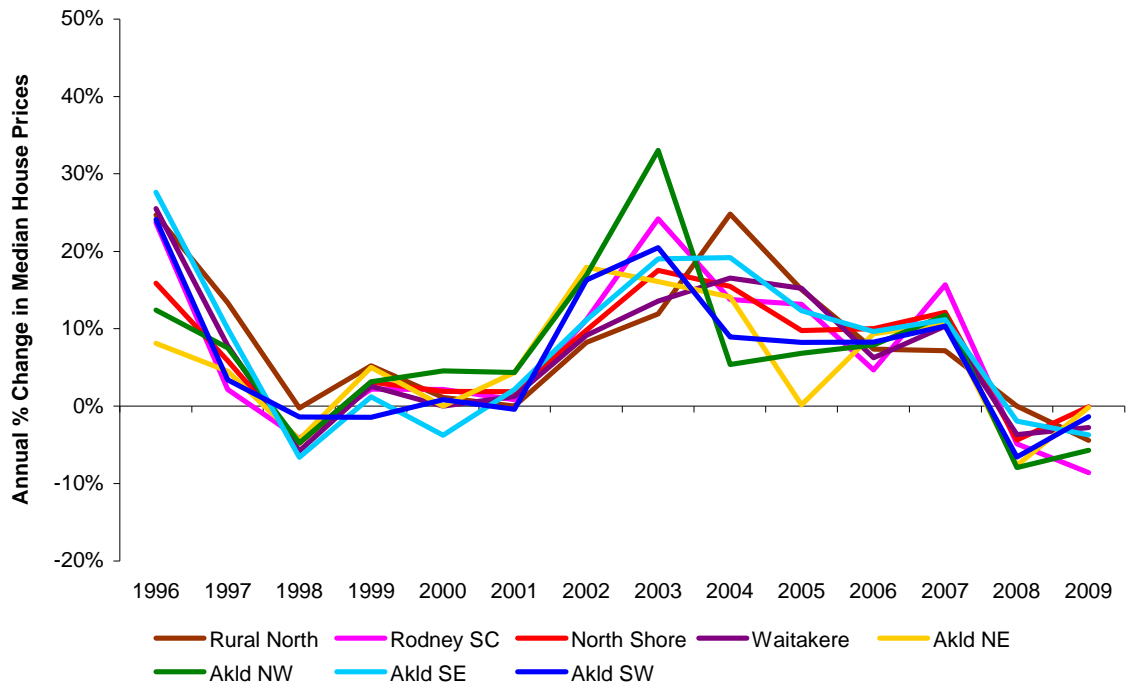
Key trends include:

- Lower quartile sale prices for standalone dwellings experienced their greatest increase over the 2001 to 2006 period across all HMAs. Relatively loose lending criteria, strong population growth combined with an appetite for investment property were key drivers over this period;
- Auckland City South East (97.2%) was the HMA to experience the highest rate of lower quartile sale price appreciation over the 2001 to 2006 period, followed by the Rural North (94.3%), Rodney Southern Coastal (94.7%) and Auckland City North West (89.7%) HMAs. The growth rates of these four HMAs slowed to 2.7%, 4.4%, 10.8% and -7.3% respectively over the 2006 to 2009 period;
- Rural areas also experienced significant growth in lower quartile standalone dwelling sale prices between 2001 and 2006. Demand for out of town living and 'lifestyle' type properties contributed to this growth. Over the 2006 to 2009 period, whilst most urban HMAs slowed to single digit growth, Rodney Southern Coastal and Pukekohe maintained growth rates of 10.8% and 19.3% respectively;
- Mirroring the growth in lower quartile sale prices, median sale prices for standalone dwellings also increased strongly over the 2001 to 2006 period across all HMAs;
- The Auckland City South East (94.2%); Auckland City North West (88.9%) and Manukau City North West (82.9%) HMAs experienced the highest rate of growth in median sale prices over the 2001 to 2006 period. Growth rates in these HMAs, however, slowed to 4.9%, -2.9% and 0.3% respectively over the 2006 to 2009 period;
- The Rural North and Rural South HMAs also experienced significant growth in median sale prices between 2001 and 2006, however, the rate of growth slowed to similar levels to that in the main urban HMAs between 2006 and 2009. Rodney Southern Coastal and Pukekohe, however, maintained growth rates of 10% over the 2006 to 2009 period;
- Lower quartile sale prices for multi-unit dwellings grew by the most over the 2001 to 2006 period across all HMAs;
- Waitakere (106.9%) experienced the highest rate of multi-unit lower quartile sale price appreciation over the 2001 to 2006 period, followed by the North Shore (90.6%), Manurewa and Papakura (88.2%) and Auckland City South West (84.7%) HMAs. These rates of growth slowed to 6.8%, 2.2%, 10.3% and 4.4% respectively over the 2006 to 2009 period;
- Lower quartile sale prices for multi-unit dwellings in the Auckland CBD grew by 44.8% between 2001 and 2006. However, subsequently, from 2006 to 2009, sale prices fell by 33.4%;
- Mirroring the growth in lower quartile sale prices, median sale prices for multi-unit dwellings also increased strongly over the 2001 to 2006 period across all HMAs;
- Waitakere (110%); Rural South (85.5%), Auckland South West (79.4%) and Auckland South East (78.1%) experienced the highest rate of growth in median sale prices for multi-unit dwellings over the 2001 to 2006 period. Growth rates in these HMAs, however, slowed to 19.8%, 2.1%, 9.7%, and 16.5% respectively over the 2006 to 2009 period; and
- Median sale prices for multi-unit dwellings in the CBD showed a similar trend to multi-unit lower quartile sale prices in the HMA, increasing by 23.9% between 2001 and 2006, and then falling by 25.8% between 2006 and 2009.

Figure 8.1 presents the trend in the median house price by housing market area for the northern housing market¹⁶⁹ between 1996 and 2008.

¹⁶⁹ Includes the Rural North, Rodney Southern Coastal, North Shore, Waitakere, Auckland North East, Auckland North West, Auckland South East and Auckland South West HMAs.

Figure 8.1: Median House Price Trends – Northern Housing Market 1996 to 2009



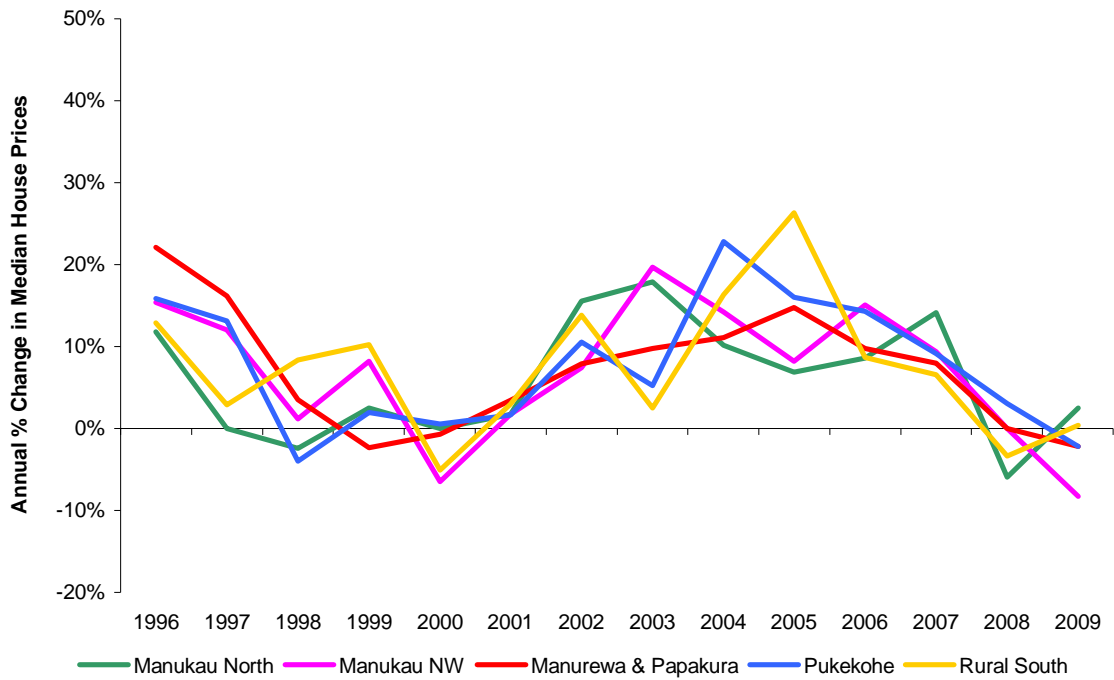
Source: Darroch / Headway Systems

Median house price growth in the northern housing market over the 1996 to 2009 period has been characterised by significant volatility. The rate of growth, after slowing significantly between 1996 and 1998, remained relatively weak and in some cases negative in the period to 2001 in most of the HMAs. In the period to 2003 the rate of price growth across all HMAs increased significantly, and then subsequently eased, while still remaining relatively strong in the period to 2007. Following the global events of 2007 and New Zealand’s subsequent economic contraction, house price growth turned negative with annual growth negative through 2008 and into 2009.

Figure 8.2 presents the trend in the median house price by housing market area for the southern housing market¹⁷⁰ between 1996 and 2009.

¹⁷⁰ Includes the Manukau North, Manukau North West, Manurewa and Papakura, Pukekohe and Rural South HMAs.

Figure 8.2: Median House Price Trends – Southern Housing Market 1996 to 2009

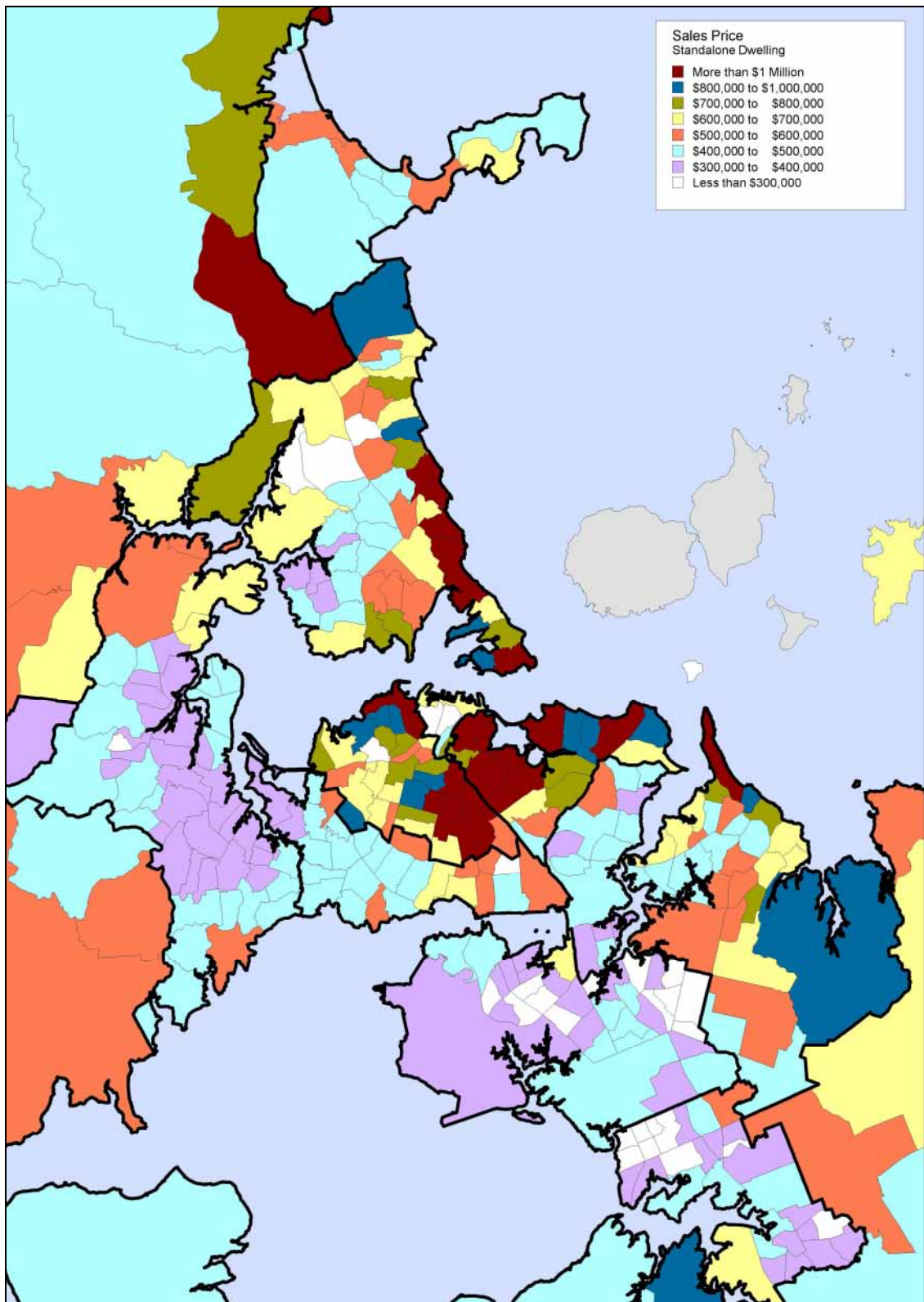


Source: Darroch / Headway Systems

The rate of house growth in the southern housing market was not as weak as that in the northern market over the 1998 to 2001 period, nor was growth as strong over the 2001 to 2007 period.

Figure 8.3 presents median dwelling sale prices (three-bedroom) by area unit with HMA boundaries

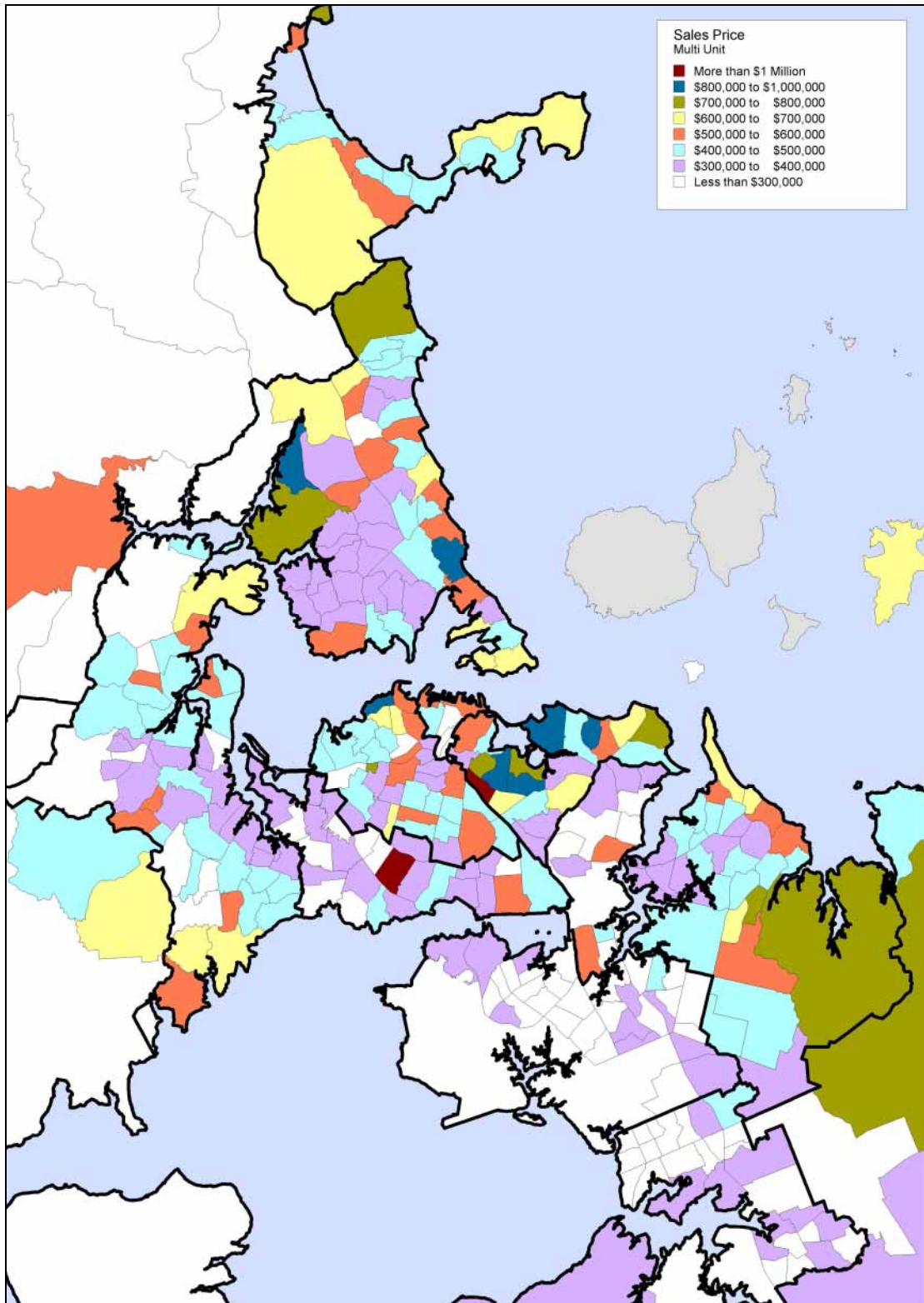
Figure 8.3: Median Sales Price for Standalone (Three-bedroom) Dwellings by Area Unit (Year end June 2009).



Source: Darroch / Headway Systems

Figure 8.4 presents median multi-unit dwelling sale prices by area unit with HMA boundaries shown.

Figure 8.4: Median Sales Price for Multi-Unit (Three-bedroom) Dwellings by Area Unit (Year end June 2009).



Source: Darroch / Headway Systems

Key points include:

- Locations with standalone dwellings selling for more than \$1 million include areas of coastal land on the North Shore as well as areas in Auckland North East and Auckland North West;
- Standalone dwellings with sale prices of less than \$300,000 were concentrated in pockets in Waitakere, Manukau North West, and the western areas of North Shore HMA;
- Buffering these lower price areas were areas characterised by standalone dwelling house price ranges between \$400,000 and \$500,000;
- Pockets of rural 'lifestyle blocks' explain the concentrations of higher value properties in Rodney and Manukau North;
- Multi-unit sales of \$1 million or more were concentrated in a few area units within the Auckland North East and Auckland South West HMAs;
- Large areas and corridors of multi-unit sales below \$400,000 were situated in the western areas of North Shore HMA as well as Waitakere, Auckland South West and North West and Manukau North; and
- The majority of multi-unit sales in Auckland North East and coastal North Shore ranged in price from \$500,000 to \$700,000.

In conclusion, dwelling prices, both standalone and multi-unit, have increased significantly in the Auckland region over the 1996 to 2006 period. Standalone prices by between 90% and 120% in most HMAs and multi-unit prices by between 60% and 90% in most HMAs. Price growth over the 1996 to 2009 period, however, was very uneven with the 2001 to 2006 period accounting for most of the increase and at reasonably consistent rates across the HMAs, with growth over the 1996 to 2001 and 2006 to 2009 periods more modest in comparison and much more variable by HMA. Standalone dwelling prices across most HMAs in 2009 were significantly ahead of multi-unit dwelling prices, by between 30% and 40%. In the Auckland North East and Auckland North West HMAs, however, the gap was much greater, that is in the order of 80%. Also, due to differential growth rates, the gap between standalone dwelling prices and multi-unit prices has increased over 1996 to 2009. Thus the price of multi-unit dwellings in 2009 was not only significantly less than standalone dwellings in all HMAs, but over the 1996 to 2009 period multi-unit dwellings, in comparison to standalone dwellings, have become relatively cheaper.

In 2009 standalone dwelling prices (median) were highest in the Auckland North East (\$765,000), Auckland North West (\$660,000), Manukau North (\$555,500) and North Shore (\$530,000) HMAs and lowest in the Manukau North West (\$321,000), Manurewa and Papakura (\$332,500), Waitakere (\$370,000) and Auckland South East (\$385,000) HMAs. As at the same date multi-unit dwelling prices (median) were highest in the Rodney Southern Coastal (\$530,000), Manukau North (\$428,500), Auckland North East (\$416,500) and Waitakere (\$402,500) HMAs and lowest in the Auckland CBD (\$200,000), Manurewa and Papakura (\$235,000), Manukau North West (\$278,000) and Auckland South East (\$288,400) HMAs.

8.3 Rental Trends

The objective of this section is to consider rental price trends in the Auckland region by housing market area over the 1996 to 2009 period. The trend in median rents over that period will be considered for three-bedroom standalone dwellings and two-bedroom flat / apartment dwellings. In addition three-bedroom median dwelling rents are mapped by area unit. The trend in dwelling rents provides important base data for the analysis of trends in housing affordability for renters and potential first home buyers as presented in Chapter 9.

Rents in the Auckland region have increased at a significantly lower rate than house prices and lower rate than median household incomes. Table 8.3 presents the trend in median weekly rents for three-bedroom dwellings and two-bedroom flats / apartments by housing market area between 1996 and 2009. Figure 8.5 presents median three-bedroom dwelling rentals by area unit with HMA boundaries shown.

Table 8.3: Market Rental Trends (\$ per Week) 1996 to 2009

Housing Market Area	Median Rent		% Change 96 to 01		Rent	% Change 01 to 06		Rent	% Change 06 to 09		% Change 96 to 09	
	1996	2001	Total	Annual	2006	Total	Annual	2009	Total	Annual	Total	Annual
Three-Bedroom Standalone Dwelling												
Rural North	\$231	\$252	9.2%	1.8%	\$330	31.0%	5.6%	\$370	12.3%	3.9%	60.6%	2.7%
Rodney Southern Coastal	\$265	\$273	3.0%	0.6%	\$349	27.7%	5.0%	\$367	5.3%	1.7%	38.5%	1.8%
North Shore	\$312	\$302	-3.4%	-0.7%	\$401	32.8%	5.8%	\$440	9.7%	3.1%	40.8%	1.9%
Waitakere	\$271	\$259	-4.3%	-0.9%	\$331	27.6%	5.0%	\$362	9.3%	3.0%	33.4%	1.6%
Auckland CBD	-	-	-	-	-	-	-	-	-	-	-	-
Auckland North East	\$395	\$413	4.8%	0.9%	\$508	23.0%	4.2%	\$547	7.6%	2.5%	38.7%	1.8%
Auckland North West	\$369	\$381	3.4%	0.7%	\$476	24.9%	4.5%	\$538	13.1%	4.2%	46.1%	2.1%
Auckland South East	\$281	\$265	-5.4%	-1.1%	\$335	26.3%	4.8%	\$369	10.1%	3.2%	31.5%	1.5%
Auckland South West	\$304	\$288	-5.2%	-1.1%	\$357	23.8%	4.4%	\$388	8.7%	2.8%	27.6%	1.4%
Manukau North	\$322	\$321	-0.2%	0.0%	\$384	19.6%	3.6%	\$432	12.5%	4.0%	34.2%	1.6%
Manukau North West	\$259	\$254	-2.2%	-0.4%	\$310	22.4%	4.1%	\$343	10.5%	3.4%	32.3%	1.6%
Manurewa & Papakura	\$251	\$250	-0.6%	-0.1%	\$299	19.6%	3.6%	\$331	11.0%	3.5%	32.0%	1.6%
Pukekohe	\$223	\$221	-0.6%	-0.1%	\$284	28.4%	5.1%	\$320	12.7%	4.1%	43.8%	2.0%
Rural South	\$219	\$237	8.2%	1.6%	\$298	26.0%	4.7%	\$333	11.9%	3.8%	52.6%	2.4%

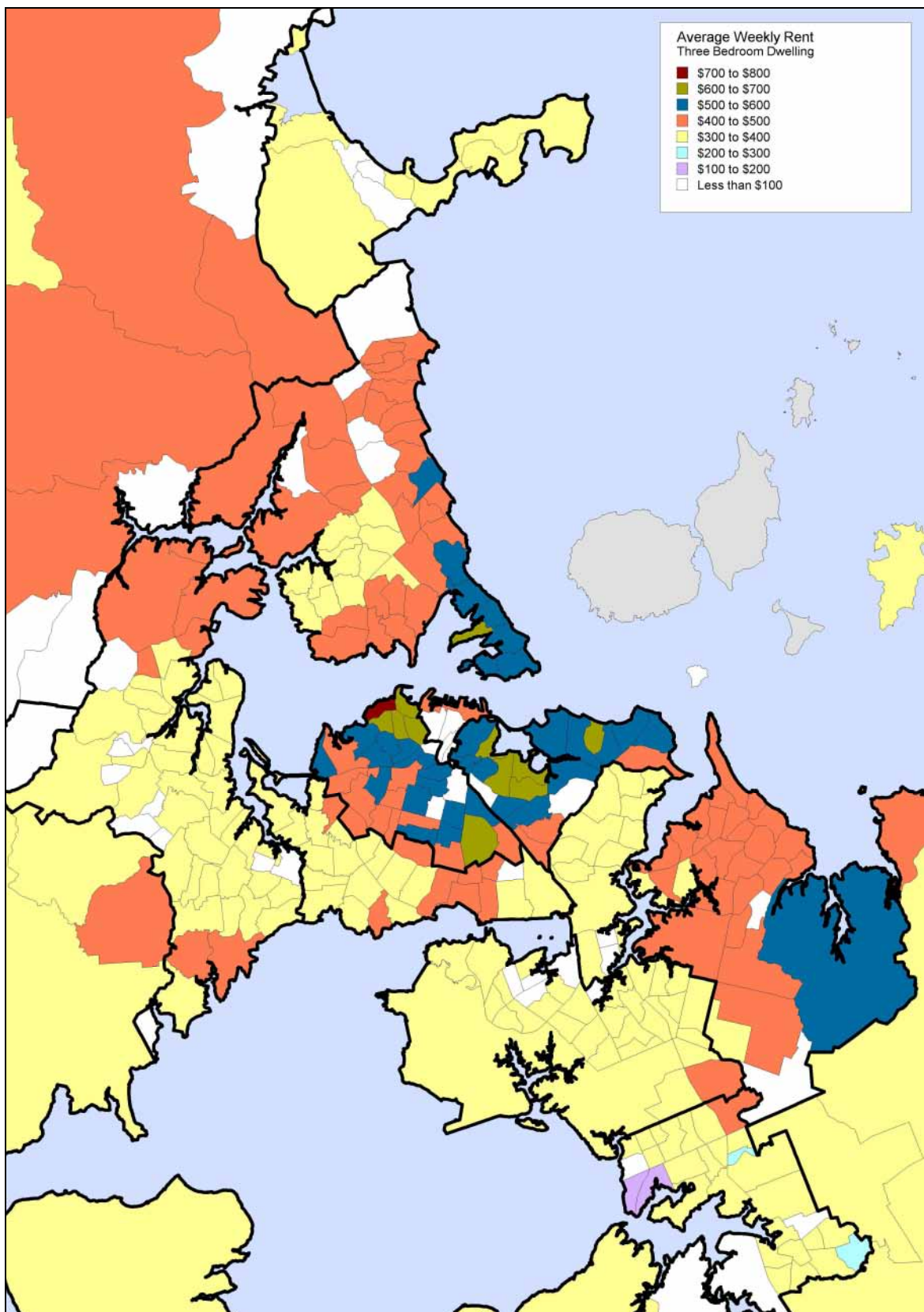
Source: Department of Building and Housing

Table 8.3: Market Rental Trends (\$ per Week) 1996 to 2009 Continued

Housing Market Area	Median Rent		% Change 96 to 01		Rent 2006	% Change 01 to 06		Rent 2009	% Change 06 to 09		% Change 96 to 09	
	1996	2001	Total	Annual		Total	Annual		Total	Annual	Total	Annual
Two-Bedroom Flat / Apartment												
Rural North	\$177	\$177	0.1%	0.0%	\$229	29.2%	5.3%	\$247	7.9%	2.6%	39.6%	1.9%
Rodney Southern Coastal	\$210	\$191	-9.1%	-1.9%	\$250	30.7%	5.5%	\$297	18.7%	5.9%	41.0%	1.9%
North Shore	\$233	\$228	-2.2%	-0.4%	\$298	30.6%	5.5%	\$317	6.5%	2.1%	35.9%	1.7%
Waitakere	\$213	\$197	-7.4%	-1.5%	\$249	26.0%	4.7%	\$269	8.1%	2.6%	26.1%	1.3%
Auckland CBD	\$354	\$372	5.0%	1.0%	\$374	0.5%	0.1%	\$398	6.3%	2.1%	12.2%	0.6%
Auckland North East	\$272	\$272	-0.2%	0.0%	\$328	20.5%	3.8%	\$348	6.3%	2.1%	27.9%	1.4%
Auckland North West	\$262	\$267	1.9%	0.4%	\$311	16.4%	3.1%	\$335	7.9%	2.6%	28.0%	1.4%
Auckland South East	\$204	\$192	-6.3%	-1.3%	\$251	31.3%	5.6%	\$272	8.2%	2.7%	33.0%	1.6%
Auckland South West	\$225	\$213	-5.3%	-1.1%	\$271	26.9%	4.9%	\$294	8.5%	2.7%	30.3%	1.5%
Manukau North	\$242	\$240	-0.7%	-0.1%	\$292	21.7%	4.0%	\$321	10.1%	3.3%	33.1%	1.6%
Manukau North West	\$202	\$192	-4.6%	-0.9%	\$248	29.1%	5.2%	\$276	11.2%	3.6%	37.0%	1.8%
Manurewa & Papakura	\$200	\$188	-6.2%	-1.3%	\$240	27.6%	5.0%	\$264	10.3%	3.3%	32.1%	1.6%
Pukekohe	\$169	\$173	2.6%	0.5%	\$217	25.0%	4.6%	\$237	9.2%	3.0%	40.0%	1.9%
Rural South	\$140	\$160	14.3%	2.7%	\$190	18.8%	3.5%	\$150	-21.1%	-7.6%	7.1%	0.4%

Source: Department of Building and Housing

Figure 8.5: Three-Bedroom Dwelling Rental (Median) by Area Unit (Year End June 2009)



Source: Darroch / Headway Systems

Key trends include:

- Rental rates for three-bedroom dwellings grew more slowly across all HMAs over the 2006 to 2009 period compared to the period between 2001 and 2006, however, the rate of rental rate growth over the 2006 to 2009 period was significantly ahead of that recorded over the 1996 to 2001 period;
- Rental rates for two-bedroom flats / apartments across all HMAs also experienced slower growth over the 2006 to 2009 period compared to the 2001 and 2006 period;
- Areas of higher rent are focused on the Auckland isthmus (Auckland North East, CBD and Auckland North West HMAs) as well as the coastal areas of the North Shore HMA. In these HMAs the median weekly rent for a three-bedroom dwelling in 2009 lay between \$400 and \$700 per week, increasing, in general, with proximity to the CBD;
- Areas of lower rent (under \$400 per week) make up large portions of the Manukau City HMAs as well as Waitakere HMA, Papakura and the Rural South; and
- In the HMAs of Manukau North, North Shore and Rodney Southern Coastal, the average weekly rent is between \$400 and \$500.

In conclusion, rents for both standalone and multi-unit dwellings have increased over the 1996 to 2009 period, but at rates significantly less than house prices over the same period. A number of factors may account for this pattern including supply-demand balances and affordability constraints. Also, given the significant increase in dwelling prices over the period many investors may have been content to generate the majority of their return in the form of capital gains.

Median three-bedroom standalone dwelling rents increased by between 30% and 40% in most HMAs and median two-bedroom flat / apartment rents by between 25% and 35% in most HMAs. Rental price growth over the 1996 to 2009 period, however, was very uneven, rents increasing in most HMAs over the 2001 to 2006 and 2006 to 2009 periods, but falling in most HMAs over the 1996 to 2001 period.

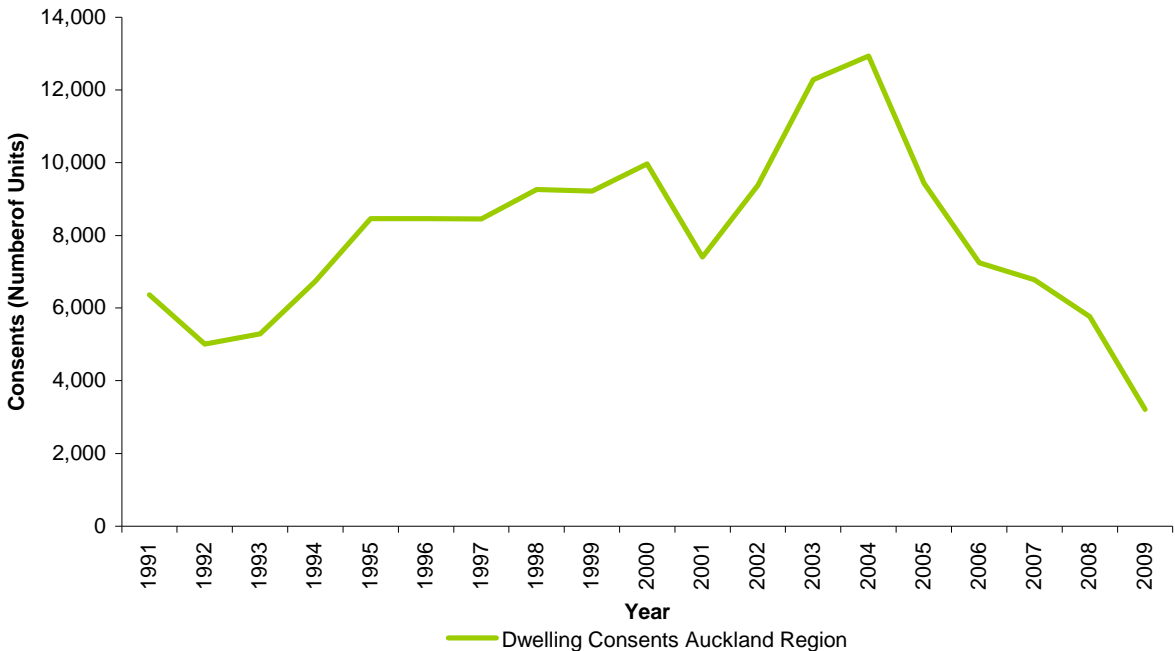
In 2009 median three-bedroom standalone dwelling rents were highest in the Auckland North East (\$547 pw), Auckland North West (\$538 pw), North Shore (\$440 pw) and Manukau North (\$432 pw) HMAs and lowest in the Pukekohe (\$320 pw), Manurewa and Papakura (\$331pw), Rural South (\$333 pw) and Manukau North West (\$343 pw) HMAs. In 2009 median two-bedroom flat / apartment rents were highest in the Auckland CBD (\$398 pw), Auckland North East (\$348 pw), Auckland North West (\$335 pw) and Manukau North (\$321 pw) HMAs and lowest in the Rural South (\$150 pw), Pukekohe (\$237 pw), Rural North (\$247 pw), and Manurewa and Papakura (\$264 pw) HMAs.

8.4 Dwelling Consents

The objective of this section is to consider dwelling consent trends in the Auckland region over the 1991 to 2009 and 1996 to 2009 periods. The trend in dwelling consents across the whole region will be considered as will the pattern of dwelling consents by HMA and by dwelling type. In addition the spatial distribution of dwelling consents over the 1996 to 2009 period is mapped by meshblock.

Figure 8.6 presents the trend in the total number of consents (number of dwelling units) issued annually in the Auckland region between 1991 and 2009 (June years).

Figure 8.6: Total Dwelling Consents for the Auckland Region 1991 to 2009



Source: Statistics New Zealand

Following a period of rapid year on year consent growth between 1992 and 1995, the number of consents issued annually remained relatively stable through to the end of June 2000, averaging approximately 9,000 consents per annum. The number of consents issued in the year to June 2001, however, fell by about quarter over the previous year, but then over the next three years the number of consents issued increased by 74%, going from 7,407 over the June 2001 year to 12,937 in the year to June 2005. Subsequent to this period of growth, the number of consents issued has fallen for each of the last five years reaching 3,212 in the year to June 2009, the lowest level in the last 20 years.

The decline in consents issued over the 2005 and 2006 years was largely as a result of the residential property cycle in the Auckland region, after a period of very significant growth, entering a period of weaker activity. The decline in consents issued over the 2007, 2008 and 2009 years, however, was largely as consequence of the global credit crunch and subsequent economic recession in New Zealand.

Table 8.4 presents the number of units associated with multi-unit, standalone and all dwelling consents issued by HMA from 1996 to 2009.

Table 8.4: Dwelling Consents (number of units) by HMA 1996 to 2009

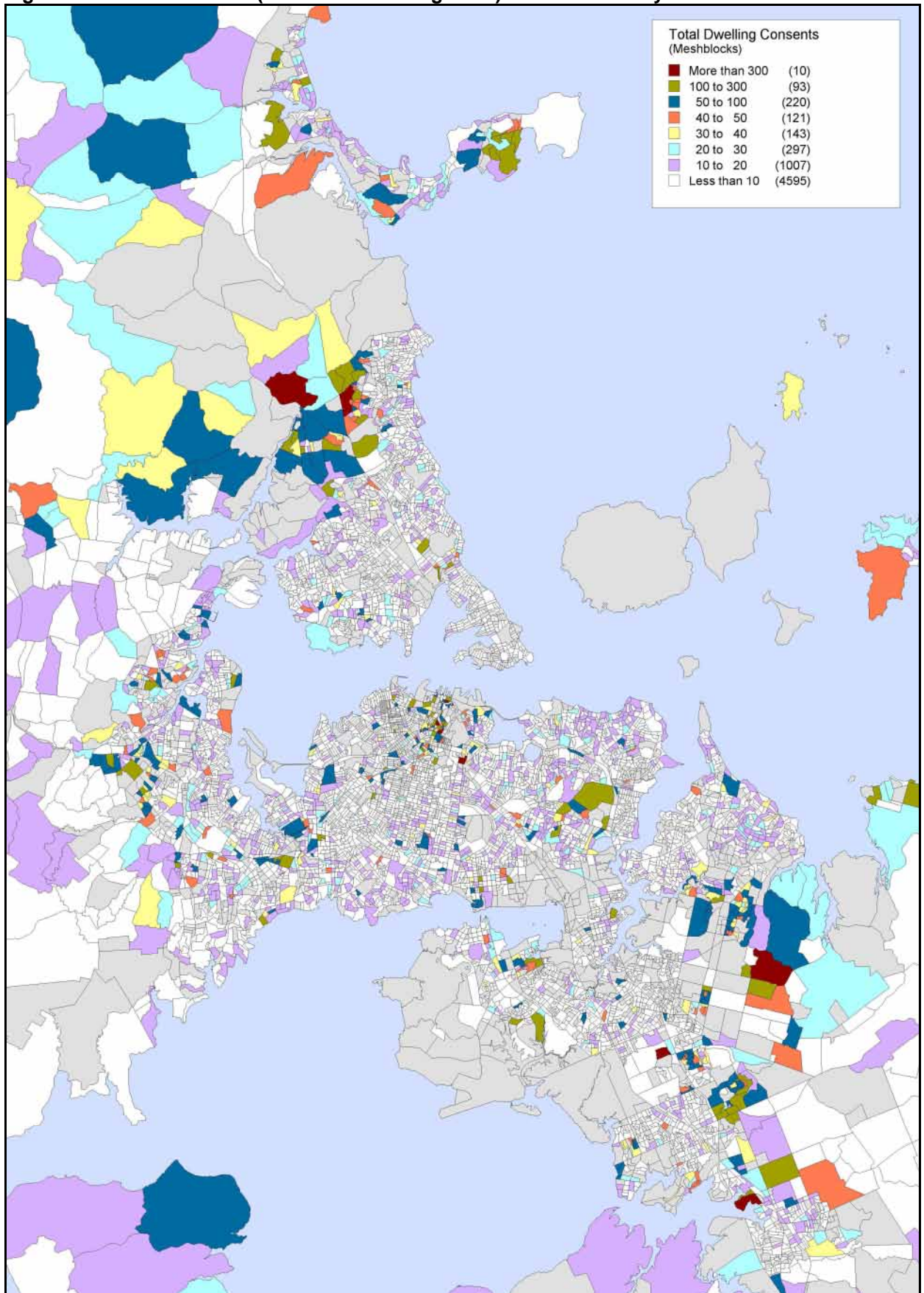
HMA	Total Dwellings		Multi-unit		Standalone	
	Number	% of Total	Number	% of Total	Number	% of Total
Rural North	6,892	6.5%	47	0.1%	6,845	9.1%
Rodney Southern Coastal	5,841	5.5%	1,001	3.2%	4,840	6.4%
North Shore	14,605	13.7%	3,423	10.9%	11,182	14.9%
Waitakere	13,617	12.8%	2,450	7.8%	11,167	14.9%
Auckland CBD	13,741	12.9%	13,626	43.4%	115	0.2%
Auckland North East	5,336	5.0%	2,139	6.8%	3,197	4.3%
Auckland North West	6,331	5.9%	3,928	12.5%	2,403	3.2%
Auckland South East	2,567	2.4%	955	3.0%	1,612	2.1%
Auckland South West	5,434	5.1%	1,542	4.9%	3,892	5.2%
Manukau North	12,744	12.0%	991	3.2%	11,753	15.6%
Manukau North West	5,412	5.1%	761	2.4%	4,651	6.2%
Manurewa & Papakura	7,526	7.1%	484	1.5%	7,042	9.4%
Pukekohe	2,529	2.4%	22	0.1%	2,507	3.3%
Rural South	3,932	3.7%	5	0.0%	3,927	5.2%
Total	106,507		31,374		75,133	

Source: Statistics New Zealand

The majority of standalone dwelling consents have been issued in Manukau North, North Shore and Waitakere HMAs while multi-unit dwelling consents has been predominantly focused on the HMAs of the Auckland CBD, North Shore and Waitakere. When compared to the map (Figure 8.7 below) the major areas of development are those where greenfield sites on the periphery of the existing urban area are being redeveloped for residential use (i.e. Waitakere, Manukau North and northern North Shore) or zones of urban infill and intensification within the main urban areas (i.e. the Auckland CBD).

Figure 8.7 presents the spatial distribution of dwelling consents (number of units) issued between 1996 and 2009 by mesh block.

Figure 8.7: Total Consents (number of dwelling units) - 1996 to 2009 by Meshblock



Source: Statistics New Zealand and Darroch

Key trends and points of note include:

- The majority of consents in the Auckland CBD have, not surprisingly, been for multi-unit dwellings, approximately 13,626 have been issued whilst only 115 standalone dwelling consents have been issued;
- Whilst North Shore City has had a large number of standalone dwelling consents issued (11,182), when mapped, the majority of these consents were focused on North Harbour, Greenhithe and Albany on the periphery of the current urban area and predominantly on greenfield sites. Pockets of intensification were spread though the southern and eastern parts of the North Shore HMA;
- In Waitakere City, the majority of consents issued were for standalone dwellings (11,167 compared to 2,450 for multi-units). These were spread along a north / south axis with some pockets having more than 100 to 300 consents issued. The majority of consents here would be on vacant sites;
- Manukau North, similarly, had a relatively high number of consents issued (12,744), the majority of which were for standalone dwellings (11,753). Manukau North is an area of significant greenfield development, especially in the eastern areas of Point View, Ormiston and East Tamaki;
- Throughout the main urban area there are pockets of meshblocks with less than 100 consents issued. With reference to Figure 8.7, areas of interest include: parts of Avondale; Newmarket and Parnell; Mount Wellington; parts of Mangere; Mission Bay, Kohimarama, and St. Heliers; Kauri Park and Highbury. This activity can be explained in a number of ways. In some instances there is urban infill occurring, possibly where relatively large land plots are being sub-divided and / or redeveloped. In others intensification may be the reason, thus accounting for multi-unit consent issuances. The pockets of higher consent activity are probably in relation to large tracks of formerly industrial (brownfield) land becoming available for residential use, for example 'Stonefields' in the former Mt. Wellington Quarry; and
- In summary, the areas of greatest growth are occurring in the CBD and other main centres / work nodes (multi-unit dwellings) and on the fringe of the urban area (standalone dwellings) with pockets of infill, intensification and redevelopment taking place across the urban area.

In conclusion, standalone dwelling consent issuance over the 1996 to 2006 period has been focused on where greenfield sites have been available, which has predominantly been in HMAs adjacent to the urban fringe such as Manukau North, North Shore City, Waitakere City, Manurewa and Papakura, Rodney Southern Coastal and the two rural HMAs. These seven HMAs together accounted for three quarters of all standalone dwelling units consented over the period. Conversely, multi-unit dwelling consent issuance over the period has been overwhelmingly focused on the Auckland City HMAs which together account for 70% of all multi-units consented over the period. The CBD accounting for 43.4% followed by the higher value Auckland North West and Auckland North East HMAs, which accounted for 12.5% and 6.8% of all multi-units consented. Other concentrations of multi-unit issuance were in the North Shore (10.9%) and Waitakere (7.8%) HMAs.

8.5 Residential Development Activity

The objective of this section is to provide an overview of existing and likely future large scale residential sub-division and development activity throughout the Auckland region. The section also considers the implications of the known development pipeline for housing supply in each of the 14 HMAs. Greater detail on the supply pipeline can be found in Appendix 8 (see Auckland Region Housing Market Assessment, Volume 2 - Appendices). In addition Appendix 9 provides detailed information on significant large residential development projects and sub-divisions in the Auckland region either underway, proposed or mooted; and significant apartment development projects currently underway, proposed or mooted for future development within Auckland's CBD.

Table 8.5 presents a summary of under development, proposed and mooted large scale residential sub-division and development activity in the Auckland region by HMA¹⁷¹. It compares the total number of dwelling units potentially coming on stream over the next 10 to 20 years with household growth estimates. Recognise that there are many dwellings as yet 'un-thought of' and consequently not included in the lot / unit numbers in Table 8.5 that will be developed over the next twenty years. Similarly, not all dwellings in the Table 8.5 supply pipeline will go ahead over the next twenty years.

Table 8.5: Development Pipeline by Housing Market Area as at 2009

HMA	Units / Lots			Total	Hhld Growth 06 to 26	Yrs Supply from late 2009
	Under Development	Proposed	Mooted			
Rural North	4,082	760	2,405	7,247	7,885	18.4
Rodney Southern	455	1,110	800	2,365	6,306	7.5
North Shore	211	3,947	390	4,548	22,986	4.0
Waitakere	35	3,557	330	3,922	22,390	3.5
Auckland CBD	293	2,086	700	3,079	14,488	4.3
Auckland Nth East	0	700	395	1,095	8,562	2.6
Auckland Nth West	53	98	0	151	12,342	0.2
Auckland Sth East	2,826	0	3,000	5,826	6,767	17.2
Auckland Sth West	0	0	0	0	9,222	0.0
Manukau North	11,800	0	0	11,800	22,152	10.7
Manukau Nth West	0	0	0	0	14,564	0
Manurewa & Pap.	2,160	744	0	2,904	9,573	6.1
Pukekohe	336	0	0	336	2,522	2.7
Rural South	0	270	1,800	2,070	5,069	8.2
All 14 HMAs	22,251	13,272	9,820	45,343	164,828	5.5

Source: Darroch

Table 8.5 only shows those dwelling units and lots associated with large scale residential sub-division and development activity and anticipated CBD development activity. There will of course be other sub-division and development activity undertaken in the region over that period. Table 8.5 does, however, give an indication, based on large scale sub-division under development, proposed and mooted, where likely pressure points could occur.

¹⁷¹ Approximately 3,768 new lots / units in under construction developments have already been completed. However, those lots are not included in Table 8.5.

Current developments are expected to deliver 21,958¹⁷² new lots / units to the market over the next 15 years with 12,500 expected to be completed by 2015. Proposed residential developments are expected to deliver around 11,186¹⁷³ new lots / units over the next 15 to 20 years. Approximately 8,350 of these new lots / units are expected to be completed by 2020, the balance with yet to be determined completion dates. Over and above lots / units under development and proposed there are potentially 9,120¹⁷⁴ new lots / units mooted for development on other significant land holdings identified in the area. Collectively this could mean a total increase of residential dwelling supply close to 42,264 lots / units over the next 15 to 25 years.

Over and above these more traditional sub-divisions and suburban residential developments, within the Auckland CBD we could see an additional 2,379 residential apartment units added to Auckland's CBD apartment market stock over the next ten years. This would see Auckland CBD apartment market stock increase by approximately 13%. In addition, approximately 700 additional apartment units are mooted for future development i.e. these are projects that have been floated in the market as potential apartment developments or where we are aware that a site has been purchased for an apartment development, however, no consent has been issued or timeframe indicated.

Assuming all developments proposed and mooted were to proceed and be completed within the next 20 years, together with those already under development, approximately 45,343 new lots / units would be added to Auckland's existing residential stock. In the Auckland region as a whole, based on large scale sub-division and development activity under construction, proposed and mooted there is sufficient pipeline development for about 5.5 years from late 2009.

There is, however, a number of HMAs that are currently, or will shortly, face significant supply shortfalls. That is less than three years development pipeline. These HMAs are:

- Manukau North West (nil) supply pipeline;
- Auckland South West (nil)
- Auckland North West (0.2 years);
- Auckland North East (2.6 years); and
- Pukekohe (2.7 years).

HMAs with between three and four years of supply pipeline are:

- Auckland CBD (4.3 years);
- Waitakere (3.5 years); and
- North Shore City (4 years).

HMAs with greater than six years of supply pipeline are:

- Manurewa and Papakura (6.1 years);
- Rodney Southern (7.5 years);
- Rural South (8.2 years);
- Manukau North (10.7);x
- Auckland South East (17.2 years); and
- Rural North (18.4 years).

¹⁷² This total excludes the 293 CBD units.

¹⁷³ This total excludes the 2,086 CBD units.

¹⁷⁴ This total excludes 700 CBD units.

This analysis does not of course address the suitability of the supply coming on stream in terms of the type and characteristics of demand. Also, while a particular HMA may be facing significant dwelling supply constraints (e.g. Manukau North West), an adjacent HMA (e.g. Manukau North) may be dwelling supply pipeline rich. This of course assumes such demand is transferable in terms of HMA type.

In summary, a number of broad observations can be made. Firstly, Auckland City, with the exception of the CBD and Auckland South East is already facing significant short to medium term supply constraints. Secondly, Manukau North and Auckland South East are two large HMAs with significant supply pipeline. Both, however, are adjacent to HMAs with very limited supply. Thirdly, in general the regions peripheral, smaller HMAs are well provided for in terms of the supply pipeline.

9.0 Housing Market Trends Part 2 - Housing Affordability

9.1 Introduction

The objective of this chapter is to provide an overview of housing affordability trends. The measures of housing affordability discussed in this chapter include:

- Financial housing stress by demographic characteristics;
- Intermediate housing market in Auckland by housing market area;
- Affordable purchase price, lower quartile house sale price, and the deposit gap;
- Affordability relative to median household income and housing affordability shortfall;
- Hours of work measure; and
- Summary of accommodation supplement statistics.

Definitions

Financial housing stress or financially stressed households encapsulates those households paying more than 30% of their gross household income in housing costs.

Intermediate housing market refers to the number of private renter households who have at least one member in paid employment and cannot afford to purchase a dwelling at the lower quartile dwelling sale price assuming standard bank lending conditions.

Affordability relative to median household income compares median gross household income with the relative cost of both renting and purchasing a property. The analysis includes calculation of the affordable house price, and the deposit gap. The **affordable house price** refers to the price a household can afford to pay if they are earning the median gross household income and borrow to purchase the dwelling under standard bank lending conditions. The **deposit gap** is calculated as the difference between the affordable house price and the lower quartile house sale price.

Housing affordability shortfall is a measure of housing affordability. This is a relative measure of the income shortfall associated with households either purchasing a house at the lower quartile house sale price or renting a three-bedroom dwelling at the median rental rate using various multiples of gross household income (80%, 100% and 120%). The measure calculates the number of households which have insufficient gross household income to buy or rent under each of these scenarios.

Standard bank lending conditions are assumed to include a 10% deposit, a maximum of 30% of gross household income used to service the mortgage, 25 year term mortgage, and mortgage interest rates offered on the appropriate date.

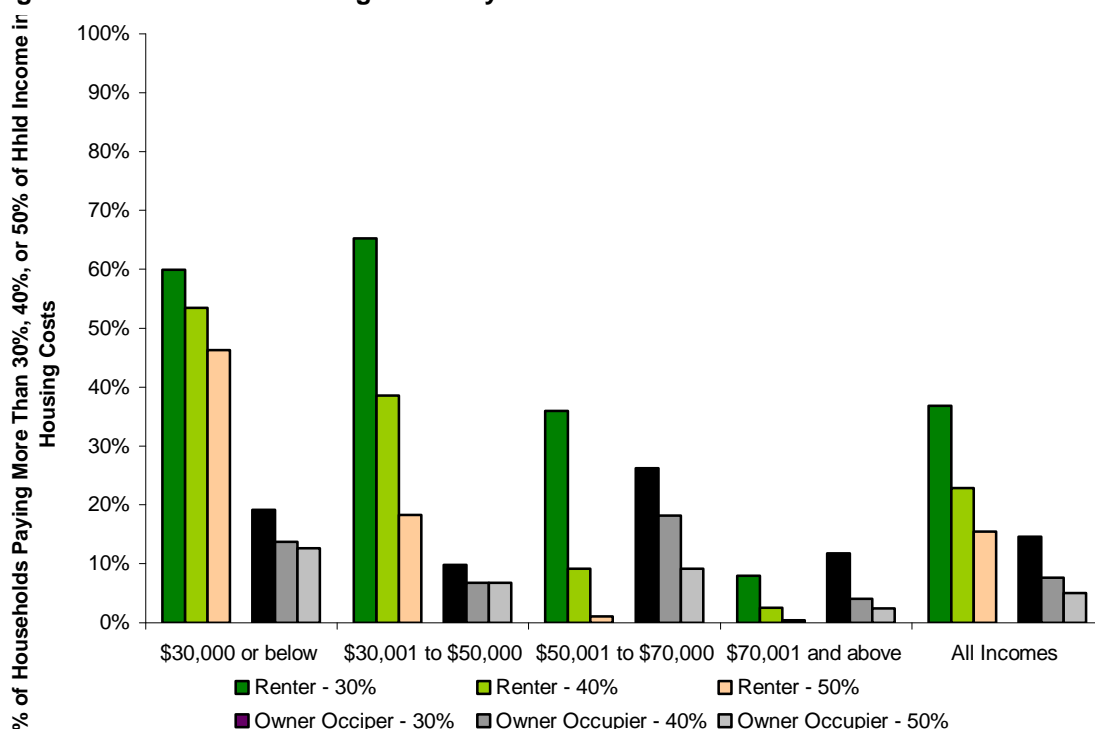
This chapter is divided into the following sections. Section 9.1 introduces the chapter and Section 9.2 presents for the Auckland Region key trends in financial housing stress by demographic characteristic. Section 9.3 presents the analysis of the intermediate housing market by HMA. Section 9.4 summarises the trend in the affordable house price and deposit gap by HMA in 1996, 2001, and 2006. Section 9.5 summarises the housing affordability shortfall by HMA in 1996, 2001, 2006, and 2009. Section 9.6 considers affordability in terms of hours of work measures and Section 9.7 summarises the number of people receiving the accommodation supplement in Auckland Region.

9.2 Financial Housing Stress by Demographic Characteristics

The statistics presented in this section are derived from Statistics New Zealand's Household Economic Survey. The percentages used reflect the proportion of households (both renter and owner) that are paying more than the quoted percentage of their gross household income in housing costs. For example, from Figure 9.1 approximately 60% of renter households with incomes of less than \$30,000 are paying more than 30% of their gross household income in housing costs.

Figure 9.1 presents an analysis of the proportion of households¹⁷⁵ paying more than 30%, 40%, and 50% of their gross household income in housing costs by household income.

Figure 9.1: Financial Housing Stress by Gross Household Income 2009



Source: Statistics New Zealand – HES 2009. Renter households include both private and social renter households.

Lower income renter households are more likely to be financially stressed in comparison to lower income owner occupier households. Conversely, higher income renter households have lower proportions of financially stressed households than higher income owner occupier households. Renter households earning less than \$30,000 per annum are in a difficult situation, 60% of them are paying more than 30% of their gross household income in housing costs. In addition, of the 60% of households 76% (or 46% of total renters) are paying more than 50% of their gross household income in housing costs. Approximately 92% of financially stressed renter households are earning less than \$70,000 per annum. The median household income was over \$70,000 in 2009 with 51.3% of all households earning \$70,000 or above¹⁷⁶.

¹⁷⁵ Renter households include both private and social renter households.

¹⁷⁶ HES, 2009.

Table 9.1 presents the trend in financially stressed households by income band for renter and owner occupier households.

Table 9.1: Financial Housing Stress by Gross Household Income 1996 to 2009

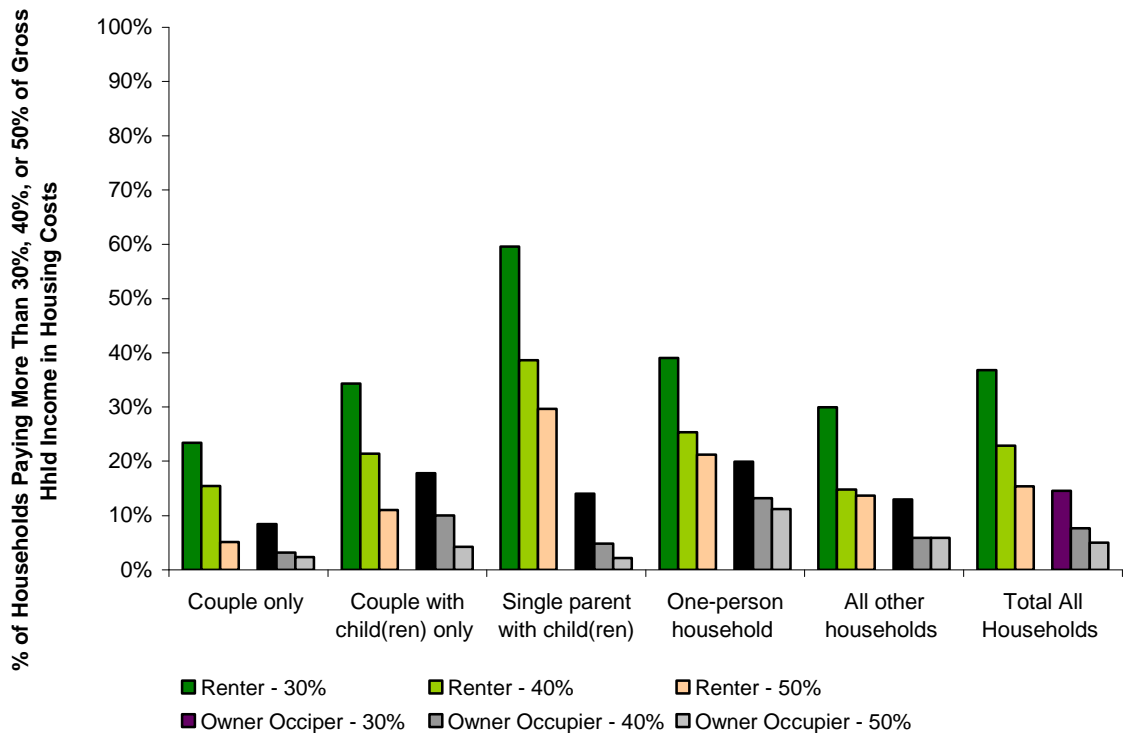
Gross Household Income	Renter				Owner Occupier			
	1996	2001	2007	2009	1996	2001	2007	2009
\$30,000 or below	64%	64%	61%	60%	22%	28%	26%	19%
\$30,001 to \$50,000	25%	40%	61%	65%	19%	33%	14%	10%
\$50,001 to \$70,000	10%	14%	16%	36%	17%	23%	37%	26%
\$70,001 and above	0%	8%	6%	8%	16%	14%	14%	12%

Source: Statistics New Zealand – HES. Renter households include both private and social renter households.

The vast majority of financially stressed renter households have household incomes of \$50,000 or less. Between 2001 and 2009 the proportion of financially stressed renter households increased for households earning between \$30,001 and \$50,000 and those earning between \$50,001 and \$70,000. Over the same period, the proportion of financially stressed owner occupier households fell across those households earning \$30,000 or below and those earning between \$30,001 and \$50,000. Financial stress for those households earning \$70,001 and above fell slightly between 2001 and 2009 for those renting, but did not change for owners. The fall in financial housing stress for owner occupiers between 2007 and 2009 is likely to reflect a fall in mortgage interest rates of approximately 3.8 percentage points between June 07 and June 09.

Figure 9.2 presents an analysis of the proportion of households paying more than 30%, 40% and 50% of their gross household income in housing costs by household type.

Figure 9.2: Financial Housing Stress by Household Type 2009



Source: Statistics New Zealand – HES 2009. Renter households include both private and social renter households.

One person and single parent renter households have the highest proportions of financially stressed households.

Table 9.2 presents the trend in the proportion of households experiencing financial housing stress by household type for renter and owner occupier households.

Table 9.2: Relative Level of Financial Housing Stress by Household Type 1996 to 2009

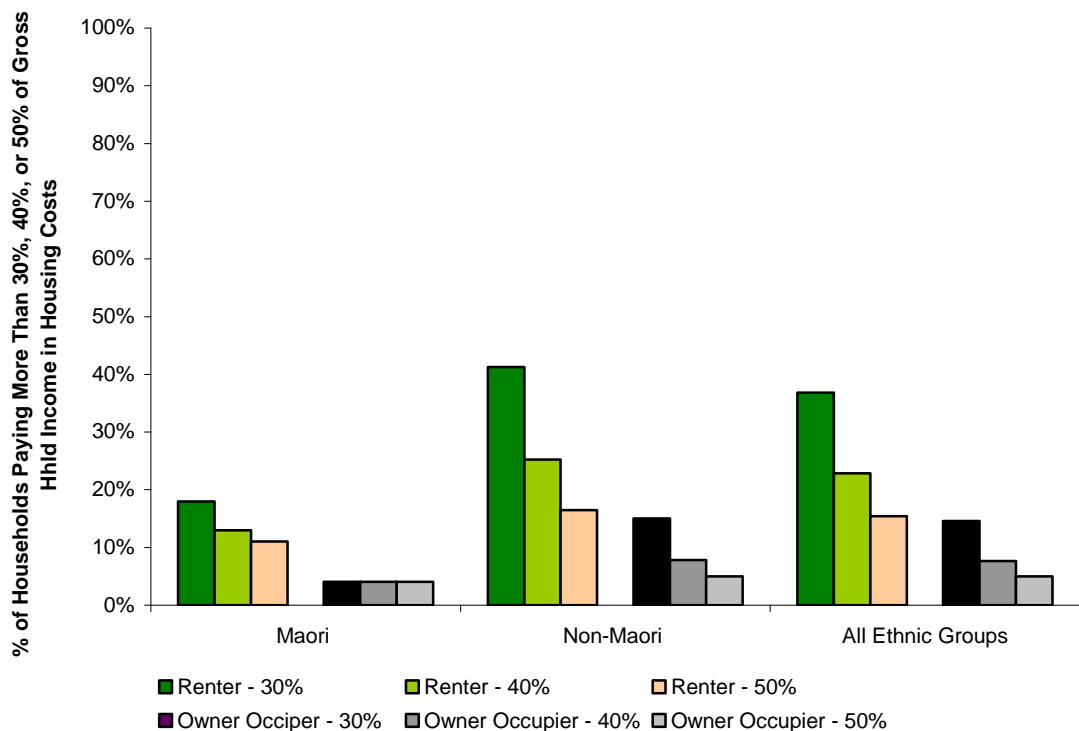
Household Type	Renter				Owner Occupier			
	1996	2001	2007	2009	1996	2001	2007	2009
Couple only	22%	26%	18%	23%	12%	12%	19%	8%
Couple with children	33%	36%	25%	34%	22%	28%	22%	18%
Single parent	73%	59%	56%	60%	36%	26%	18%	14%
One person	44%	42%	50%	39%	15%	28%	14%	20%
All other households	17%	31%	24%	30%	16%	15%	19%	13%

Source: Statistics New Zealand – HES. Renter households include both private and social renter households.

The proportion of financially stressed renter households decreased for most household types between 2001 and 2009, with the exception of single parent renter households who experienced a small increase in the proportion of financially stressed households from 59% in 2001 to 60% in 2009. Owner occupier financial housing stress fell between 2007 and 2009 which is likely to reflect the fall in interest rates between those years.

Figure 9.3 presents the proportion of households paying more than 30%, 40% and 50% of their gross household income in housing costs by ethnicity.

Figure 9.3: Financial Housing Stress by Ethnicity 2009



Source: Statistics New Zealand – HES 2009. Renter households include both private and social renter households. NB: The ethnicity split provided in this analysis is constrained by the data limitations associated with the HES survey. In addition care needs to be taken in analyzing these trends due to the sample sizes by tenure and ethnicity.

Maori have a lower proportion of households that are financially stressed than non Māori.

Table 9.3 presents the relative level of financially stressed households by ethnicity for renter and owner occupier households.

Table 9.3: Financial Housing Stress by Ethnicity 1996 to 2009

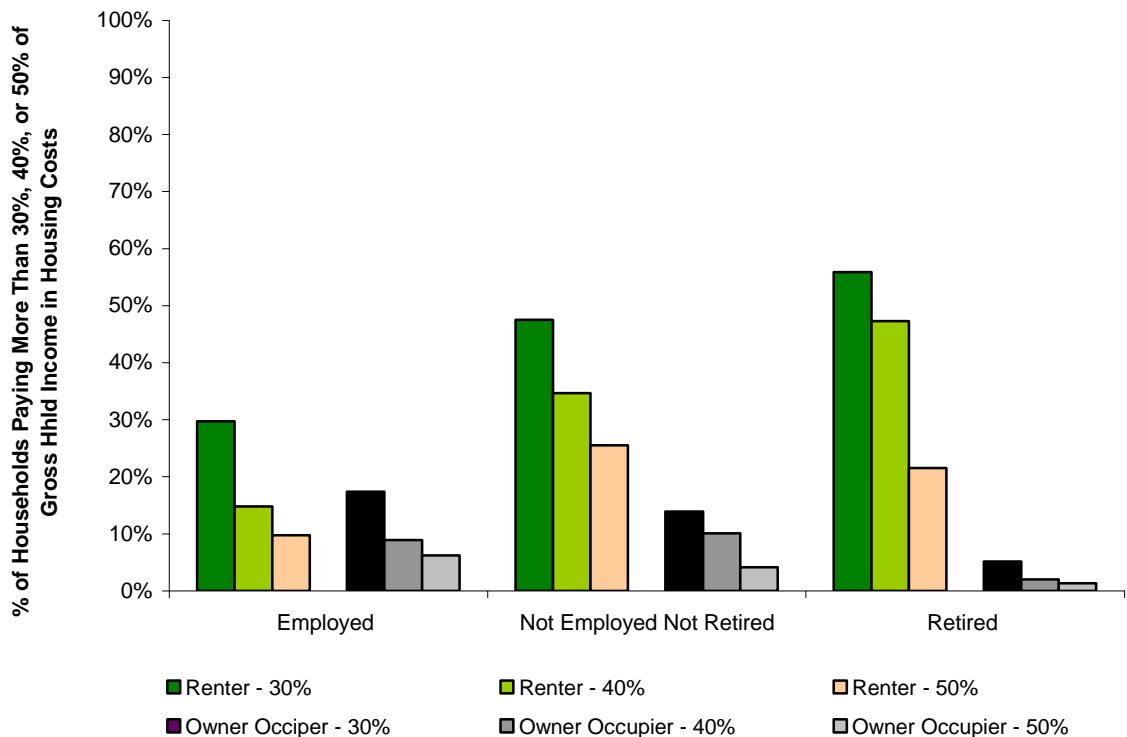
Ethnicity	Renter				Owner Occupier			
	1996	2001	2007	2009	1996	2001	2007	2009
Maori	34%	31%	33%	18%	5%	23%	23%	4%
Non-Maori	36%	40%	33%	41%	19%	22%	19%	15%

Source: Statistics New Zealand – HES. Renter households include both private and social renter households.
 NB: The ethnicity split provided in this analysis is constrained by the data limitations associated with HES survey. In addition care needs to be taken in analyzing these trends due to the sample sizes by tenure and ethnicity.

The proportion of financially stressed Maori renter households fell between 1996 and 2001 and then increased between 2001 and 2007, before falling again in 2009. The opposite trend was evident for non Maori renter households, with financial stress increasing between 1996 and 2001, falling between 2001 and 2007 and increasing again between 2007 and 2009. The proportion of financially stressed Maori owner occupier households increased significantly between 1996 and 2001 and then remained stable between 2001 and 2007, before falling in 2009, however, for non Maori owner occupier households the proportion of financially stressed households increased between 1996 and 2001, and then decreased between 2001 and 2009.

Figure 9.4 presents the proportion of households paying more than 30%, 40% and 50% of their gross household income in housing costs by employment status.

Figure 9.4: Financial Housing Stress by Employment Status 2009



Source: Statistics New Zealand – HES 2009. Renter households include both private and social renter households.

Not employed and not retired households have the highest proportions of financial housing stress amongst renter households. Very few retired households, however, exhibit financial housing stress.

Table 9.4 presents the trend in the relative level of financial housing stress by employment status for renter and owner occupier households.

Table 9.4: Financial Housing Stress by Employment Status 1996 to 2009

Employment Status	Renter				Owner Occupier			
	1996	2001	2007	2009	1996	2001	2007	2009
Employed	26%	30%	21%	30%	21%	25%	21%	17%
Not Emp Not Retired	58%	57%	56%	48%	34%	32%	25%	14%
Retired	33%	22%	41%	56%	2%	6%	6%	5%

Source: Statistics New Zealand – HES. Renter households include both private and social renter households.

The most financially stressed group in 2009 were retired renter households, followed by not employed / not retired renter households. These two groups have had the highest proportion of financially stressed households by employment status since 2007.

In summary, Auckland has some significant housing affordability issues. Renter households in particular are paying large percentages of their gross household income in housing costs. Low income households in particular have high levels of financial housing stress. Renter households earning less than the median household income account for over 90% of renter households with financial housing stress. Single parent and one person renter households also exhibited higher than average proportions of financial housing stress. In addition, results from the 2009 HES survey indicate significant increases in the proportion of retired renter households with financial housing stress.

9.3 Intermediate Housing Market

The intermediate housing market is another relative measure of housing affordability and provides an estimate of the number of renter households that cannot afford to buy a dwelling. The size of the intermediate housing market in both absolute terms and relative to the total private rental market is one measure of housing affordability for first home buyers. It is also a reflection of the pressures relative to the transition of households from the rental market into home ownership. Increases in both the absolute size of the intermediate housing market and relative to the total number of households in the housing market reflects the relative difficulty for renters of making the transition into home ownership.

The intermediate housing market is defined as those households:

- Currently in the private rental market;
- Have at least one member of the household in paid employment;
- Cannot afford to buy a house at the lower quartile house price under standard bank lending criteria; and
- For the purposes of the analysis in this report, the bank lending criteria is assumed to include; a 10% deposit, no more than 30% of the households gross income paid in mortgage expenses, and the mortgage lent at the one year fixed mortgage interest rate.

In the context of this report we are using the broader intermediate housing market parameters as our measure of market size. This is consistent with the approach used in DTZ (2008)¹⁷⁷. The data and assumptions used in this section include census data (1996, 2001, and 2006), Darroch's modelled household growth as at 2009, and standard bank lending criteria.

Table 9.5 presents the trend in the intermediate housing market as a proportion of employed private renter households across the 14 HMAs.

Table 9.5: Intermediate Housing Market 1996 to 2009

Housing Market Area	Number of Intermediate Households				Intermediate as a % of Employed Private Renters			
	1996	2001	2006	2009	1996	2001	2006	2009
Rural North	1,040	1,430	3,170	2,650	52.4%	44.0%	78.1%	57.9%
Rodney South Coastal	1,080	1,220	2,730	2,380	60.5%	44.8%	76.0%	59.9%
North Shore	6,400	6,940	14,710	11,880	63.1%	45.4%	86.0%	63.7%
Waitakere	3,730	4,070	9,080	7,990	54.2%	35.9%	66.3%	53.1%
Auckland CBD	410	490	2,530	1,290	52.3%	23.2%	46.9%	19.7%
Auckland North East	5,360	4,270	7,290	7,900	87.6%	53.5%	89.8%	89.8%
Auckland North West	7,510	7,740	14,010	15,050	68.3%	54.8%	89.9%	89.9%
Auckland South East	1,770	1,770	4,110	3,570	53.2%	36.1%	70.0%	56.5%
Auckland South West	3,650	3,770	8,390	6,580	65.0%	44.9%	85.3%	62.3%
Manukau North	2,050	2,820	6,750	7,820	63.6%	50.9%	84.9%	84.9%
Manukau North West	1,370	2,090	4,950	4,020	37.5%	31.1%	59.4%	45.0%
Manurewa & Papakura	1,490	1,930	4,450	3,640	40.3%	30.1%	54.9%	41.1%
Pukekohe	280	410	920	940	44.3%	38.9%	61.9%	56.6%
Rural South	580	750	1,510	1,400	43.7%	37.3%	62.4%	51.0%
Total all HMAs	36,720	39,700	84,600	77,110	61.0%	43.2%	75.8%	62.9%

Source: Darroch

¹⁷⁷ DTZ (2008), "The Intermediate Housing Market in New Zealand". A report for the Centre for Housing Research Aotearoa New Zealand.

The growth in the absolute size of the intermediate market between 1996 and 2006 is a reflection of a number of factors. These include:

- Interest rates fell from 10.4% to 6.75% between 1996 and 2001. Between 2001 and 2006 first mortgage interest rates increased to 7.5%;
- The total number of households increased in both the private renter and owner occupier markets whilst at the same time the home ownership rate fell increasing the absolute and relative size of the private rental market as a proportion of the whole housing market;
- House prices increased by over 75% nationwide between 2001 and 2006 making the transition to home ownership harder;
- Gross household incomes did not increase at the same rate as the cost of servicing the debt associated with purchasing a dwelling at the lower quartile house price. Between 1996 and 2009 the intermediate market increased by 110%. Growth in the number of renter households account for 103 percentage points of the growth, the increase in lower quartile house prices account for 31 percentage points of the growth and the fall in interest rates reduced the growth by 24 percentage points;
- Between 2006 and 2009 the size of the intermediate housing market in absolute terms fell across 10 of the 14 housing market areas. The size of this market increased slightly in the Auckland South West, Auckland North West, Manukau North and Pukekohe HMAs. The reduction in the size of the intermediate market was largely driven by the fall in mortgage interest rates;
- Between 2006 and 2009 the size of the intermediate housing market as a percentage of employed private renters fell across all housing markets; and
- Between 1996 and 2009 both the number and percentage of intermediate households increased across all housing market areas.

In summary, the intermediate market provides a measure of the number of working private renter households that are unable to purchase a dwelling at the lower quartile house price. The growth in intermediate households has been driven by underlying growth in the absolute size of the renter market and household incomes increasing at a slower rate than house prices.

9.4 Affordable Purchase Price, Lower Quartile House Sale Price, and the Deposit Gap

Tracking the trend in the maximum price a household can pay relative to the lower quartile house sale price provides a relative measure of affordability for first home buyers. Table 9.6 presents the trend in the affordable house price, lower quartile house sale price and the deposit gap by HMA. The affordable house price is defined as the price a household can afford to pay assuming the median gross household income, a 10% deposit and standard bank lending criteria. The deposit gap is the difference between the affordable house price and the lower quartile house sale price.

Table 9.6: Affordable House Price, Lower Quartile House Sale Price and the Deposit Gap 1996 to 2009

HMA	Affordable House Price				Lower Quartile House Price				Deposit Gap			
	1996	2001	2006	2009	1996	2001	2006	2009	1996	2001	2006	2009
Rural North	\$120,560	\$179,950	\$203,320	\$276,230	\$145,000	\$175,000	\$340,000	\$355,000	-\$24,440	\$4,950	-\$136,680	-\$78,770
Rodney Southern Coastal	\$91,780	\$151,490	\$178,070	\$241,950	\$185,750	\$190,000	\$370,000	\$410,000	-\$93,970	-\$38,510	-\$191,930	-\$168,050
North Shore	\$134,470	\$198,470	\$219,790	\$298,630	\$212,000	\$213,000	\$392,000	\$420,000	-\$77,530	-\$14,530	-\$172,210	-\$121,370
Waitakere	\$122,010	\$177,630	\$187,130	\$254,240	\$165,000	\$164,000	\$309,000	\$315,000	-\$42,990	\$13,630	-\$121,870	-\$60,760
Auckland CBD	\$132,830	\$179,650	\$161,060	\$218,830	\$180,100	\$145,000	\$210,000	\$139,800	-\$47,270	\$34,650	-\$48,940	\$79,030
Auckland North East	\$170,240	\$271,160	\$284,010	\$385,910	\$310,000	\$330,000	\$575,250	\$585,000	-\$139,760	-\$58,840	-\$291,240	-\$199,090
Auckland North West	\$138,400	\$224,680	\$251,240	\$341,360	\$260,000	\$290,000	\$550,000	\$510,000	-\$121,600	-\$65,320	-\$298,760	-\$168,640
Auckland South East	\$89,680	\$134,540	\$151,550	\$205,930	\$155,000	\$158,000	\$311,000	\$320,000	-\$65,320	-\$23,460	-\$159,450	-\$114,070
Auckland South West	\$101,230	\$154,460	\$174,960	\$237,700	\$200,000	\$200,000	\$365,125	\$375,000	-\$98,770	-\$45,540	-\$190,165	-\$137,300
Manukau North	\$151,270	\$223,520	\$234,960	\$319,240	\$236,000	\$244,250	\$428,000	\$470,000	-\$84,730	-\$20,730	-\$193,040	-\$150,760
Manukau North West	\$101,680	\$142,160	\$160,270	\$217,770	\$122,375	\$144,500	\$260,000	\$265,000	-\$20,695	-\$2,340	-\$99,730	-\$47,230
Manurewa & Papakura	\$116,990	\$168,520	\$177,260	\$240,860	\$133,000	\$150,000	\$260,000	\$266,000	-\$16,010	\$18,520	-\$82,740	-\$25,140
Pukekohe	\$115,190	\$162,350	\$184,110	\$250,160	\$127,450	\$156,000	\$285,000	\$340,000	-\$12,260	\$6,350	-\$100,890	-\$89,840
Rural South	\$145,610	\$211,220	\$233,980	\$317,910	\$135,000	\$169,000	\$302,000	\$328,000	\$10,610	\$42,220	-\$68,020	-\$10,090

Source: Darroch

Key trends include:

- Across all HMAs there is a significant deposit gap between what is an ‘affordable house price’ and the lower quartile house price. This excludes the Auckland CBD where the lower quartile house price is lower than the affordable house price; and
- Between 1996 and 2009 the size of the deposit gap in all HMAs widened significantly, on average by approximately \$45,000. However, between 2006 and 2009 the deposit gap narrowed from an average of approximately -\$154,000 to an average gap of approximately -\$92,000.

In summary, as the deposit gap increases it becomes increasingly difficult for renter households to save the deposit they need to be able to purchase a dwelling at the lower quartile house price. These trends reflect the gap between what households are earning and what they can afford to pay for a dwelling. With the pressure on household budgets it is likely that it will continue to be difficult for households to save any deposit let alone the sums suggested by this analysis. Thus even households earning the medium household income are being effectively locked out of home ownership.

9.5 Affordability – Median Household Income

The objective of this section is to present analysis of an alternative affordability measure using median gross household income (MHI). This measure uses:

- 80%, 100% and 120% of median gross household income as a key measure of income;
- A maximum of 30% of household income allocated to housing costs;
- Standard bank lending criteria; and
- Lower quartile house prices for purchase and median rents for rental affordability.

This approach is an alternative measure of housing affordability for first home buyers. The analysis identifies the number of households who have gross household incomes less than 80%, 100%, or 120% of median household income and cannot afford to buy at the lower quartile house sale price. As median gross household income reduces, the ability to purchase a dwelling at the lower quartile house price and service the associated debt falls and consequently, the number of households able to enter the owner market declines indicating reduced affordability. Over time the cost of purchasing a dwelling may change due to changes in house prices and in interest rates.

Table 9.7 presents the number of renter households unable to purchase a dwelling at the lower quartile house price whilst earning 80%, 100% or 120% of median gross household income – that is the implied affordable housing shortfall.

Table 9.7: Housing Affordability Shortfall Using MHI Multiples 1996 to 2009

HMA	Number of Households				Change in Households			
	1996	2001	2006	2009	96 to 01	01 to 06	06 to 09	96 to 09
80% MHI								
Rural North	480	360	1,420	990	-120	1,060	-430	480
Rodney Sthn Coastal	910	640	1,570	1,390	-270	930	-180	910
North Shore	4,570	2,770	7,210	5,830	-1,800	4,440	-1,380	4,570
Waitakere	2,810	1,090	6,410	3,820	-1,720	5,320	-2,590	2,810
Auckland CBD	290	10	1,440	0	-280	1,430	-1,440	290
Auckland North East	2,690	1,710	4,170	2,620	-980	2,460	-1,550	2,690
Auckland North West	5,430	3,680	7,650	4,540	-1,750	3,970	-3,110	5,430
Auckland South East	2,740	1,480	4,440	3,250	-1,260	2,960	-1,190	2,740
Auckland South West	4,410	2,900	5,930	4,570	-1,510	3,030	-1,360	4,410
Manukau North	1,340	1,100	3,270	2,910	-240	2,170	-360	1,340
Manukau North West	2,070	1,370	5,470	3,100	-700	4,100	-2,370	2,070
Manurewa & Papakura	1,250	490	3,630	1,740	-760	3,140	-1,890	1,250
Pukekohe	150	120	580	460	-30	460	-120	150
Rural South	140	0	670	300	-140	670	-370	140
<i>Total all HMAs</i>	<i>29,280</i>	<i>17,720</i>	<i>53,860</i>	<i>35,520</i>	<i>-11,560</i>	<i>36,140</i>	<i>-18,340</i>	<i>29,280</i>
100% MHI								
Rural North	240	0	910	380	-240	910	-530	240
Rodney Sthn Coastal	680	350	1,160	950	-330	810	-210	680
North Shore	3,100	660	4,760	3,200	-2,440	4,100	-1,560	3,100
Waitakere	1,660	0	4,350	1,590	-1,660	4,350	-2,760	1,660
Auckland CBD	170	0	780	0	-170	780	-780	170
Auckland North East	1,880	750	3,240	1,540	-1,130	2,490	-1,700	1,880
Auckland North West	3,820	1,940	5,820	2,660	-1,880	3,880	-3,160	3,820
Auckland South East	1,850	670	3,310	1,990	-1,180	2,640	-1,320	1,850
Auckland South West	3,380	1,650	4,300	2,840	-1,730	2,650	-1,460	3,380
Manukau North	870	350	2,210	1,680	-520	1,860	-530	870
Manukau North West	980	100	3,530	1,110	-880	3,430	-2,420	980
Manurewa & Papakura	510	0	2,210	260	-510	2,210	-1,950	510
Pukekohe	50	0	370	240	-50	370	-130	50
Rural South	0	0	350	0	0	350	-350	0
<i>Total all HMAs</i>	<i>19,190</i>	<i>6,470</i>	<i>37,300</i>	<i>18,440</i>	<i>-12,720</i>	<i>30,830</i>	<i>-18,860</i>	<i>19,190</i>
120% MHI								
Rural North	0	0	530	10	0	530	-520	0
Rodney Sthn Coastal	510	60	810	560	-450	750	-250	510
North Shore	1,850	0	3,010	1,210	-1,850	3,010	-1,800	1,850
Waitakere	560	0	2,500	0	-560	2,500	-2,500	560
Auckland CBD	70	0	270	0	-70	270	-270	70
Auckland North East	1,160	60	2,450	770	-1,100	2,390	-1,680	1,160
Auckland North West	2,570	430	4,270	950	-2,140	3,840	-3,320	2,570
Auckland South East	1,290	0	2,420	1,040	-1,290	2,420	-1,380	1,290
Auckland South West	2,480	390	2,900	1,270	-2,090	2,510	-1,630	2,480
Manukau North	470	0	1,310	560	-470	1,310	-750	470
Manukau North West	20	0	2,180	0	-20	2,180	-2,180	20
Manurewa & Papakura	0	0	1,030	0	0	1,030	-1,030	0
Pukekohe	0	0	180	50	0	180	-130	0
Rural South	0	0	110	0	0	110	-110	0
<i>Total all HMAs</i>	<i>10,980</i>	<i>940</i>	<i>23,970</i>	<i>6,420</i>	<i>-10,040</i>	<i>23,030</i>	<i>-17,550</i>	<i>10,980</i>

Source: Darroch

This measure of housing affordability identifies the number of households which have insufficient income (when earning 80%, 100%, or 120% of median gross household income) to purchase a dwelling at the lower quartile house prices. It does not imply that the market will respond and build lower cost dwellings rather, it identifies the number of households at different income bands that have limited opportunity to purchase a dwelling.

Key points include:

- The estimates are sensitive to changes in home mortgage interest rates. The fall in the size of the shortfall between 1996 and 2001 was largely driven by the fall in interest rates between these two dates;
- Between 2001 and 2006 lower quartile house prices increased at between 7.7% per annum (Auckland CBD HMA) and 14.5% per annum (Auckland South East HMA) whilst household incomes increased by between 1.0% per annum (Auckland CBD HMA) and 6.6% per annum Rodney Southern Coastal HMA. These trends were compounded by mortgage interest rates also increasing by 200 basis points;
- The number of households unable to purchase a dwelling at the lower quartile sales prices decreases significantly as medium household income increases; and
- Across all HMAs and all household income levels dwellings are more affordable in 2009 than they were in 2006, in some cases by a significant margin. The main driver of this trend was a fall in mortgage interest rates of 290 basis points. At the same time the rate of growth in lower quartile house prices slowed.

Table 9.8 presents the trend in housing affordability for renter households between 1996 and 2009. The table presents the implied housing shortfall. The implied shortfall is calculated as: the number of households with incomes of less than 80%, 100%, and 120% of median gross household income less the number of households earning an income which is less than the gross household income required, which equates to paying the median rental for a three-bedroom dwelling and accounts for no more than 30% of gross household income.

For example, if the median rental is \$300 per week (or \$15,600 per annum) the annual gross income required to pay that rent assuming 30% of household income is used is \$52,000. In this hypothetical example 5,000 households earn less than \$52,000. If we assume the median gross household income is \$45,000 per annum and 3,000 households earn less than \$36,000 (80% of \$45,000), 4,000 earn less than \$45,000 and 4,800 households earn less than \$49,500 then the implied shortfalls are:

- @80% of median household income 2,000 (5,000 – 3,000);
- @100% of MHI is 1,000 (5,000 – 4,000); and
- @120% of MHI is 200 (5,000 – 4,800).

Table 9.8: Affordable Rental Housing Shortfall Using MHI and Median Rentals 1996 to 2009

HMA	1996	2001	2006	2009
80% MHI				
Rural North	180	210	230	250
Rodney Southern Coastal	600	520	540	440
North Shore	2,430	1,930	2,470	2,330
Waitakere	1,740	1,240	1,790	1,530
Auckland CBD	280	610	1,480	1,390
Auckland North East	1,380	890	850	720
Auckland North West	3,580	2,500	2,140	2,220
Auckland South East	2,430	1,840	2,080	2,110
Auckland South West	3,100	2,510	2,470	2,330
Manukau North	580	480	540	620
Manukau North West	2,350	2,230	2,350	2,280
Manurewa & Papakura	970	840	980	830
Pukekohe	80	60	60	50
Rural South	0	0	230	0
Total all HMAs	19,700	15,860	18,210	17,100
100% MHI				
Rural North	0	0	0	0
Rodney Southern Coastal	370	230	130	0
North Shore	960	0	20	0
Waitakere	580	0	0	0
Auckland CBD	160	350	820	600
Auckland North East	570	0	0	0
Auckland North West	1,970	770	310	330
Auckland South East	1,540	1,030	950	850
Auckland South West	2,070	1,260	840	600
Manukau North	110	0	0	0
Manukau North West	1,260	960	420	280
Manurewa & Papakura	230	0	0	0
Pukekohe	0	0	0	0
Rural South	0	0	0	0
Total all HMAs	9,820	4,600	3,490	2,660

The number of households experiencing unaffordable rents was greatest in 2006. However in 1996 there were a significant number of households who could not afford the median rental when assuming 100% of median household income.

9.6 Hours of Work Affordability

An alternative measure of housing affordability is the number of hours it takes for a household earning the median gross household income to pay the weekly median rent for a three-bedroom dwelling or to pay the mortgage and insurance costs associated with purchasing a house at the lower quartile house price. This analysis also provides an indication of the movement in the relative affordability of renting compared to owning a dwelling.

Table 9.9 presents the results of the analysis of the number of working days required to meet monthly rental and mortgage payments.

Table 9.9: Days (Gross Income) Required to Meet Mortgage and Rental Payments 1996 to 2009

Housing Market Area	Rental				Purchase				Difference			
	1996	2001	2006	2009	1996	2001	2006	2009	1996	2001	2006	2009
Rural North	1.4	1.4	1.3	1.4	1.8	1.5	2.5	1.9	-0.4	-0.1	-1.2	-0.5
Rodney Southern Coastal	2.1	1.7	1.6	1.6	3.0	1.9	3.1	2.5	-0.9	-0.1	-1.5	-0.9
North Shore	1.7	1.5	1.5	1.5	2.4	1.6	2.7	2.1	-0.6	-0.1	-1.2	-0.6
Waitakere	1.7	1.4	1.5	1.5	2.0	1.4	2.5	1.9	-0.4	0.0	-1.0	-0.4
Auckland CBD	2.0	2.0	2.0	1.9	2.0	1.2	2.0	1.0	-0.1	0.8	0.0	0.9
Auckland North East	1.7	1.5	1.5	1.5	2.7	1.8	3.0	2.3	-1.0	-0.4	-1.6	-0.8
Auckland North West	2.0	1.6	1.6	1.7	2.8	1.9	3.3	2.2	-0.8	-0.3	-1.7	-0.6
Auckland South East	2.3	1.9	1.8	1.9	2.6	1.8	3.1	2.3	-0.3	0.1	-1.3	-0.4
Auckland South West	2.2	1.8	1.7	1.7	3.0	1.9	3.1	2.4	-0.7	-0.1	-1.5	-0.7
Manukau North	1.6	1.4	1.3	1.4	2.3	1.6	2.7	2.2	-0.8	-0.3	-1.4	-0.8
Manukau North West	1.9	1.7	1.6	1.7	1.8	1.5	2.4	1.8	0.1	0.2	-0.8	-0.2
Manurewa & Papakura	1.6	1.4	1.4	1.4	1.7	1.3	2.2	1.7	-0.1	0.1	-0.8	-0.2
Pukekohe	1.6	1.4	1.4	1.4	1.7	1.4	2.3	2.0	-0.1	0.0	-0.9	-0.6
Rural South	1.1	1.1	1.4	1.1	1.4	1.2	1.9	1.5	-0.3	-0.1	-0.5	-0.4

Source: Darroch

This analysis assumes:

- Median rental paid for a three-bedroom dwelling;
- The lower quartile house price with a 10% deposit and a 25 year mortgage using the typical one year fixed mortgage interest rate; and
- Additional costs associated with home ownership including rates, dwelling insurance and basic maintenance costs.

Key comments include:

- The lower value locations particularly those HMAs in the southern part of the region have a marginally smaller difference between the number of days required to pay the rent compared to a mortgage;
- The relative affordability of owning over renting declined between 2001 and 2006 before improving between 2006 and 2009; and
- In the Auckland CBD it is cheaper to buy an apartment than rent one.

In summary, renting is a cheaper cash flow option for households. This is apparent when considering the number of days of median gross household income it takes to pay the rent or a mortgage. In addition the size of the affordable housing shortfall for owner occupation is larger than for renting.

9.7 Recipients of an Accommodation Supplement

Table 9.10 presents the number of people receiving an Accommodation Supplement by tenure type for the Auckland Region.

Table 9.10 Recipients of an Accommodation Supplement by Tenure

Tenure type	As at the end of June			Proportion of Total		
	2001	2006	2009	2001	2006	2009
Unspecified	8	8	-	-	-	-
Renting	51,218	50,843	62,850	57.5%	60.0%	59.5%
Boarding	22,294	18,397	25,097	25.0%	21.7%	23.8%
Own Home	13,518	13,418	15,645	15.2%	15.8%	14.8%
Total	89,039	84,672	105,601	100.0%	100.0%	100.0%

Source: Ministry of Social Development, Darroch

The proportion of those people receiving an Accommodation Supplement and renting is the largest tenure type at roughly 59.5% of the total. This is followed by those boarding (23.8%) and those that own their own home (14.8%). These proportions have remained roughly the same over the 2001 to 2009 period.

Table 9.11 presents the number of people receiving the Accommodation Supplement by family type.

Table 9.11 Recipients of an Accommodation Supplement by Family Type

Family Type	As at the end of June			Proportion of Total		
	2001	2006	2009	2001	2006	2009
Married 1 child	3,585	3,773	4,866	4.0%	4.5%	4.6%
Married 2 children	3,322	3,670	4,551	3.7%	4.3%	4.3%
Married 3 plus children	2,889	2,593	3,181	3.2%	3.1%	3.0%
Married no children	5,481	5,426	6,760	6.2%	6.4%	6.4%
Sub Total	17,278	17,468	21,367	19.4%	20.6%	20.2%
Single 1 child	14,574	15,333	17,229	16.4%	18.1%	16.3%
Single 2 children	9,221	9,407	9,870	10.4%	11.1%	9.3%
Single 3 plus children	5,193	4,865	4,854	5.8%	5.7%	4.6%
Single no children	42,773	37,599	52,281	48.0%	44.4%	49.5%
Sub Total	71,761	67,204	84,234	80.6%	79.4%	79.8%
Total	89,039	84,672	105,601	100.0%	100.0%	100.0%

Source: Ministry of Social Development, Darroch

The proportion of those receiving an Accommodation Supplement and who are married account for roughly 20% of the total number of people receiving a supplement. The proportion of married people receiving a supplement has increased marginally from approximately 19.4% of the total in 2001 to approximately 20.2% of the total in 2009. As at the end of June 2009 approximately 21,367 married people received an Accommodation Supplement, an increase of approximately 4,089 people from June 2001.

The proportion of single people receiving an Accommodation Supplement is roughly 80% of the total number of people receiving a supplement. By far the largest group of people receiving a supplement are those single persons with no children, they account for roughly 49.5% of the total recipients, or 52,281 people. As at the end of June 2009, approximately 84,234 single people were receiving an Accommodation Supplement, an increase of approximately 12,743 people from June 2001.

Table 9.12 presents the number of people receiving the Accommodation Supplement by age group.

Table: 9.12 Recipients of an Accommodation Supplement by Age Group

Age Group	As at the end of June			Proportion of Total		
	2001	2006	2009	2001	2006	2009
Unspecified	1	-	-	-	-	-
16-17	907	725	856	1.0%	0.9%	0.8%
18-19	3,759	2,259	4,217	4.2%	2.7%	4.0%
20-24	11,531	8,392	12,050	13.0%	9.9%	11.4%
25-29	12,032	9,877	12,476	13.5%	11.7%	11.8%
30-34	12,714	10,491	11,551	14.3%	12.4%	10.9%
35-39	11,728	10,968	12,412	13.2%	13.0%	11.8%
40-44	9,044	9,671	11,613	10.2%	11.4%	11.0%
45-49	6,228	7,150	9,670	7.0%	8.4%	9.2%
50-54	4,783	5,258	6,862	5.4%	6.2%	6.5%
55-59	4,171	4,565	5,660	4.7%	5.4%	5.4%
60-64	4,073	4,351	5,179	4.6%	5.1%	4.9%
65+	6,067	8,959	11,046	6.8%	10.6%	10.5%
Total	89,039	84,672	105,601	100.0%	100.0%	100.0%

Source: Ministry of Social Development, Darroch

Between the end of June 2001 and the end of June 2009 the total number of people receiving the Accommodation Supplement increased from 89,039 to 105,601 people, a total increase of 16,562.

As at the end of June 2009, the largest group of people receiving the Accommodation Supplement were those between the ages of 20 and 44 years. However, between 2001 and 2009 the relative share of this group as a proportion of the total fell. As at the end of June 2001 this group made up approximately 64% of the total, but by the end of June 2009 this proportion had fallen to approximately 57% of the total. The growth in this group represented approximately 18.4% of the total growth in Accommodation Supplement recipients between June 2001 and June 2009.

In comparison, the proportion of those aged between 45 and 64 years increased from approximately 21.6% of the total in 2001 to approximately 25.2% of the total in 2006. This proportion increased further to approximately 25.9% of the total to the end of June 2009, a total increase of 8,116 people between 2001 and 2009. The growth in this group represented approximately 49% of the total growth in Accommodation Supplement recipients between June 2001 and June 2009.

Table 9.13 presents the number of people receiving the Accommodation Supplement by benefit group.

Table 9.13 Recipients of an Accommodation Supplement by Benefit Group

Benefit Group	As at the end of June			Proportion of Total		
	2001	2006	2009	2001	2006	2009
DPB related	23,403	23,418	25,539	26.3%	27.7%	24.2%
Invalid's Benefit	6,840	9,168	11,781	7.7%	10.8%	11.2%
SB related	7,756	12,120	15,060	8.7%	14.3%	14.3%
UB related	27,204	8,108	15,378	30.6%	9.6%	14.6%
Other main benefits	6,320	6,575	6,179	7.1%	7.8%	5.9%
NZS VP TRB	4,290	5,514	7,516	4.8%	6.5%	7.1%
Non Beneficiary	11,225	17,763	22,139	12.6%	21.0%	21.0%
Total	89,039	84,672	105,601	100.0%	100.0%	100.0%

Source: Ministry of Social Development, Darroch

Notes: Domestic Purposes Benefit (DPB) related included DPB-Caring for Sick of Infirm, DPB-Sole Parent, DPB-Women Alone and Emergency Maintenance Allowance, SB related is Sickness Benefit and Sickness Benefit Hardship, UB related is Unemployment Benefit and Unemployment Benefit Hardship, Other main benefits includes: Emergency Benefit, Independent Youth Benefit, Unemployment Benefit Training and Unemployment Benefit Training Hardship, Unemployment Benefit Student Hardship and Widow's Benefit.

The most significant change occurred for those receiving an unemployment benefit. In 2001, approximately 30.6% of people receiving an Accommodation Supplement received an unemployment benefit. By the end of June 2006, however, this proportion had fallen to 9.6% but increased to 14.6% as at the end of June 2009. Between June 2001 and June 2009, the total number of people in receipt of an Accommodation Supplement and receiving an unemployment benefit fell by 11,826 people. In contrast, the number of people classed as 'non Beneficiaries' increased from approximately 11,225 people as at the end of June 2001 to 22,139 people as at the end of June 2009, or by 10,914 people. As a proportion of the total, this group (as at the end of June 2009) represented approximately 21% of the total number of Accommodation Supplement recipients. In 2001 this group represented approximately 12.6% of the total. Table 9.14 presents the number of people receiving the Accommodation Supplement by ethnicity.

Table 9.14 Recipients of an Accommodation Supplement by Ethnicity

Ethnicity	As at the end of June			Proportion of Total		
	2001	2006	2009	2001	2006	2009
Unspecified	8,024	2,237	3,126	9.0%	2.6%	3.0%
Maori	18,560	18,105	22,335	20.8%	21.4%	21.2%
NZ European	29,193	27,163	33,505	32.8%	32.1%	31.7%
Other	17,978	23,343	29,204	20.2%	27.6%	27.7%
Pacific Island	13,283	11,818	15,422	14.9%	14.0%	14.6%
Total	89,039	84,672	105,601	100.0%	100.0%	100.0%

Source: Ministry of Social Development, Darroch

The proportions receiving some form of Accommodation Supplement as classed by ethnicity have largely remained the same between the end of June 2001 and June 2009. However, the proportion of those with an unspecified ethnicity has decreased from approximately 9% of the total in 2001 to approximately 3% of the total in 2009.

10.0 Housing Market Outlook and Total Demand Forecasts

10.1 Introduction

The outlook for the housing market is related to the outlook for both the national and Auckland regional economies, combined with a number of local market factors, such as population growth relative to the ability of the market to respond to changes in demand. The objective of this chapter is to present the approach used to model future demand, house prices and housing affordability and the outcomes of that modelling. This chapter has the following sections:

- Overview of the approach used in developing our housing market outlook and forecasts;
- Key assumptions included in the modelling process;
- House prices forecasts;
- Total demand forecasts; and
- Implication of the forecasts for housing affordability.

10.2 Overview

The objective of this section is to provide an overview of the modelling process with discussion of the Models and the results presented in Appendices 10 and 11. The key components of our Model for Auckland's housing market include:

- Geographical split between the north and south around the labour markets; and
- Three equation model for the north and south markets encompassing house values, demand and supply;
- Once the macro amount of demand and supply were modelled for the two housing sub-markets they were allocated across the 14 housing market areas (HMAs) based on their individual demographic characteristics and household projections using the underlying age / household matrix.

An overview of the methodology used follows:

House Values

Our modelling approach is based on the approach used in Grimes, Kerr and Aitken¹⁷⁸ with some modifications to estimate the long run trend in values. The variables used in the modelling are as follows:

- Our house price data is unadjusted average house sale prices (weighted average of half year end June and half year end December) deflated by the CPI;
- Our economic activity variable for the region is the National Bank of New Zealand Real Regional Economic Activity Index (June years);
- Our user cost index (UCC) uses the 90 day bank bill rate (i90) as our interest rate and the expected rate of nominal house price change (NHPC) is estimated using the average of nominal house price appreciation over the preceding three years; and
- Our house stock variable uses QV's annual data, as at June, based on the number of house and flat valuation assessments in each area.

¹⁷⁸ Grimes, A., Kerr, & Aitkin, (2003) Housing and Structural Adjustment. A report by MOTU for the Centre of Housing Research Aotearoa New Zealand

Demand Forecasts

A vector autoregressive approach was used to model housing demand. Key inputs for the demand projections were Statistics New Zealand's population projections, real interest rates, house values and expectations of future value growth. Variation in interest rates and house values and expectations of value growth influence the rate of household formation in addition to the underlying growth in the region's population.

Supply Forecasts

A vector autoregressive approach was used to model housing supply. Modelling supply proved problematic. Supply was modelled as a function of growth in the number of families, regional economic activity, house prices, householders' cost of capital, and commercial interest rates. The equation developed had relatively low explanatory power and was driven primarily by growth in demand.

10.3 Key Assumptions

There are a number of key assumptions implicit in our house price and demand forecasts. Table 10.1 presents the key economic assumptions included in the housing market forecasts. The forecast reflect the annual average growth rates between the specified dates.

Table 10.1: Economic Assumptions

Time Period	Economic Activity	Annual Inflation Rate (CPI)	Household Incomes	Dwelling Rentals
Jun 09 to Jun 11	3.0%	3.5%	3.0%	2.5%
Jun 11 to Jun 16	4.0%	2.5%	3.0%	2.5%
Jun 16 to Jun 21	3.5%	2.5%	3.0%	2.5%
Jun 21 to Jun 26	3.5%	2.5%	3.0%	2.5%

Table 10.2 presents the key financial / banking assumptions used in the forecasts. These reflect the assumptions used at specific dates in the forecasting cycle.

Table 10.2: Financial / Banking Assumptions

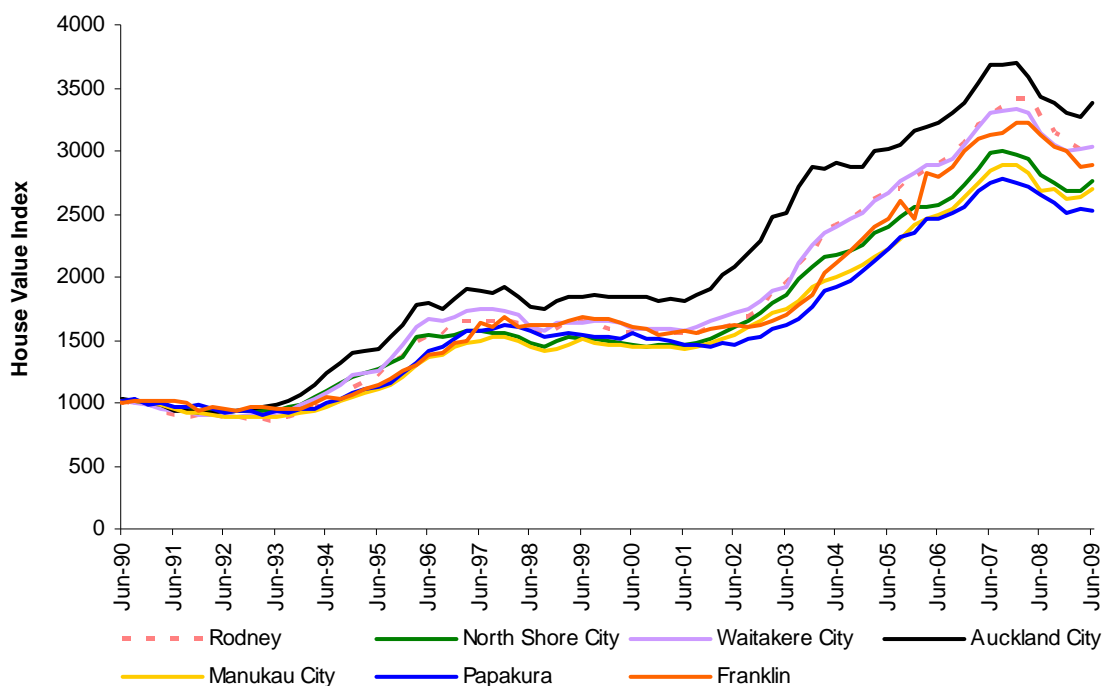
Date	Mortgage Interest Rate -1 yr fixed	Minimum Deposit	Mortgage Term (yrs)	Maximum Housing Costs	90 Day Bank Bill Rate
Jun 2011	8.5%	10.0%	25	30%	5.4%
Jun 2016	7.6%	10.0%	25	30%	5.3%
Jun 2021	7.6%	10.0%	25	30%	5.3%
Jun 2026	7.6%	10.0%	25	30%	5.3%

Population projections and migration trends associated with our projections are included in the following section on total demand. Population growth used is consistent with Statistics New Zealand's medium level population forecasts by age and family / household type.

10.4 House Price Forecasts

Auckland dwelling sale prices have increased significantly over the last twenty years. The rate of growth has been significantly higher than the growth in household incomes and inflation. Figure 10.1 presents the movement in house prices in the Auckland region since 1990.

Figure 10.1: Auckland TLAs House Price Indices 1990 to 2009



Source: QVNZ

Auckland region house prices have followed a similar trend to national prices. Key features of the price cycle since 1990 include:

- Prices experienced significant growth between 1993 and 1996, increasing by between 67% and 99% across the TLAs;
- Prices levelled out between 1997 and 2002;
- Between 2002 and 2007 prices increased by between 85% and 108% across the seven TLAs; and
- Prices subsequently fell between 7% and 11%.

The house price cycle in the Auckland region is not unique. The majority of other cities around the country have followed a similar cycle. A number of factors are likely to have influenced the rate of house price growth over the last decade including excess liquidity and loose lending criteria from the banking sector, irrational expectations of continuous value growth, aggressive investment from small investors, and a supply side which was unable to respond quickly enough to the growth in demand. These trends resulted in price growth which, with the benefit of hindsight, overshoot what the underlying value drivers could support. Consequently the market over the last two years has gone through a period of correction.

House prices, however, have started to recover faster than expected by a number of market commentators and economists. Low interest rates, new supply falling by two thirds and a significant increase in net overseas migration tempered the cycle and have provided impetus for the recovery in house prices. Anecdotally house prices in some parts of the market are already higher than they were at the peak of the market in 2007. However, the outlook for house prices is mixed. Poor housing affordability, changes to the tax treatment of rental property, and the expectations of higher interest rates are likely to slow house price growth in the near term.

The forecast results are presented in Table 10.3.

Table 10.3: Forecast House Price Appreciation (Nominal Prices) 2009 to 2026

June Years	Northern Housing Market Areas	Southern Housing Market Areas
2009 to 2011	0.2% pa	0.4% pa
2011 to 2016	6.7% pa	4.8% pa
2016 to 2021	7.1% pa	5.7% pa
2021 to 2026	6.6% pa	6.0% pa

These rates of growth in house prices are consistent with the long term average growth rates in house prices experienced over the last twenty years.

These forecasts imply a significant adjustment in real house prices from the peak in the market in September 2007. Table 10.4 presents the real growth in house prices forecast from the peak of the market in September 2007 to 2026.

Table 10.4: Forecast Real House Price Growth 2007 to 2026

Market / Time Period	No of Years	Nominal House Prices		CPI		Real House Prices		
		Annual Average	Total	Annual Average	Total	Annual Average	Total	Accum
Northern HMAs								
Sept 07 to Jun 09	1.75	-3.8%	-8.5%	3.1%	5.4%	-7.8%	-13.2%	-13%
Jun 09 to Jun 11	2	0.2%	0.4%	3.4%	7.0%	-3.1%	-6.2%	-19%
Jun 11 to Jun 16	5	6.7%	38.3%	2.5%	13.1%	4.1%	22.2%	0%
Jun 16 to Jun 21	5	7.1%	40.9%	2.5%	13.1%	4.5%	24.5%	24%
Jun 21 to Jun 26	5	6.6%	37.7%	2.5%	13.1%	4.0%	21.7%	51%
Southern HMAs								
Sept 07 to Jun 09	1.75	-3.6%	-8.1%	3.1%	5.4%	-7.5%	-12.8%	-13%
Jun 09 to Jun 11	2	0.4%	0.8%	3.4%	7.0%	-2.9%	-5.8%	-18%
Jun 11 to Jun 16	5	4.8%	26.4%	2.5%	13.1%	2.2%	11.7%	-8%
Jun 16 to Jun 21	5	5.7%	31.9%	2.5%	13.1%	3.1%	16.6%	7%
Jun 21 to Jun 26	5	6.0%	33.8%	2.5%	13.1%	3.4%	18.3%	27%

Our forecasts imply that house prices will fall in real terms by between 18% and 19% from the peak in September 2007 to June 2011. Over the same time period real household incomes are forecast to grow by 10%. These forecasts imply ongoing pressure on housing affordability, albeit with some temporary relief in the short to medium term.

To summarise, our forecasts imply that the Auckland house prices are likely to experience a significant correction in real (inflation adjusted) prices in the short term before starting to recover as a result of growth in economic activity and population growth.

10.5 Total Demand Forecasts

The objective of this section is to present our forecasts of total demand for each of the 14 housing market areas (HMAs). The demand forecasts presented in this section were derived from the modelling work associated with this assessment. This section initially discusses some of the key drivers behind the forecast and then presents the demand forecast by HMA, age and household composition. The following areas are included:

- Population projections by age and household composition. These projections are one of the key inputs into our housing demand model;
- Overseas and internal migration; and
- Darroch's housing demand forecasts.

10.5.1 Population Projections

Table 10.5 presents the projected population by household composition and age across the Auckland region for 2006 and 2026. Table 10.6 presents the population increase by age and household / family type between 2006 and 2026 in both absolute numbers and percentage change.

Table 10.5: Auckland Region's Projected Population by Household / Family Composition and Age 2006 to 2026

Household / Family Type	Less than 20 yrs	20 to 29 Yrs	30 to 39 Yrs	40 to 49 Yrs	50 to 59 Yrs	60 to 64 yrs	65 to 74 yrs	Over 75 yrs	Total
2006									
Partner in Couple Without Children	3,090	50,680	40,480	25,720	51,530	28,920	40,610	22,230	263,260
Partner/Parent in Two-Parent	700	25,980	107,320	127,120	60,770	9,700	7,460	2,260	341,310
Child in Two-Parent	287,520	44,030	6,880	2,070	440	60	30	0	341,030
Parent in One Parent	1,070	10,700	18,400	21,850	11,960	2,680	3,390	3,260	73,310
Child in One Parent	95,770	16,780	4,960	3,300	1,750	370	190	10	123,130
One Person Household	710	6,980	12,630	14,060	15,690	7,780	14,290	20,850	92,990
Other	13,530	51,180	22,880	13,610	10,910	4,610	7,220	12,020	135,960
Total	402,380	206,340	213,530	207,740	153,070	54,140	73,200	60,620	1,371,020
2026									
Partner in Couple Without Children	3,750	64,070	60,580	36,400	81,690	55,850	87,320	48,620	438,280
Partner/Parent in Two-Parent	820	27,390	113,710	133,610	71,930	15,130	12,770	3,730	379,090
Child in Two-Parent	315,470	48,080	8,700	2,280	480	60	40	0	375,110
Parent in One Parent	1,510	13,520	24,090	28,030	18,200	5,530	7,750	7,000	105,630
Child in One Parent	127,160	21,840	7,860	4,610	2,640	730	430	40	165,310
One Person Household	1,100	9,600	18,640	20,070	25,190	15,250	29,410	42,220	161,480
Other	17,250	63,210	33,750	18,910	17,060	8,930	14,940	22,510	196,560
Total	467,070	247,710	267,330	243,920	217,200	101,470	152,660	124,140	1,821,500

Source: Statistics New Zealand

Table 10.6: Auckland Region's Projected Population Growth by Household / Family Composition and Age 2006 to 2026

Household / Family Type	Less than 20 yrs	20 to 29 Yrs	30 to 39 Yrs	40 to 49 Yrs	50 to 59 Yrs	60 to 64 yrs	65 to 74 yrs	Over 75 yrs	Total
<i>Change 06 to 26</i>									
Partner in Couple Without Children	660	13,390	20,100	10,680	30,160	26,930	46,710	26,390	175,020
Partner/Parent in Two-Parent	120	1,410	6,390	6,490	11,160	5,430	5,310	1,470	37,780
Child in Two-Parent	27,950	4,050	1,820	210	40	0	10	0	34,080
Parent in One Parent	440	2,820	5,690	6,180	6,240	2,850	4,360	3,740	32,320
Child in One Parent	31,390	5,060	2,900	1,310	890	360	240	30	42,180
One Person Household	390	2,620	6,010	6,010	9,500	7,470	15,120	21,370	68,490
Other	3,720	12,030	10,870	5,300	6,150	4,320	7,720	10,490	60,600
Total	64,690	41,370	53,800	36,180	64,130	47,330	79,460	63,520	450,480
<i>% Change 06 to 26</i>									
Partner in Couple Without Children	21%	26%	50%	42%	59%	93%	115%	119%	66%
Partner/Parent in Two-Parent	17%	5%	6%	5%	18%	56%	71%	65%	11%
Child in Two-Parent	10%	9%	26%	10%	9%	0%	33%	0%	10%
Parent in One Parent	41%	26%	31%	28%	52%	106%	129%	115%	44%
Child in One Parent	33%	30%	58%	40%	51%	97%	126%	300%	34%
One Person Household	55%	38%	48%	43%	61%	96%	106%	102%	74%
Other	27%	24%	48%	39%	56%	94%	107%	87%	45%
Total	16%	20%	25%	17%	42%	87%	109%	105%	33%

Source: Statistics New Zealand

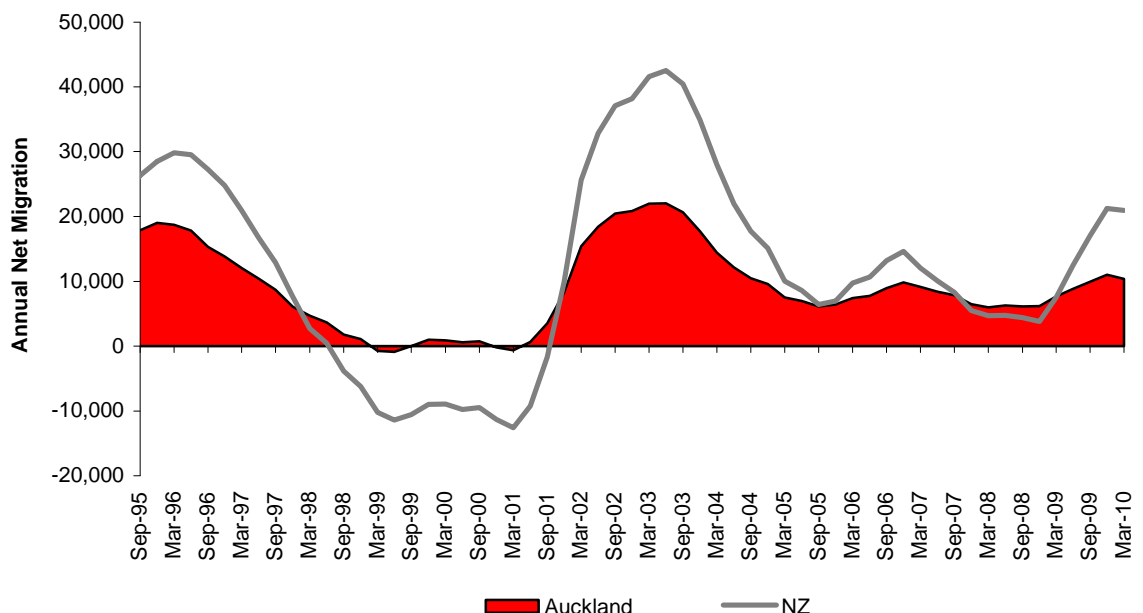
Key trends include:

- The number of people aged 50 years and older in couple without children families is projected to grow significantly. The number aged 50 to 59 years is projected to grow by 59% between 2006 and 2026, however, the more significant growth projected (in this family type) is for those aged 60 to 64 years, 65 to 74 years and those aged over 75 years, increasing by approximately 93%, 115% and 199% respectively. Total growth of just over 100,000 people. Overall the number of people in the couple without children family type is projected to grow by 66% between 2006 and 2026, an increase of 175,020 people;
- Another family type projected to grow significantly is adults in one parent families. Overall this group will increase in size by 44% (32,320 people), with the highest percentage growth projected for adults aged 60 to 64 years (106%), those aged 65 to 74 years (129%) and those aged over 75 years (115%); and
- The number of people in one person households will continue to grow across all age groups to 2026, up overall by 74%. Similar to other household types, there will be significant growth in the number of people in one person households aged 60 years and above.

10.5.2 Migration Gains

The Auckland region population projections assume a net internal and overseas migration gain over the next twenty years of approximately 8,000 people per annum. Migration gains have tended to vary significantly. Total migration gains include both net overseas migration and net internal migration¹⁷⁹. Overseas and internal migration patterns have followed different trends. Figure 10.2 presents the trend in net overseas migration into the Auckland region and nationally.

Figure 10.2: Net Overseas Migration 1995 to 2010



Source: Statistics New Zealand

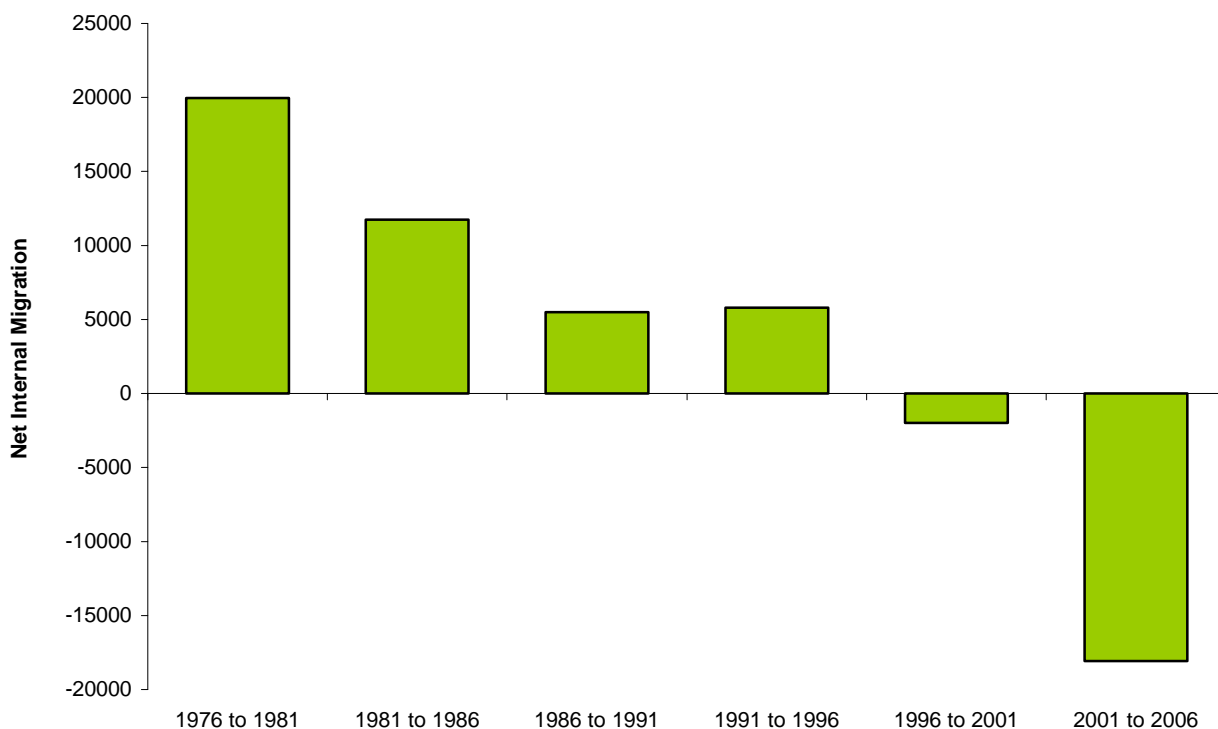
NB: The accuracy of the regional data from Statistics New Zealand is reliant on inward and outward migrants correctly completing their arrival and departure cards at port of entry / exit. Thus care needs to be taken when considering regional data.

¹⁷⁹ Internal migration refers to people shifting between regions within New Zealand.

Over the last ten years net overseas migration has averaged approximately 9,600 people per annum and approximately 9,150 people per annum over the last 15 years.

Net internal migration can also influence total demand. Figure 10.3 presents the trend in the internal net migration gain for the Auckland region.

Figure 10.3: Net Internal Migration 1976 to 2006



Source: Statistics New Zealand

Net internal migration into the Auckland region averaged a net loss of 2,000 people per annum over the ten years from 1996 to 2006 and a net loss of 950 per annum between 1991 and 2006.

Overall, the Auckland region's net gain from overseas migration is larger than the net loss associated with internal migration. In recent years the relative overall migration gain (overseas and internal combined) has been averaging 7,600 people per annum (9,600 net overseas migration gain less net 2,000 internal migration loss per annum) which is slightly lower than the assumption included in Statistics New Zealand's population projections, which assume a net gain of 8,000 people per annum.

The overseas migration gains are unevenly distributed across the HMAs in the region. Table 10.7 presents the migration inflows into the HMAs from overseas between 2001 and 2006.

Table 10.7: Overseas Migration Inflows between 2001 and 2006 by HMA

Housing Market Area	HMA as a % of Total	Low Income Hhlds		Total Hhlds		Difference Total less Low Income
		Hhlds	Number	% of Total	Number	
Rural North	4.8%	318	2.0%	1,119	2.3%	0.3%
Rodney South Coast	3.4%	348	2.2%	1,329	2.7%	0.5%
North Shore	16.7%	2,907	18.3%	9,789	19.9%	1.6%
Waitakere	13.6%	1,788	11.2%	5,358	10.9%	-0.4%
Auckland CBD	2.2%	1,878	11.8%	6,339	12.9%	1.0%
Auckland North East	7.3%	1,545	9.7%	2,928	5.9%	-3.8%
Auckland North West	10.1%	873	5.5%	3,897	7.9%	2.4%
Auckland South East	4.1%	1,803	11.3%	5,073	10.3%	-1.0%
Auckland South West	8.6%	831	5.2%	2,109	4.3%	-0.9%
Manukau North	8.7%	1,608	10.1%	5,256	10.7%	0.6%
Manukau North West	8.7%	1,086	6.8%	3,075	6.2%	-0.6%
Manurewa Papakura	7.4%	639	4.0%	1,947	4.0%	-0.1%
Pukekohe	1.4%	93	0.6%	381	0.8%	0.2%
Rural South	3.1%	183	1.2%	690	1.4%	0.2%

Source: Statistics New Zealand

NB: Low income is defined as household incomes of less than \$50,000 per annum

The HMAs that attract proportionally more overseas migrants than their underlying proportion of total households include North Shore (16.7% of all households and attracts 19.9% of all migrants), Auckland CBD (2.2% of all households and attracts 12.9% of all migrants), Auckland South East (4.1% of all households and attracts 10.3% of all migrants), and Manukau North (8.7% of all households and attracts 10.7% of all migrants). This trend is consistent for both low income and all migrant households.

The HMAs that attract significantly fewer overseas migrants relative to their total number of households include the Rural North (4.8% of all households and attracts 2.3% of all migrants), Waitakere (13.6% of all households and attracts 10.9% of all migrants), Auckland North West (10.1% of all households and attracts 7.9% of all migrants), Auckland South West (8.6% of all households and attracts 4.3% of all migrants), Manukau North West (8.7% of all households and attracts 6.2% of all migrants), and Manurewa and Papakura (7.4% of all households and attracts 4.0% of all migrants).

The HMAs that attract a relatively high proportion of low income overseas migrant households include:

- Auckland North East;
- Auckland South East; and
- Auckland South West.

The HMAs that attract relatively fewer low income migrant households include:

- North Shore;
- Auckland CBD; and
- Auckland North West.

The pattern of internal migration flows is different when compared to overseas migration patterns. Table 10.8 presents the migration inflows into the HMAs from outside Auckland region between 2001 and 2006.

Table 10.8: Internal Migration Inflows between 2001 and 2006 by HMA

Housing Market Area	HMA as a % of Total Hhlds	Low Income Hhlds		Total Hhlds		Difference Total less Low Income
		Number	% of Total	Number	% of Total	
Rural North	4.8%	483	6.1%	1,947	4.9%	-1.3%
Rodney South Coast	3.4%	450	5.7%	1,326	3.3%	-2.4%
North Shore	16.7%	1,017	12.9%	4,698	11.7%	-1.1%
Waitakere	13.6%	930	11.8%	5,436	13.6%	1.8%
Auckland CBD	2.2%	750	9.5%	4,473	11.2%	1.7%
Auckland North East	7.3%	516	6.5%	2,856	7.1%	0.6%
Auckland North West	10.1%	420	5.3%	2,736	6.8%	1.5%
Auckland South East	4.1%	546	6.9%	3,105	7.8%	0.8%
Auckland South West	8.6%	363	4.6%	1,797	4.5%	-0.1%
Manukau North	8.7%	423	5.4%	2,055	5.1%	-0.2%
Manukau North West	8.7%	543	6.9%	3,654	9.1%	2.2%
Manurewa Papakura	7.4%	828	10.5%	3,570	8.9%	-1.6%
Pukekohe	1.4%	303	3.8%	963	2.4%	-1.4%
Rural South	3.1%	330	4.2%	1,446	3.6%	-0.6%

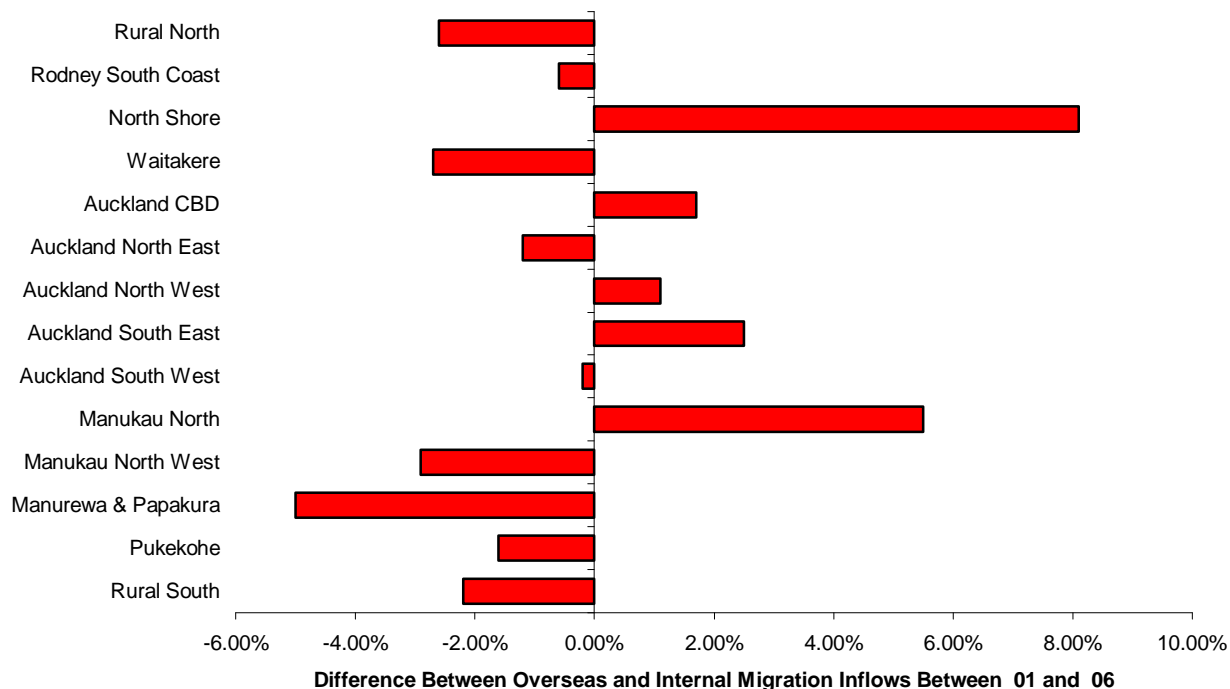
Source: Statistics New Zealand

The HMAs that attract proportionally more internal migrants than their underlying proportion of total households include Auckland CBD (2.2% of all households and attracts 11.2% of all migrants), Auckland South East (4.1% of all households and attracts 7.8% of all migrants), and Manukau North (8.7% of all households and attracts 8.9% of all migrants). This trend is consistent for both low income and all migrant households.

The HMAs that attract significantly fewer internal migrants relative to their total number of households includes North Shore (16.7% of all households and attracts 11.7% of all migrants), Auckland North West (10.1% of all households and attracts 6.8% of all migrants), Auckland South West (8.6% of all households and attracts 4.5% of all migrants), and Manukau North (8.7% of all households and attracts 5.1% of all migrants).

Figure 10.4 presents the difference between the proportion of overseas migrants settling in an HMA relative to the proportion of internal migrants from outside the Auckland region.

Figure 10.4: Relative Proportion of Overseas and Internal Migrants by HMA 2001 to 2006



Source: Statistics New Zealand

NB: Negative numbers imply that a greater proportion of internal migrants settled in the respective HMA relative to total proportion of overseas migrants

North Shore, Auckland CBD, Auckland North West, Auckland South East, and Manukau North HMAs attracted relatively more overseas migrants relative to internal migrants between 2001 and 2006. Whereas, the balance of the HMAs, and in particular the Manurewa and Papakura, Manukau North West, and Waitakere HMAs, attracted relatively more internal migrants.

10.5.3 Household Demand

Table 10.9 presents Darroch's household demand forecast for the 14 Auckland housing market areas (HMAs) between 2006 and 2026.

Table 10.9: Auckland HMAs – Household Demand Forecasts 2006 to 2026

HMA	2006e	2011f	2016f	2021f	2026f
Rural North	20,920	22,850	24,930	26,960	29,050
Rodney – Southern Coastal	14,900	16,270	17,940	19,630	21,380
North Shore	72,110	76,860	83,000	89,490	95,900
Waitakere	58,680	63,800	69,790	75,730	81,760
Auckland CBD	9,530	12,600	16,210	19,960	24,220
Auckland North East	31,310	33,120	35,570	37,920	40,220
Auckland North West	43,710	46,360	49,870	53,190	56,530
Auckland South East	17,590	19,020	20,920	22,730	24,570
Auckland South West	37,070	39,400	41,960	44,350	46,680
Manukau North	37,470	43,360	48,910	54,290	60,010
Manukau North West	37,460	39,990	44,580	48,700	52,360
Manurewa & Papakura	31,770	34,720	36,510	38,800	41,610
Pukekohe	5,940	6,660	7,170	7,750	8,520
Rural South	13,430	14,710	15,930	17,180	18,610
Total 14 HMAs	431,890	469,720	513,290	556,680	601,420

Source: Darroch

Note one of the underlying assumptions associated with these forecasts is that the region has a net overseas migration gain of 8,000 people per annum. Table 10.10 summarises the forecast growth in the number of households between 2006 and 2026.

Table 10.10: Forecast Growth in Demand 2006 to 2026

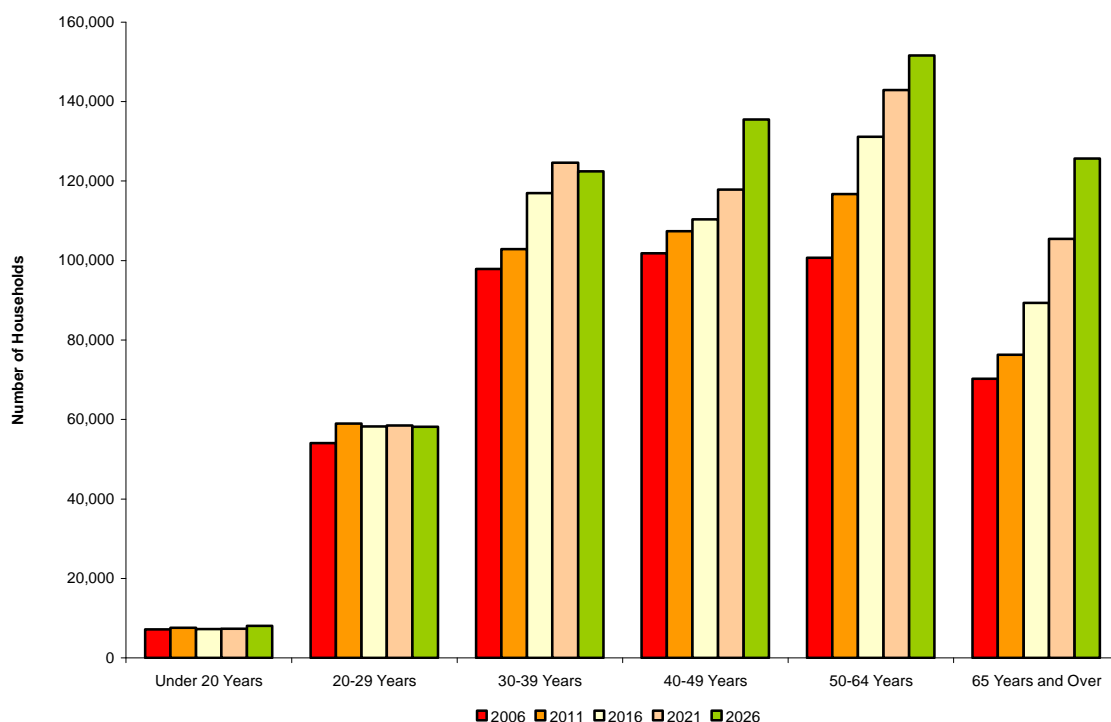
HMA	Number of Households	% Growth 2006 to 2026	Annual % Change 2006 to 2026
Rural North	8,130	38.9%	1.7%
Rodney – Southern Coastal	6,480	43.5%	1.8%
North Shore	23,790	33.0%	1.4%
Waitakere	23,080	39.3%	1.7%
Auckland CBD	14,690	154.1%	4.8%
Auckland North East	8,910	28.5%	1.3%
Auckland North West	12,820	29.3%	1.3%
Auckland South East	6,980	39.7%	1.7%
Auckland South West	9,610	25.9%	1.2%
Manukau North	22,540	60.2%	2.4%
Manukau North West	14,900	39.8%	1.7%
Manurewa & Papakura	9,840	31.0%	1.4%
Pukekohe	2,580	43.4%	1.8%
Rural South	5,180	38.6%	1.6%
Total 14 HMAs	169,530	39.3%	1.7%

Source: Darroch

The forecast growth in demand is slightly lower than those implied by Statistics New Zealand's household projections. The deterioration in affordability experienced over the last decade is forecast to slow the rate of household formation. The largest percentage growth in households between 2006 and 2026 is expected to occur within the Auckland CBD HMA where the number of households is projected to more than double over the next 20 years. The largest absolute growth in households between 2006 and 2026 is expected to occur within the North Shore HMA where the number of households is forecast to increase by 23,790, followed by Waitakere (+23,080 households) and Manukau North (+22,540 households). The lowest percentage growth in households between 2006 and 2026 is expected to occur within the Auckland South West HMA where the number of households is forecast to increase by just over one quarter over the next 20 years, whilst the lowest absolute growth in households between 2006 and 2026 is expected to occur within the Pukekohe HMA where the number of households is forecast to increase by just 2,580.

Figure 10.5 presents the trend in the number of households by age for the demand forecasts across all HMAs.

Figure 10.5: Household Demand Forecasts by Age 2006 to 2026



NB: The demand forecast by age and HMA is presented in Table 10.11

The number of households in all age bands is forecast to increase between 2006 and 2026. Overall, the younger the age group, the slower the rate of growth. The strongest growth is forecast in the number of households aged 65 years and over, expected to increase by 78.9% between 2006 and 2026 or 55,400 households. In addition, this age group's share of total households is forecast to increase from 16.3% to 20.9% over the same time period. The only other age group which is expected to grow as a proportion relative to total households are those aged between 50 and 64 years. This age group is forecast to increase from 23.3% of all households in 2006 to 25.2% in 2026.

Table 10.11 presents the results of Darroch's HMA household demand forecasts by age of the reference person.

Table 10.11: Total Demand Forecasts by Age and HMA 2006 to 2026

HMA	Total Households in HMA							As a Percentage of Total Households in HMA						
	Under 20 Yrs	20-29 Years	30-39 Years	40-49 Years	50-64 Years	65 Yrs+	Total	Under 20 Yrs	20-29 Years	30-39 Years	40-49 Years	50-64 Years	65 Yrs+	Total
Rural North														
2006	198	1,356	4,353	5,406	5,976	3,630	20,919	0.9%	6.5%	20.8%	25.8%	28.6%	17.4%	100.0%
2011	207	1,462	4,554	5,696	6,955	3,976	22,850	0.9%	6.4%	19.9%	24.9%	30.4%	17.4%	100.0%
2016	195	1,379	5,092	5,808	7,784	4,671	24,929	0.8%	5.5%	20.4%	23.3%	31.2%	18.7%	100.0%
2021	190	1,344	5,340	6,135	8,451	5,499	26,959	0.7%	5.0%	19.8%	22.8%	31.3%	20.4%	100.0%
2026	203	1,287	5,133	6,979	8,929	6,520	29,051	0.7%	4.4%	17.7%	24.0%	30.7%	22.4%	100.0%
Change 06 to 26	5	-69	780	1,573	2,953	2,890	8,132							
Rodney Southern Coastal														
2006	144	939	2,736	3,177	3,513	4,389	14,898	1.0%	6.3%	18.4%	21.3%	23.6%	29.5%	100.0%
2011	151	1,011	2,857	3,347	4,100	4,807	16,273	0.9%	6.2%	17.6%	20.6%	25.2%	29.5%	100.0%
2016	141	951	3,185	3,413	4,599	5,650	17,939	0.8%	5.3%	17.8%	19.0%	25.6%	31.5%	100.0%
2021	137	922	3,327	3,595	4,999	6,646	19,626	0.7%	4.7%	17.0%	18.3%	25.5%	33.9%	100.0%
2026	145	876	3,169	4,069	5,270	7,855	21,384	0.7%	4.1%	14.8%	19.0%	24.6%	36.7%	100.0%
Change 06 to 26	1	-63	433	892	1,757	3,466	6,486							
North Shore														
2006	1,017	7,584	15,303	17,379	18,102	12,723	72,108	1.4%	10.5%	21.2%	24.1%	25.1%	17.6%	100.0%
2011	1,033	8,019	15,745	17,920	20,543	13,598	76,858	1.3%	10.4%	20.5%	23.3%	26.7%	17.7%	100.0%
2016	955	7,662	17,604	18,165	22,781	15,829	82,996	1.2%	9.2%	21.2%	21.9%	27.4%	19.1%	100.0%
2021	921	7,497	18,570	19,217	24,634	18,646	89,485	1.0%	8.4%	20.8%	21.5%	27.5%	20.8%	100.0%
2026	967	7,209	17,959	21,818	25,854	22,093	95,900	1.0%	7.5%	18.7%	22.8%	27.0%	23.0%	100.0%
Change 06 to 26	-50	-375	2,656	4,439	7,752	9,370	23,792							

Table 10.11: Total Demand Forecasts by Age and HMA 2006 to 2026 Continued

HMA	Total Households in HMA							As a Percentage of Total Households in HMA						
	Under 20 Yrs	20-29 Years	30-39 Years	40-49 Years	50-64 Years	65 Yrs+	Total	Under 20 Yrs	20-29 Years	30-39 Years	40-49 Years	50-64 Years	65 Yrs+	Total
Waitakere														
2006	870	6,984	14,226	14,052	13,149	9,396	58,677	1.5%	11.9%	24.2%	23.9%	22.4%	16.0%	100.0%
2011	903	7,518	14,962	14,873	15,298	10,247	63,801	1.4%	11.8%	23.5%	23.3%	24.0%	16.1%	100.0%
2016	849	7,211	16,992	15,369	17,276	12,089	69,786	1.2%	10.3%	24.3%	22.0%	24.8%	17.3%	100.0%
2021	827	7,082	18,097	16,474	18,904	14,346	75,730	1.1%	9.4%	23.9%	21.8%	25.0%	18.9%	100.0%
2026	879	6,853	17,708	19,010	20,125	17,184	81,759	1.1%	8.4%	21.7%	23.3%	24.6%	21.0%	100.0%
Change 06 to 26	9	-131	3,482	4,958	6,976	7,788	23,082							
Auckland CBD														
2006	615	4,683	1,893	1,056	1,026	255	9,528	6.5%	49.1%	19.9%	11.1%	10.8%	2.7%	100.0%
2011	808	6,174	2,457	1,372	1,455	334	12,600	6.4%	49.0%	19.5%	10.9%	11.5%	2.7%	100.0%
2016	953	7,532	3,487	1,746	2,015	477	16,210	5.9%	46.5%	21.5%	10.8%	12.4%	2.9%	100.0%
2021	1,144	8,880	4,433	2,228	2,616	662	19,963	5.7%	44.5%	22.2%	11.2%	13.1%	3.3%	100.0%
2026	1,497	10,270	5,229	3,031	3,268	924	24,219	6.2%	42.4%	21.6%	12.5%	13.5%	3.8%	100.0%
Change 06 to 26	882	5,587	3,336	1,975	2,242	669	14,691							
Auckland North East														
2006	345	3,183	6,408	7,002	8,247	6,126	31,311	1.1%	10.2%	20.5%	22.4%	26.3%	19.6%	100.0%
2011	347	3,340	6,558	7,145	9,255	6,477	33,122	1.0%	10.1%	19.8%	21.6%	27.9%	19.6%	100.0%
2016	319	3,194	7,299	7,161	10,144	7,454	35,571	0.9%	9.0%	20.5%	20.1%	28.5%	21.0%	100.0%
2021	305	3,095	7,611	7,463	10,797	8,646	37,917	0.8%	8.2%	20.1%	19.7%	28.5%	22.8%	100.0%
2026	316	2,955	7,322	8,355	11,167	10,100	40,215	0.8%	7.3%	18.2%	20.8%	27.8%	25.1%	100.0%
Change 06 to 26	-29	-228	914	1,353	2,920	3,974	8,904							

Table 10.11: Total Demand Forecasts by Age and HMA 2006 to 2026 Continued

HMA	Total Households in HMA							As a Percentage of Total Households in HMA						
	Under 20 Yrs	20-29 Years	30-39 Years	40-49 Years	50-64 Years	65 Yrs+	Total	Under 20 Yrs	20-29 Years	30-39 Years	40-49 Years	50-64 Years	65 Yrs+	Total
Auckland North West														
2006	645	7,191	11,223	10,491	8,871	5,289	43,710	1.5%	16.5%	25.7%	24.0%	20.3%	12.1%	100.0%
2011	660	7,608	11,618	10,836	10,042	5,597	46,361	1.4%	16.4%	25.1%	23.4%	21.7%	12.1%	100.0%
2016	614	7,446	13,154	11,036	11,152	6,467	49,869	1.2%	14.9%	26.4%	22.1%	22.4%	13.0%	100.0%
2021	598	7,324	13,951	11,708	12,036	7,569	53,186	1.1%	13.8%	26.2%	22.0%	22.6%	14.2%	100.0%
2026	637	7,136	13,737	13,381	12,655	8,982	56,528	1.1%	12.6%	24.3%	23.7%	22.4%	15.9%	100.0%
Change 06 to 26	-8	-55	2,514	2,890	3,784	3,693	12,818	-0.3%	-3.8%	-1.4%	-0.3%	2.1%	3.8%	0.0%
Auckland South East														
2006	360	2,889	4,398	3,813	3,735	2,397	17,592	2.0%	16.4%	25.0%	21.7%	21.2%	13.6%	100.0%
2011	372	3,090	4,618	4,031	4,328	2,583	19,022	2.0%	16.2%	24.3%	21.2%	22.8%	13.6%	100.0%
2016	354	3,006	5,329	4,226	4,947	3,057	20,919	1.7%	14.4%	25.5%	20.2%	23.6%	14.6%	100.0%
2021	349	2,974	5,732	4,582	5,456	3,634	22,727	1.5%	13.1%	25.2%	20.2%	24.0%	16.0%	100.0%
2026	375	2,905	5,698	5,354	5,857	4,376	24,565	1.5%	11.8%	23.2%	21.8%	23.8%	17.8%	100.0%
Change 06 to 26	15	16	1,300	1,541	2,122	1,979	6,973	-0.5%	-4.6%	-1.8%	0.1%	2.6%	4.2%	0.0%
Auckland South West														
2006	636	4,620	8,565	8,757	7,947	6,543	37,068	1.7%	12.5%	23.1%	23.6%	21.4%	17.7%	100.0%
2011	645	4,870	8,843	9,069	9,021	6,950	39,398	1.6%	12.4%	22.4%	23.0%	22.9%	17.6%	100.0%
2016	589	4,606	9,823	9,119	9,891	7,936	41,964	1.4%	11.0%	23.4%	21.7%	23.6%	18.9%	100.0%
2021	559	4,417	10,213	9,521	10,500	9,139	44,349	1.3%	10.0%	23.0%	21.5%	23.7%	20.6%	100.0%
2026	576	4,176	9,791	10,683	10,827	10,630	46,683	1.2%	8.9%	21.0%	22.9%	23.2%	22.8%	100.0%
Change 06 to 26	-60	-444	1,226	1,926	2,880	4,087	9,615							

Table 10.11: Total Demand Forecasts by Age and HMA 2006 to 2026 Continued

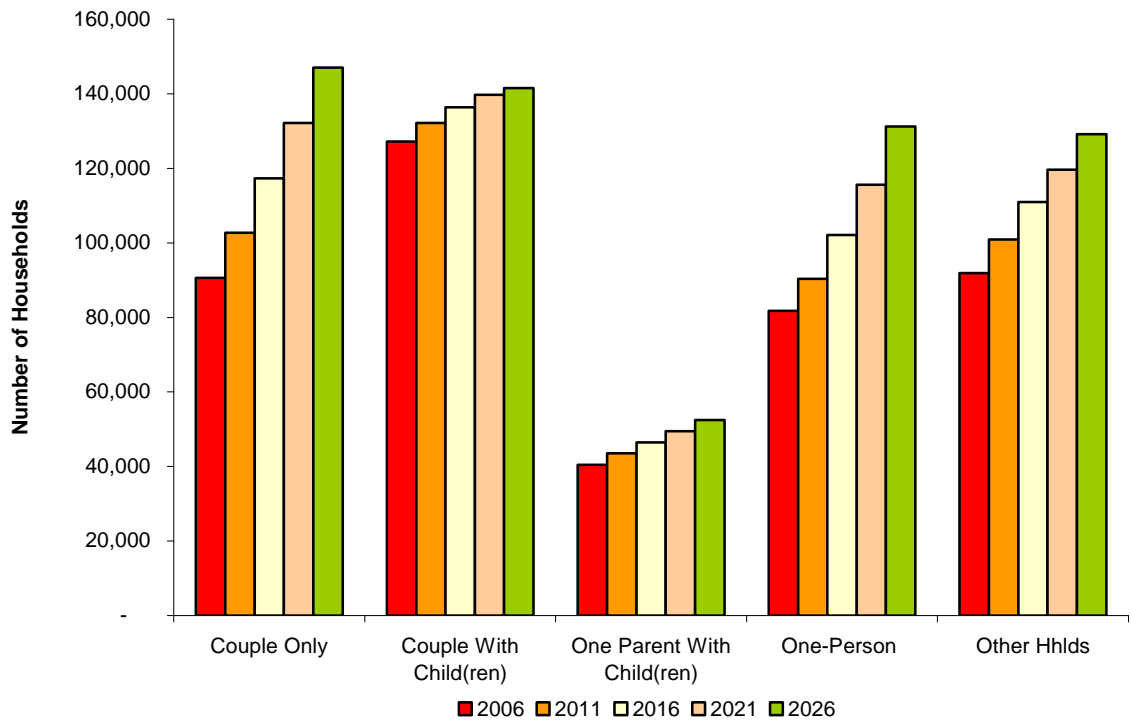
HMA	Total Households in HMA							As a Percentage of Total Households in HMA						
	Under 20 Yrs	20-29 Years	30-39 Years	40-49 Years	50-64 Years	65 Yrs+	Total	Under 20 Yrs	20-29 Years	30-39 Years	40-49 Years	50-64 Years	65 Yrs+	Total
Manukau North														
2006	663	3,642	7,758	9,744	9,552	6,108	37,467	1.8%	9.7%	20.7%	26.0%	25.5%	16.3%	100.0%
2011	729	4,176	8,655	10,905	11,772	7,120	43,357	1.7%	9.6%	20.0%	25.2%	27.2%	16.4%	100.0%
2016	706	4,133	10,104	11,572	13,670	8,720	48,905	1.4%	8.5%	20.7%	23.7%	28.0%	17.8%	100.0%
2021	700	4,153	10,978	12,613	15,228	10,615	54,287	1.3%	7.7%	20.2%	23.2%	28.1%	19.6%	100.0%
2026	754	4,099	10,914	14,770	16,484	12,984	60,005	1.3%	6.8%	18.2%	24.6%	27.5%	21.6%	100.0%
Change 06 to 26	91	457	3,156	5,026	6,932	6,876	22,538							
Manukau North West														
2006	938	5,185	9,214	8,669	8,361	5,092	37,459	2.5%	13.8%	24.6%	23.1%	22.3%	13.6%	100.0%
2011	959	5,453	9,541	9,043	9,560	5,430	39,986	2.4%	13.6%	23.9%	22.6%	23.9%	13.6%	100.0%
2016	924	5,328	11,138	9,603	11,062	6,523	44,578	2.1%	12.0%	25.0%	21.5%	24.8%	14.6%	100.0%
2021	916	5,260	12,039	10,456	12,230	7,797	48,698	1.9%	10.8%	24.7%	21.5%	25.1%	16.0%	100.0%
2026	977	5,068	11,858	12,125	13,009	9,319	52,356	1.9%	9.7%	22.6%	23.2%	24.8%	17.8%	100.0%
Change 06 to 26	39	-117	2,644	3,456	4,648	4,227	14,897							
Manurewa & Papakura														
2006	543	4,326	7,599	7,482	6,987	4,830	31,767	1.7%	13.6%	23.9%	23.6%	22.0%	15.2%	100.0%
2011	571	4,659	8,031	7,981	8,185	5,294	34,721	1.6%	13.4%	23.1%	23.0%	23.6%	15.2%	100.0%
2016	519	4,272	8,797	7,974	8,929	6,023	36,514	1.4%	11.7%	24.1%	21.8%	24.5%	16.5%	100.0%
2021	500	4,094	9,193	8,406	9,601	7,010	38,804	1.3%	10.6%	23.7%	21.7%	24.7%	18.1%	100.0%
2026	532	3,922	8,944	9,674	10,181	8,354	41,607	1.3%	9.4%	21.5%	23.3%	24.5%	20.1%	100.0%
Change 06 to 26	-11	-404	1,345	2,192	3,194	3,524	9,840							

Table 10.11: Total Demand Forecasts by Age and HMA 2006 to 2026 Continued

HMA	Total Households in HMA							As a Percentage of Total Households in HMA						
	Under 20 Yrs	20-29 Years	30-39 Years	40-49 Years	50-64 Years	65 Yrs+	Total	Under 20 Yrs	20-29 Years	30-39 Years	40-49 Years	50-64 Years	65 Yrs+	Total
Pukekohe														
2006	75	603	1,380	1,263	1,335	1,284	5,940	1.3%	10.2%	23.2%	21.3%	22.5%	21.6%	100.0%
2011	81	668	1,488	1,376	1,605	1,444	6,662	1.2%	10.0%	22.3%	20.7%	24.1%	21.7%	100.0%
2016	74	618	1,642	1,389	1,779	1,672	7,174	1.0%	8.6%	22.9%	19.4%	24.8%	23.3%	100.0%
2021	71	597	1,721	1,469	1,931	1,965	7,754	0.9%	7.7%	22.2%	18.9%	24.9%	25.3%	100.0%
2026	76	579	1,686	1,710	2,083	2,382	8,516	0.9%	6.8%	19.8%	20.1%	24.5%	28.0%	100.0%
Change 06 to 26	1	-24	306	447	748	1,098	2,576							
Rural South														
2006	111	867	2,817	3,525	3,921	2,184	13,425	0.8%	6.5%	21.0%	26.3%	29.2%	16.3%	100.0%
2011	115	937	2,950	3,722	4,582	2,400	14,706	0.8%	6.4%	20.1%	25.3%	31.2%	16.3%	100.0%
2016	106	877	3,270	3,770	5,103	2,805	15,931	0.7%	5.5%	20.5%	23.7%	32.0%	17.6%	100.0%
2021	101	850	3,418	3,974	5,538	3,299	17,180	0.6%	4.9%	19.9%	23.1%	32.2%	19.2%	100.0%
2026	107	818	3,295	4,551	5,900	3,943	18,614	0.6%	4.4%	17.7%	24.4%	31.7%	21.2%	100.0%
Change 06 to 26	-4	-49	478	1,026	1,979	1,759	5,189							
Total 14 HMAs														
2006	7,160	54,052	97,873	101,816	100,722	70,246	431,869	1.7%	12.5%	22.7%	23.6%	23.3%	16.3%	100.0%
2011	7,581	58,985	102,877	107,316	116,701	76,257	469,717	1.6%	12.6%	21.9%	22.8%	24.8%	16.2%	100.0%
2016	7,298	58,215	116,916	110,351	131,132	89,373	513,285	1.4%	11.3%	22.8%	21.5%	25.5%	17.4%	100.0%
2021	7,318	58,489	124,623	117,841	142,921	105,473	556,665	1.3%	10.5%	22.4%	21.2%	25.7%	18.9%	100.0%
2026	8,041	58,153	122,443	135,510	151,609	125,646	601,402	1.3%	9.7%	20.4%	22.5%	25.2%	20.9%	100.0%
Change 06 to 26	881	4,101	24,570	33,694	50,887	55,400	169,533							

Figure 10.6 presents the trend in the number of households by household composition for the demand forecasts across all HMAs.

Figure 10.6: Household Demand Forecasts by Composition 2006 to 2026



NB: The demand forecast by household composition and HMA is presented in Table 10.12.

The number of households in each category is forecast to increase between 2006 and 2026. The household types which are forecast to grow at the fastest rates are one person households and couple only households. Couple only households are forecast to increase by 56,400 or 62% between 2006 and 2026 whereas one person households are forecast to increase by 49,500 or 61% over the same time period. Both of these types of households also forecast to increase in size relative to the total number of households. Couple only households are forecast to increase from 21% of all households in 2006 to 24.4% in 2026. Over the same time period, one person households are forecast to increase from 18.9% to 21.8% of all households. The slowest growth is forecast for couple with children households which are forecast to grow by 10% over the same time frame.

Table 10.12 presents the results of Darroch's HMA demand forecasts by household composition.

Table 10.12: Total Demand Forecasts by Household Composition and HMA 2006 to 2026

HMA	Total Households in HMA						As a Percentage of Total Households in HMA					
	Couple Only	Couple With Child(ren)	One Parent + Child(ren)	One Person	Other Hhlds	Total	Couple Only	Couple With Child(ren)	One Parent + Child(ren)	One Person	Other Hhlds	Total
Rural North												
2006	6,036	6,906	1,581	3,753	2,643	20,919	28.9%	33.0%	7.6%	17.9%	12.6%	100.0%
2011	6,889	7,183	1,705	4,152	2,921	22,850	30.1%	31.4%	7.5%	18.2%	12.8%	100.0%
2016	7,862	7,405	1,825	4,632	3,205	24,929	31.5%	29.7%	7.3%	18.6%	12.9%	100.0%
2021	8,848	7,554	1,933	5,166	3,458	26,959	32.8%	28.0%	7.2%	19.2%	12.8%	100.0%
2026	9,847	7,635	2,036	5,793	3,740	29,051	33.9%	26.3%	7.0%	19.9%	12.9%	100.0%
Change 06 to 26	3,811	729	455	2,040	1,097	8,132						
Rodney Southern Coastal												
2006	4,659	4,056	1,254	3,387	1,542	14,898	31.3%	27.2%	8.4%	22.7%	10.4%	100.0%
2011	5,297	4,208	1,348	3,720	1,700	16,273	32.6%	25.9%	8.3%	22.9%	10.4%	100.0%
2016	6,115	4,338	1,433	4,194	1,859	17,939	34.1%	24.2%	8.0%	23.4%	10.4%	100.0%
2021	6,959	4,417	1,512	4,738	2,000	19,626	35.5%	22.5%	7.7%	24.1%	10.2%	100.0%
2026	7,823	4,421	1,592	5,392	2,156	21,384	36.6%	20.7%	7.4%	25.2%	10.1%	100.0%
Change 06 to 26	3,164	365	338	2,005	614	6,486						
North Shore												
2006	16,836	23,424	6,378	13,533	11,937	72,108	23.3%	32.5%	8.8%	18.8%	16.6%	100.0%
2011	18,711	23,928	6,764	14,621	12,834	76,858	24.3%	31.1%	8.8%	19.0%	16.7%	100.0%
2016	21,152	24,507	7,181	16,315	13,841	82,996	25.5%	29.5%	8.7%	19.7%	16.7%	100.0%
2021	23,718	25,025	7,632	18,346	14,764	89,485	26.5%	28.0%	8.5%	20.5%	16.5%	100.0%
2026	26,166	25,252	8,097	20,652	15,733	95,900	27.3%	26.3%	8.4%	21.5%	16.4%	100.0%
Change 06 to 26	9,330	1,828	1,719	7,119	3,796	23,792						

Table 10.12: Total Demand Forecasts by Household Composition and HMA 2006 to 2026 Continued

HMA	Total Households in HMA						As a Percentage of Total Households in HMA					
	Couple Only	Couple With Child(ren)	One Parent + Child(ren)	One Person	Other Hhlds	Total	Couple Only	Couple With Child(ren)	One Parent + Child(ren)	One Person	Other Hhlds	Total
Waitakere												
2006	11,622	17,553	6,600	10,446	12,456	58,677	19.8%	29.9%	11.2%	17.8%	21.2%	100.0%
2011	13,178	18,282	7,104	11,540	13,697	63,801	20.7%	28.7%	11.1%	18.1%	21.5%	100.0%
2016	15,095	18,951	7,609	13,052	15,079	69,786	21.6%	27.2%	10.9%	18.7%	21.6%	100.0%
2021	17,048	19,494	8,112	14,775	16,301	75,730	22.5%	25.7%	10.7%	19.5%	21.5%	100.0%
2026	19,014	19,732	8,579	16,795	17,639	81,759	23.3%	24.1%	10.5%	20.5%	21.6%	100.0%
Change 06 to 26	7,392	2,179	1,979	6,349	5,183	23,082						
Auckland CBD												
2006	2,067	396	339	3,588	3,138	9,528	21.7%	4.2%	3.6%	37.7%	32.9%	100.0%
2011	2,778	499	438	4,795	4,090	12,600	22.0%	4.0%	3.5%	38.1%	32.5%	100.0%
2016	3,616	618	549	6,254	5,173	16,210	22.3%	3.8%	3.4%	38.6%	31.9%	100.0%
2021	4,481	737	671	7,896	6,178	19,963	22.4%	3.7%	3.4%	39.6%	30.9%	100.0%
2026	5,400	853	820	9,800	7,346	24,219	22.3%	3.5%	3.4%	40.5%	30.3%	100.0%
Change 06 to 26	3,333	457	481	6,212	4,208	14,691						
Auckland North East												
2006	7,968	9,153	2,247	7,278	4,665	31,311	25.4%	29.2%	7.2%	23.2%	14.9%	100.0%
2011	8,743	9,271	2,374	7,778	4,956	33,122	26.4%	28.0%	7.2%	23.5%	15.0%	100.0%
2016	9,803	9,425	2,496	8,567	5,280	35,571	27.6%	26.5%	7.0%	24.1%	14.8%	100.0%
2021	10,825	9,487	2,619	9,459	5,527	37,917	28.5%	25.0%	6.9%	24.9%	14.6%	100.0%
2026	11,764	9,470	2,758	10,456	5,767	40,215	29.3%	23.5%	6.9%	26.0%	14.3%	100.0%
Change 06 to 26	3,796	317	511	3,178	1,102	8,904						

Table 10.12: Total Demand Forecast by Household Composition and HMA 2006 to 2026 Continued

HMA	Total Households in HMA						As a Percentage of Total Households in HMA					
	Couple Only	Couple With Child(ren)	One Parent + Child(ren)	One Person	Other Hhlds	Total	Couple Only	Couple With Child(ren)	One Parent + Child(ren)	One Person	Other Hhlds	Total
Auckland North West												
2006	8,757	11,424	3,201	9,771	10,557	43,710	20.0%	26.1%	7.3%	22.4%	24.2%	100.0%
2011	9,599	11,616	3,390	10,522	11,234	46,361	20.7%	25.1%	7.3%	22.7%	24.2%	100.0%
2016	10,661	11,926	3,604	11,644	12,034	49,869	21.4%	23.9%	7.2%	23.3%	24.1%	100.0%
2021	11,635	12,164	3,827	12,909	12,651	53,186	21.9%	22.9%	7.2%	24.3%	23.8%	100.0%
2026	12,526	12,308	4,086	14,316	13,292	56,528	22.2%	21.8%	7.2%	25.3%	23.5%	100.0%
Change 06 to 26	3,769	884	885	4,545	2,735	12,818						
Auckland South East												
2006	2,850	4,218	2,028	3,606	4,890	17,592	16.2%	24.0%	11.5%	20.5%	27.8%	100.0%
2011	3,189	4,362	2,170	3,971	5,330	19,022	16.8%	22.9%	11.4%	20.9%	28.0%	100.0%
2016	3,641	4,528	2,339	4,510	5,901	20,919	17.4%	21.6%	11.2%	21.6%	28.2%	100.0%
2021	4,073	4,661	2,505	5,096	6,392	22,727	17.9%	20.5%	11.0%	22.4%	28.1%	100.0%
2026	4,497	4,703	2,657	5,765	6,943	24,565	18.3%	19.1%	10.8%	23.5%	28.3%	100.0%
Change 06 to 26	1,647	485	629	2,159	2,053	6,973						
Auckland South West												
2006	6,294	10,077	3,477	7,596	9,624	37,068	17.0%	27.2%	9.4%	20.5%	26.0%	100.0%
2011	6,939	10,270	3,679	8,191	10,319	39,398	17.6%	26.1%	9.3%	20.8%	26.2%	100.0%
2016	7,722	10,359	3,848	9,021	11,014	41,964	18.4%	24.7%	9.2%	21.5%	26.2%	100.0%
2021	8,454	10,368	4,012	9,955	11,560	44,349	19.1%	23.4%	9.0%	22.4%	26.1%	100.0%
2026	9,123	10,236	4,172	11,013	12,139	46,683	19.5%	21.9%	8.9%	23.6%	26.0%	100.0%
Change 06 to 26	2,829	159	695	3,417	2,515	9,615						

Table 10.12: Total Demand Forecasts by Household Composition and HMA 2006 to 2026 Continued

HMA	Total Households in HMA						As a Percentage of Total Households in HMA					
	Couple Only	Couple With Child(ren)	One Parent + Child(ren)	One Person	Other Hhlds	Total	Couple Only	Couple With Child(ren)	One Parent + Child(ren)	One Person	Other Hhlds	Total
Manukau North												
2006	8,376	14,100	3,285	5,181	6,525	37,467	22.4%	37.6%	8.8%	13.8%	17.4%	100.0%
2011	10,171	15,676	3,785	6,086	7,639	43,357	23.5%	36.2%	8.7%	14.0%	17.6%	100.0%
2016	12,113	16,808	4,192	7,129	8,663	48,905	24.8%	34.4%	8.6%	14.6%	17.7%	100.0%
2021	14,107	17,717	4,586	8,298	9,579	54,287	26.0%	32.6%	8.4%	15.3%	17.6%	100.0%
2026	16,173	18,515	5,016	9,696	10,605	60,005	27.0%	30.9%	8.4%	16.2%	17.7%	100.0%
Change 06 to 26	7,797	4,415	1,731	4,515	4,080	22,538						
Manukau North West												
2006	4,285	10,425	4,473	4,964	13,312	37,459	11.4%	27.8%	11.9%	13.3%	35.5%	100.0%
2011	4,776	10,681	4,725	5,399	14,405	39,986	11.9%	26.7%	11.8%	13.5%	36.0%	100.0%
2016	5,621	11,248	5,172	6,252	16,285	44,578	12.6%	25.2%	11.6%	14.0%	36.5%	100.0%
2021	6,455	11,658	5,572	7,161	17,852	48,698	13.3%	23.9%	11.4%	14.7%	36.7%	100.0%
2026	7,248	11,755	5,862	8,147	19,344	52,356	13.8%	22.5%	11.2%	15.6%	36.9%	100.0%
Change 06 to 26	2,963	1,330	1,389	3,183	6,032	14,897						
Manurewa & Papakura												
2006	5,574	8,868	4,071	5,226	8,028	31,767	17.5%	27.9%	12.8%	16.5%	25.3%	100.0%
2011	6,369	9,287	4,383	5,802	8,880	34,721	18.3%	26.7%	12.6%	16.7%	25.6%	100.0%
2016	7,042	9,235	4,487	6,329	9,421	36,514	19.3%	25.3%	12.3%	17.3%	25.8%	100.0%
2021	7,828	9,298	4,659	7,038	9,981	38,804	20.2%	24.0%	12.0%	18.1%	25.7%	100.0%
2026	8,725	9,323	4,838	7,982	10,739	41,607	21.0%	22.4%	11.6%	19.2%	25.8%	100.0%
Change 06 to 26	3,151	455	767	2,756	2,711	9,840						

Table 10.12: Total Demand Forecasts by Household Composition and HMA 2006 to 2026 Continued

HMA	Total Households in HMA						As a Percentage of Total Households in HMA					
	Couple Only	Couple With Child(ren)	One Parent + Child(ren)	One Person	Other Hhlds	Total	Couple Only	Couple With Child(ren)	One Parent + Child(ren)	One Person	Other Hhlds	Total
Pukekohe												
2006	1,356	1,773	600	1,299	912	5,940	22.8%	29.8%	10.1%	21.9%	15.4%	100.0%
2011	1,590	1,898	665	1,472	1,037	6,662	23.9%	28.5%	10.0%	22.1%	15.6%	100.0%
2016	1,794	1,927	696	1,639	1,118	7,174	25.0%	26.9%	9.7%	22.8%	15.6%	100.0%
2021	2,019	1,958	733	1,847	1,197	7,754	26.0%	25.3%	9.5%	23.8%	15.4%	100.0%
2026	2,297	1,985	781	2,143	1,310	8,516	27.0%	23.3%	9.2%	25.2%	15.4%	100.0%
Change 06 to 26	941	212	181	844	398	2,576						
Rural South												
2006	3,921	4,791	918	2,100	1,695	13,425	29.2%	35.7%	6.8%	15.6%	12.6%	100.0%
2011	4,498	4,998	990	2,332	1,888	14,706	30.6%	34.0%	6.7%	15.9%	12.8%	100.0%
2016	5,104	5,121	1,052	2,593	2,061	15,931	32.0%	32.1%	6.6%	16.3%	12.9%	100.0%
2021	5,734	5,217	1,110	2,894	2,225	17,180	33.4%	30.4%	6.5%	16.8%	13.0%	100.0%
2026	6,423	5,313	1,174	3,276	2,428	18,614	34.5%	28.5%	6.3%	17.6%	13.0%	100.0%
Change 06 to 26	2,502	522	256	1,176	733	5,189						
Total 14 HMAs												
2006	90,601	127,164	40,452	81,728	91,924	431,869	21.0%	29.4%	9.4%	18.9%	21.3%	100.0%
2011	102,727	132,159	43,520	90,381	100,930	469,717	21.9%	28.1%	9.3%	19.2%	21.5%	100.0%
2016	117,341	136,396	46,483	102,131	110,934	513,285	22.9%	26.6%	9.1%	19.9%	21.6%	100.0%
2021	132,184	139,755	49,483	115,578	119,665	556,665	23.7%	25.1%	8.9%	20.8%	21.5%	100.0%
2026	147,026	141,501	52,468	131,226	129,181	601,402	24.4%	23.5%	8.7%	21.8%	21.5%	100.0%
Change 06 to 26	56,425	14,337	12,016	49,498	37,257	169,533						

Table 10.13 presents the forecast growth in demand by tenure and HMA.

Table 10.13: Demand Forecasts by Tenure and HMA 2006 to 2026

HMA	Number of Households					Growth 06 to 26		
	2006	2011	2016	2021	2026	Number	% Chge	% pa
Owner Occupier								
Rural North	16,480	17,470	18,580	19,740	21,020	4,540	27.6%	1.22%
Rodney South Coast	11,010	11,690	12,620	13,610	14,730	3,720	33.8%	1.47%
North Shore	51,840	53,510	56,320	59,780	63,490	11,650	22.5%	1.02%
Waitakere	40,330	42,400	45,200	48,290	51,720	11,380	28.2%	1.25%
Auckland CBD	2,420	2,980	3,680	4,410	5,220	2,800	115.9%	3.92%
Auckland North East	21,850	22,350	23,350	24,500	25,790	3,930	18.0%	0.83%
Auckland North West	24,990	25,320	26,310	27,590	29,130	4,140	16.6%	0.77%
Auckland South East	7,410	7,560	7,960	8,400	8,950	1,540	20.8%	0.95%
Auckland South West	21,760	22,180	22,850	23,710	24,750	3,000	13.8%	0.65%
Manukau North	28,430	31,920	35,090	38,350	41,970	13,540	47.6%	1.97%
Manukau North West	20,060	20,490	22,030	23,590	25,180	5,120	25.5%	1.14%
Manurewa Papakura	19,350	20,380	20,850	21,830	23,290	3,930	20.3%	0.93%
Pukekohe	4,030	4,380	4,610	4,910	5,340	1,310	32.5%	1.42%
Rural South	10,740	11,430	12,070	12,780	13,670	2,930	27.3%	1.21%
Total 14 HMAs	280,690	294,060	311,520	331,460	354,240	73,550	26.2%	1.17%
Renter								
Rural North	4,440	5,380	6,350	7,220	8,030	3,590	80.8%	3.01%
Rodney South Coast	3,890	4,580	5,320	6,010	6,650	2,770	71.2%	2.73%
North Shore	20,270	23,350	26,680	29,700	32,410	12,140	59.9%	2.37%
Waitakere	18,340	21,410	24,580	27,440	30,040	11,700	63.8%	2.50%
Auckland CBD	7,110	9,620	12,540	15,560	19,000	11,890	167.2%	5.04%
Auckland North East	9,460	10,780	12,220	13,420	14,430	4,970	52.5%	2.13%
Auckland North West	18,730	21,040	23,560	25,600	27,400	8,680	46.3%	1.92%
Auckland South East	10,190	11,460	12,960	14,330	15,620	5,430	53.3%	2.16%
Auckland South West	15,310	17,220	19,110	20,640	21,930	6,620	43.2%	1.81%
Manukau North	9,040	11,440	13,810	15,940	18,040	9,000	99.6%	3.52%
Manukau North West	17,400	19,500	22,550	25,110	27,170	9,780	56.2%	2.25%
Manurewa Papakura	12,420	14,340	15,660	16,980	18,320	5,910	47.6%	1.97%
Pukekohe	1,910	2,280	2,560	2,850	3,170	1,260	66.2%	2.57%
Rural South	2,690	3,280	3,860	4,400	4,950	2,260	84.2%	3.10%
Total 14 HMAs	151,180	175,660	201,770	225,200	247,160	95,980	63.5%	2.49%
Total Renter and Owner Occupier Demand – 14 HMAs								
	431,870	469,720	513,290	556,660	601,400	169,530	39.3%	1.67%

Source: Darroch

Total household housing demand in the 14 HMAs is forecast to increase from 431,870 dwelling units in 2006 to 601,400 dwelling units in 2026. This equates to household demand for an additional 169,530 dwellings over the period, or an increase in total housing demand of 39.2%. Owner occupier demand is forecast to increase over the period from 280,690 to 354,240 dwelling units, an absolute increase of 73,550 units, or by 26.2%. Renter demand is forecast to increase over the period from 151,180 to 247,160 dwelling units, an absolute increase of 95,980 units, or by 63.5%. Renter demand is forecast to account for 56.6% and owner occupier demand for 43.3% of the total growth in housing demand over the period.

The number of renter households is forecast to increase faster in both percentage and absolute terms when compared to owner occupier households. If you assume that all of the increase in rental dwellings required as a result of the forecast growth in renter households were purchased at the current lower quartile house price across all the HMAs an additional \$31.1 billion dollars is required between 2006 and 2026, or \$1.6 billion per annum. Note that this is similar to the rate of investment in the private and public rental market over the previous decade. The key issue is whether private and public sector landlords will be prepared to continue to invest at the same rate in the changed economic and institutional environment.

In summary, demand is expected to continue to increase. The number of households is forecast to increase by 39.3% between 2006 and 2026, or by 1.7% per annum. These forecasts assume an average migration gain into the region of 8,000 people per annum (overseas and internal combined). The forecasts demonstrate the impact of the ageing of Auckland's population on households. Although the absolute number of households increase across all age groups the strongest growth is expected in households with a reference person aged 65 years and older (79% or 55,400 households between 2006 and 2026) and households with a reference person aged between 50 and 64 years (55% or 55,887 households between 2006 and 2026). In addition, households with a reference person aged 65 years and over will increase, as a proportion of all households, from 16.3% to 20.9% across all 14 HMAs. The compositional mix of households is also forecast to change. All household types are expected to increase in absolute numbers; however, the fastest growth is expected in couple only and one person households between 2006 and 2026.

10.6 Demand Capacity Balance

The objective of this section is to demonstrate the impact of the housing demand forecasts on the existing development capacity within the market. Table 10.14 presents the trend in the remaining dwelling capacity within the HMAs between 2006 and 2026.

Table 10.14: Development Capacity Trends 2006 to 2026 – No. of Dwelling Units

HMA	Total Cap 2006	2006 to 2011		2011 to 2016		2016 to 2021		2021 to 2026	
		Uptake	Remain Cap	Uptake	Remain Cap	Uptake	Remain Cap	Uptake	Remain Cap
Rural North	20,930	1,930	19,000	2,080	16,920	2,030	14,890	2,090	12,800
Rodney Sthrn Coastal	6,560	1,370	5,190	1,670	3,520	1,690	1,830	1,750	80
North Shore	26,650	4,750	21,900	6,140	15,760	6,490	9,270	6,410	2,860
Waitakere	25,740	5,120	20,620	5,990	14,630	5,940	8,690	6,030	2,660
Auckland CBD	14,630	2,650	11,980	3,510	8,470	3,320	5,150	3,340	1,810
Auckland North East	8,040	1,430	6,610	1,900	4,710	1,810	2,900	1,840	1,060
Auckland North West	17,850	3,070	14,780	3,610	11,170	3,750	7,420	4,260	3,160
Auckland South East	8,560	2,330	6,230	2,560	3,670	2,390	1,280	2,330	-1,050
Auckland South West	9,720	1,810	7,910	2,450	5,460	2,350	3,110	2,300	810
Manukau North	12,980	2,530	10,450	4,590	5,860	4,120	1,740	3,660	-1,920
Manukau North West	17,360	5,890	11,470	5,550	5,920	5,380	540	5,720	-5,180
Manurewa & Papakura	8,440	2,950	5,490	1,790	3,700	2,290	1,410	2,810	-1,400
Pukekohe	3,290	720	2,570	510	2,060	580	1,480	770	710
Rural South	3,560	1,280	2,280	1,220	1,060	1,250	-190	1,430	-1,620
Total 14 HMAs	184,310	37,830	146,480	43,570	102,910	43,390	59,520	44,740	14,780

Based on our housing demand forecasts presented in Table 10.13 and on our development capacity estimates presented in Section 6.5 dwelling capacity across the 14 HMAs is estimated to fall from 184,310 dwelling units in 2006 to 146,480 in 2011, 102,910 in 2016, 59,520 in 2021 and 14,780 dwelling units in 2026. It is estimated that over the 2006 to 2011 period capacity for slightly less than 38,000 dwelling units will be used up, while over each of the three successive five year periods capacity uptake is relatively constant at between 43,390 and 44,740 dwelling units. Capacity constraints are not an issue in any of the 14 HMAs prior to the end of 2016. By 2021, however, the Rural South HMA has run out of capacity. Nearly all southern HMAs run out of development capacity between 2021 and 2026, while the remaining HMAs, the exception being the Rural North HMA, all exhibit severe capacity constraints by 2026.

In summary, Auckland's development capacity will come under severe pressure in the latter part of the forecast period. The revision of the Regional Growth Strategy to cope with the expected growth in demand will be one of the significant challenges facing the new Auckland local government administration.

10.7 Forecast Affordability Trends

The objective of this section is to present the impact of the housing market forecasts on housing affordability out to 2026. The assumptions in terms of forecast growth in gross household incomes, house prices, and interest rates are consistent with those presented earlier in this chapter. Table 10.15 presents the change in the size of the intermediate market from 2006 to 2026.

Table 10.15: Forecast Growth in the Size of the Intermediate Housing Market 2006 to 2026

HMA	Number of Households						Growth 06 to 26	
	2006	2009	2011	2016	2021	2026	Number	%
Rural North	3,170	2,650	3,070	4,540	5,160	5,740	2,570	81%
Rodney Sthn Coastal	2,730	2,380	3,220	3,740	4,230	4,680	1,950	71%
North Shore	14,710	11,880	16,950	19,360	21,560	23,520	8,810	60%
Waitakere	9,080	7,990	9,170	11,380	16,080	17,600	8,520	94%
Auckland CBD	2,530	1,290	1,670	2,490	3,980	5,840	3,310	131%
Auckland North East	7,290	7,900	8,310	9,420	10,350	11,130	3,840	53%
Auckland North West	14,010	15,050	15,740	17,630	19,160	20,510	6,500	46%
Auckland South East	4,110	3,570	4,040	4,930	6,920	7,540	3,430	83%
Auckland South West	8,390	6,580	7,480	10,470	11,310	12,010	3,620	43%
Manukau North	6,750	7,820	8,540	10,310	11,900	13,470	6,720	100%
Manukau North West	4,950	4,020	4,780	5,580	6,900	8,370	3,420	69%
Manurewa and Papakura	4,450	3,640	4,430	4,890	5,890	7,140	2,690	60%
Pukekohe	920	940	1,080	1,220	1,760	1,960	1,040	113%
Rural South	1,510	1,400	1,660	1,960	2,520	2,980	1,470	97%
Total 14 HMAs	84,600	77,110	90,130	107,910	127,700	142,480	57,890	68%

Source: Darroch

The growth in the size of the intermediate market reflects the forecast growth in demand by tenure and the growth in household incomes and house prices. The strongest growth in the intermediate market, as a proportion of total households, is expected in Auckland's CBD driven largely by the strong forecast growth in total households over that period. The households which are over represented in the intermediate market are those which are over represented in the private renter market. These include those with lower household incomes, one person, one parent and couple with children households.

In total the intermediate market is expected to grow by 85% between 2009 and 2026. The forecast growth in the number of renter households accounts for 49 percentage points of the total growth whilst the expected change in interest rates accounts for another 4 percentage points and the expected growth in lower quartile house prices for the remaining 32 percentage points.

Table 10.16 presents the forecast shortfall in affordable housing out to 2026 at 80%, 100% and 120% of median gross household income (MHI).

Table 10.16: Forecast Growth in the Shortfall in Affordable Housing 2009 to 2026

HMA	2009	2011	2016	2021	2026
80% MHI					
Rural North	990	1,140	1,080	950	800
Rodney Southern Coastal	1,390	1,500	1,480	1,420	1,380
North Shore	5,830	6,140	5,460	5,490	5,070
Waitakere	3,820	4,350	4,230	4,230	3,510
Auckland CBD	0	0	0	0	0
Auckland North East	2,620	3,040	3,250	4,390	5,760
Auckland North West	4,540	4,930	5,010	5,890	7,400
Auckland South East	3,250	3,500	3,450	3,590	3,030
Auckland South West	4,570	5,000	4,750	4,150	3,760
Manukau North	2,910	3,090	2,700	2,330	2,040
Manukau North West	3,100	3,720	2,790	2,610	2,350
Manurewa & Papakura	1,740	2,230	1,430	1,030	1,090
Pukekohe	460	530	420	390	330
Rural South	300	390	190	200	60
Total all HMAs	35,520	39,560	36,240	36,670	36,580
100% MHI					
Rural North	380	490	490	280	310
Rodney Southern Coastal	950	1,030	900	830	660
North Shore	3,200	3,460	2,510	2,330	3,210
Waitakere	1,590	1,840	1,550	1,710	790
Auckland CBD	0	0	0	0	0
Auckland North East	1,540	1,860	2,100	3,110	4,170
Auckland North West	2,660	2,970	2,680	3,960	5,290
Auckland South East	1,990	2,210	2,070	1,980	1,650
Auckland South West	2,840	3,220	2,620	2,320	1,780
Manukau North	1,680	1,750	900	860	1,090
Manukau North West	1,110	1,720	500	200	180
Manurewa & Papakura	260	690	0	0	0
Pukekohe	240	270	150	160	50
Rural South	0	30	0	0	0
Total all HMAs	18,440	21,540	16,470	17,740	19,180
120% MHI					
Rural North	10	120	0	50	100
Rodney Southern Coastal	560	640	460	320	450
North Shore	1,210	1,230	550	1,100	1,660
Waitakere	0	120	0	40	150
Auckland CBD	0	0	0	0	0
Auckland North East	770	1,100	1,090	1,830	2,570
Auckland North West	950	1,390	1,330	2,260	3,180
Auckland South East	1,040	1,160	960	1,010	490
Auckland South West	1,270	1,740	1,330	760	1,040
Manukau North	560	490	170	140	140
Manukau North West	0	10	0	0	0
Manurewa & Papakura	0	0	0	0	0
Pukekohe	50	100	0	0	0
Rural South	0	0	0	0	0
Total all HMAs	6,420	8,100	5,890	7,510	9,780

Source: Darroch

Significant affordable housing shortfalls will continue to exist unless there is some structural change in the institutional environment, or the dynamics of the supply side of the market.

In summary, these forecasts highlight one of the key challenges faced by policy makers. A significant number of households are likely to continue to be unable to purchase affordable housing even if they are earning 120% of median gross household income. Both the size of the intermediate market and the affordable housing shortfall are expected to be ongoing issues. The dynamics of these trends is driven by a combination of gross household incomes relative to house prices, population growth rates, bank lending criteria and interest rates.

10.8 Demand by Dwelling Type and HMA

The objective of this section is to present a summary of the implications of the forecast growth in demand on the likely supply of dwellings by type and size. Table 10.17 presents the forecast growth in the total housing demand by size and dwelling type.

Table 10.17: Growth in Total Demand by HMA, Dwelling Type and Size 2006 to 2026

HMAs	Standalone				Multi-Unit				Total
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms	Total	
Rural North	1,200	2,370	1,370	4,940	590	1,230	1,370	3,190	8,130
Rodney - Sthn Coastal	680	1,580	550	2,810	480	1,790	1,400	3,670	6,480
North Shore	1,220	3,880	1,910	7,010	2,880	7,910	6,020	16,810	23,820
Waitakere	1,730	6,200	2,490	10,420	2,180	5,790	4,690	12,660	23,080
Auckland CBD	0	0	0	0	6,970	6,120	1,550	14,640	14,640
Auckland North East	270	610	50	930	1,720	3,760	2,500	7,980	8,910
Auckland North West	350	440	90	880	3,810	5,750	2,410	11,970	12,850
Auckland South East	-240	970	-400	330	2,200	2,940	2,050	7,190	7,520
Auckland South West	500	810	50	1,360	1,940	4,490	1,810	8,240	9,600
Manukau North	810	5,140	4,560	10,510	2,480	6,490	3,060	12,030	22,540
Manukau North West	790	2,930	1,250	4,970	1,590	5,180	3,170	9,940	14,910
Manurewa & Papakura	560	1,860	610	3,030	940	3,830	2,060	6,830	9,860
Pukekohe	210	650	220	1,080	250	890	340	1,480	2,560
Rural South	600	1,370	850	2,820	320	960	1,090	2,370	5,190
Total 14 HMAs	8,680	28,810	13,600	51,090	28,350	57,130	33,520	119,000	170,090

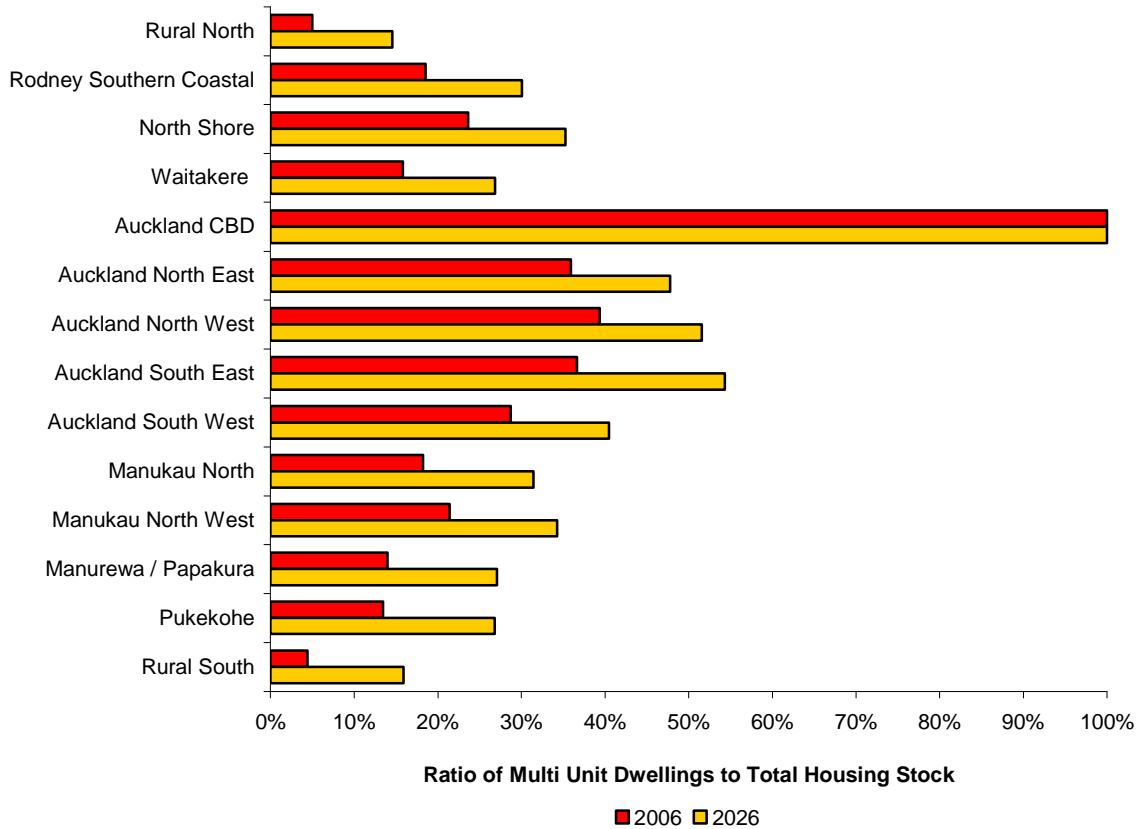
Source: Darroch

NB: Detailed projections by HMA and tenure between 2006 and 2026 are presented in Appendix 11

These forecasts assume that households continue to live in the same dwelling configuration when stratified by age and household composition. In addition, a trend away from standalone to multi-unit dwellings is assumed. The trend towards multi-unit dwellings assumes that 0.5 percentage points more households live in multi-unit accommodation each year.

This analysis suggests that for all areas, the majority (70%) of the demand over the 2006 to 2026 period will be met by multi-unit dwellings. Figure 10.7 presents the expected change in the ratio of multi-unit dwellings to total stock between 2006 and 2026 by HMA.

Figure 10.7: Multi-Unit to Total Housing Stock Ratio 2006 and 2026



Source: Darroch

The HMAs on the isthmus have and are expected to continue to have the highest proportion of multi-unit dwellings to total housing stock. This trend is influenced by the lack of capacity for standalone dwellings within the existing urban area and the lower cost (better affordability) of multi-unit dwellings. By 2026 the mix of standalone to multi-unit dwellings will change significantly. The average ratio of multi-unit to total housing stock will increase from 25% in 2006 to 37% in 2026 across all HMAs.

11.0 Future Housing Need

11.1 Introduction

The objective of this chapter is to present our forecasts of future growth in housing need. The forecasts included in this chapter are based on:

- Trends in home ownership rates, age structure and the household structure of the regional population over the last four censuses; and
- The assumptions included in the demand estimates presented in Chapter 10.

11.2 Housing Need Definition

Total **'housing need'** encapsulates a number of different groups of households. Housing need encapsulates the following groups:

- Financially stressed renter households;
- Those households whose housing requirements are met by social, third sector and emergency housing;
- Households on social and third sector housing providers' waiting lists¹⁸⁰, and
- People who are homeless.

$$\text{Total Housing Need} = \text{Financial Housing Stress} + \text{Other Need}$$

'Other need' encapsulates those households who because of their circumstances have housing needs in addition to affordability. Other housing need is defined as the number of households, who because of their circumstances are in Housing New Zealand, local authority, third sector and emergency housing, on social housing providers' waiting lists¹⁸¹, or are homeless.

"Financial housing stress" or financially stressed households' encapsulates those "households paying more than 30% of their gross household income in housing costs". We have adopted 30% of gross household income in housing costs as our measure of financial housing stress because:

- It is a recognised measure of financial housing stress used both in New Zealand and overseas;
- Survey results are available so that we can model the level of housing stress using gross income relative to the level of housing costs; and
- It is more difficult to model housing stress using net income or alternatively a residual income approach because of data limitations. Effectively any perceived increase in the accuracy of the analysis would be more than compensated for by an increase in modelling error.

It is important to note that owner occupier households paying more than 30% of their gross household income in housing costs, while considered to be 'financially stressed', are not in terms of this assessment counted in our estimates and forecasts of 'total housing need'. The focus of this assessment in terms of 'housing need' is on the renter market.

¹⁸⁰ In assessing total housing need we assume that households on social housing providers' waiting lists are already included under the financial housing stress category or are housed in emergency accommodation.

¹⁸¹ In assessing other need we assume that households on social housing providers' waiting lists are already included under the financial housing stress category or are housed in emergency accommodation.

11.3 Current Total Housing Need Estimates

Total housing need is a combination of a number of groups of households who have housing need for a variety of reasons. These household groups include:

- Renter households experiencing financial housing stress (paying more than 30% of their gross household income in housing costs). These would include households receiving the Accommodation Supplement;
- Housing New Zealand's tenants form part of the 'other need' category. Housing New Zealand's allocation criteria suggests they are in need, that is, they cannot meet their housing needs in the market without assistance; and
- Households not included in the preceding two categories and whose accommodation requirements are being met by TLAs, third sector and emergency housing providers, and households and people that are homeless¹⁸² are also included in the 'other need' category.

Households on social housing providers' waiting lists are also considered to be in housing need. However, we have assumed that these households are already captured under the financial housing stress category or are in emergency housing. Additional supporting information on social housing providers' waiting lists is presented in Appendix 12 (see Auckland Housing Market Assessment, Volume 2 - Appendices). Appendix 12 also includes additional information on the Auckland Rough Sleepers 2008 Homeless Count.

Total Housing Need = Financial Housing Stress + Other Need

Table 11.1 presents the analysis of total housing need as at June 2009 by HMA.

¹⁸² Includes people living in boarding houses.

Table 11.1: Total Housing Need by HMA as at June 2009

Housing Market Area	Financial	Other Need			Total	% of all	% of all
	Housing Stress (A)	HNZ Renters (B)	Other Need - ex HNZ (C)	Total (D=B+C)	Housing Need (A+D)	Renters	Hhlds
Rural North	2,170	64	11	75	2,245	45%	10%
Rodney Southn Coastal	2,100	33	4	37	2,137	50%	14%
North Shore	9,170	1,328	587	1,915	11,085	50%	15%
Waitakere	8,470	3,544	527	4,071	12,541	62%	20%
Auckland CBD	4,930	347	12	359	5,289	61%	47%
Auckland North East	3,540	895	35	930	4,470	44%	14%
Auckland North West	7,260	2,141	148	2,289	9,549	47%	21%
Auckland South East	3,790	4,254	152	4,406	8,196	75%	44%
Auckland South West	6,280	5,475	213	5,688	11,968	73%	31%
Manukau North	4,460	549	108	657	5,117	49%	12%
Manukau North West	6,350	7,423	633	8,056	14,406	77%	37%
Manurewa & Papakura	5,290	3,737	316	4,053	9,343	69%	28%
Pukekohe	790	253	74	327	1,117	52%	18%
Rural South	1,070	41	15	56	1,126	37%	8%
Total 14 HMAs	65,670	30,084	2,835	32,919	98,589	59%	22%

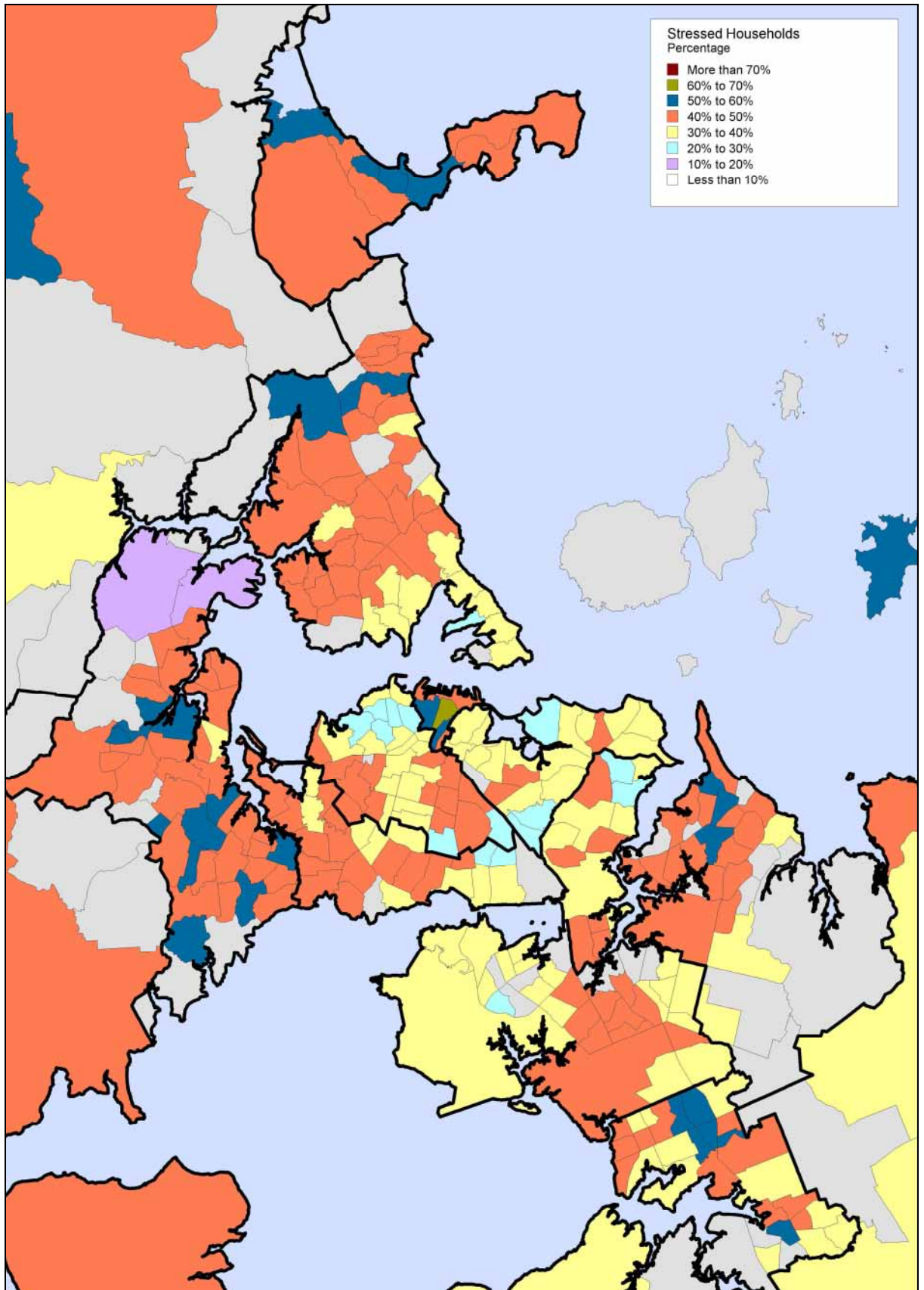
Source: Darroch

Key points include:

- North Shore, Waitakere, Auckland South West and Manukau North West HMAs have the highest levels of total housing need;
- North Shore and Waitakere HMAs have the highest level of need in terms of financial stress; and
- As a percentage of total households the Auckland CBD (47%), Auckland South East (44%), Auckland South West (31%) and Manukau North West (37%) have the highest proportions of households with some form of housing need.

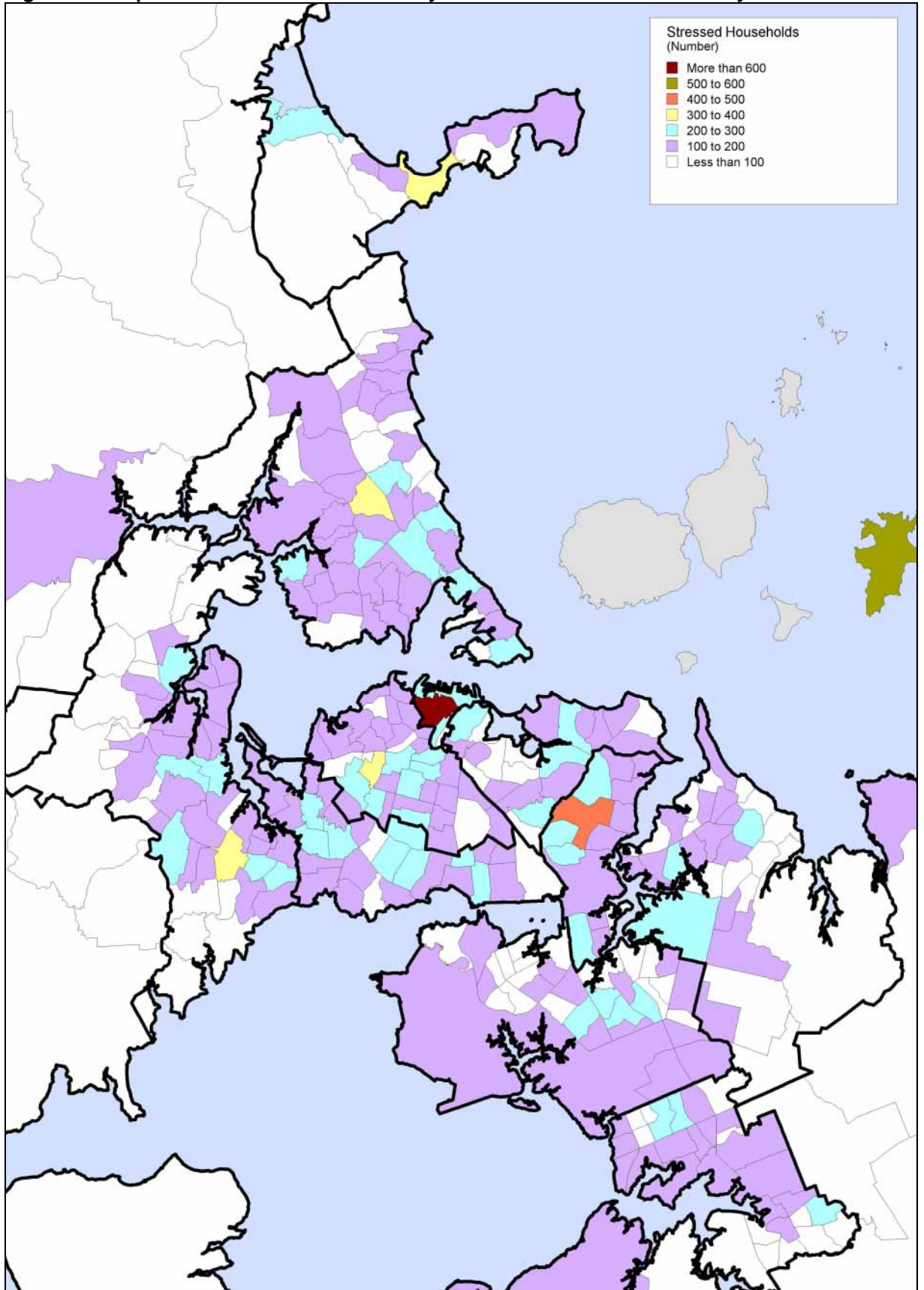
Figure 11.1 presents the spatial distribution of financially stressed renter households as a proportion of total renter households by area unit. Figure 11.2 presents the spatial distribution of financially stressed renter households by number of households by area unit.

Figure 11.1: Spatial Distribution of Financially Stressed Renter Households as a % of Renter Households 2009



Source: Darroch

Figure 11.2: Spatial Distribution of Financially Stressed Renter Households by No. 2009



Source: Darroch

11.4 Forecast Growth in Financially Stressed Households

Financially stressed renter households account for slightly less than 67% of total housing need in 2009. Consequently the growth in financially stressed households will have a significant impact on total housing need moving forward.

The level of financial housing stress experienced by renter households is expected to increase over the next 20 years. The increase in the number of renter households facing financial housing stress is due to:

- Growth in the different housing market areas' population; and
- Expected growth in house prices, albeit at a slower rate than in the recent past.

Table 11.2 presents the number of renter households forecast to be paying more than 30%, of their household income in housing costs by HMA in the period to 2026.

Table 11.2: Forecast Number of Financially Stressed Renter Households 2006 to 2026

HMA	Number of Households						Growth 06 to 26	
	2006e	2009e	2011f	2016f	2021f	2026f	Number	%
Rural North	1,940	2,170	2,320	2,740	3,130	3,490	1,550	80%
Rodney Sthn Coastal	1,900	2,100	2,230	2,610	2,980	3,340	1,440	76%
North Shore	8,420	9,170	9,670	11,070	12,410	13,650	5,230	62%
Waitakere	7,740	8,470	8,960	10,260	11,500	12,630	4,890	63%
Auckland CBD	4,080	4,930	5,500	7,060	8,700	10,610	6,530	160%
Auckland North East	3,250	3,540	3,730	4,260	4,740	5,180	1,930	59%
Auckland North West	6,760	7,260	7,590	8,480	9,260	10,000	3,240	48%
Auckland South East	3,530	3,790	3,960	4,480	4,970	5,440	1,910	54%
Auckland South West	5,860	6,280	6,560	7,240	7,810	8,300	2,440	42%
Manukau North	3,850	4,460	4,860	5,900	6,850	7,820	3,970	103%
Manukau North West	5,950	6,350	6,620	7,620	8,500	9,220	3,270	55%
Manurewa and Papakura	4,860	5,290	5,570	6,070	6,590	7,110	2,250	46%
Pukekohe	710	790	840	950	1,060	1,180	470	66%
Rural South	960	1,070	1,150	1,340	1,530	1,720	760	79%
Total 14 HMAs	59,810	65,670	69,560	80,080	90,030	99,690	39,880	67%

Source: Darroch modelled from HES, Census, and Population Projections Series from Statistics New Zealand

Assumptions include:

- There are no significant changes to the financial, structural and institutional environment in which the housing market operates over the next 20 years;
- There is no significant change in the relationship between household income growth and rental growth rates;
- There are no unexpected corrections in the housing market over the next 20 years; and
- The underlying relationship between household type, household age and housing financial stress remains the same over the forecast period.

Between 2006 and 2026 the number of renter households¹⁸³ paying more than 30% of their income in housing costs is projected to increase by approximately:

- 80% in the Rural North, 76% in Rodney Southern Coastal, 62% in North Shore and 63% in Waitakere;
- The largest absolute increase will be in the Auckland CBD, where the number of financially stressed renter households will increase by 6,530 households or approximately 160%;
- Financially stressed renter households in the main Auckland isthmus HMAs of the Auckland North East, Auckland North West, Auckland South East and Auckland South West will increase by 59% (1,930 households), 48% (3,240 households), 54% (1,910 households) and 42% (2,440 households) respectively; and
- The number of financially stressed renter households in Manukau North will grow by approximately 103% or 3,970 households, whilst the number of financially stressed renter households in the Manukau North West and Manurewa and Papakura HMAs will grow by 55% and 46%, and 3,270 and 2,250 households respectively.

In total the number of financially stressed renter households is expected to increase by 67% between 2006 and 2026, or by 39,880 households. That is, from 59,810 financially stressed renter households in 2006 to 99,690 financially stressed renter households in 2026. The expected growth in the number of renter households accounts for 62 percentage points of the total growth and the differential between income and rental growth rates the remaining 5 percentage points.

The percentage of renter households experiencing financial housing stress is forecast to increase slightly from 39.6% in 2006 to 40.3% of all renter households in 2026, or by 0.8 percentage points. Half of the 14 HMAs are forecast to experience an increase in the percentage of renter households in financial housing stress and half a decrease. HMAs forecast to have larger than average increases in the percentage of their renter households in housing stress include the Auckland North East, Rodney Southern Coastal, Manukau North, and North Shore HMAs. HMAs forecast to have larger than average falls in the percentage of their renter households in housing stress include the Auckland CBD, Rural South, Auckland South West, and Manurewa and Papakura HMAs.

Table 11.3 presents the forecast number of financially stressed renter households (those households paying more than 30% of their household income in housing costs) by the age of the reference person between 2006 and 2026.

¹⁸³ Private renter and social renter households.

Table 11.3: Forecast Growth in Financial Housing Stress (Renter households) by Age 2006 to 2026

Housing Market Area	Increase in the Number of Stressed Households 06 to 26						% Increase in Stressed Households 06 to 26					
	30- Yrs	30 to 39	40 to 49	50 to 64	65 +	Total	30- Yrs	30 to 39	40 to 49	50 to 64	65 +	Total
Rural North	10	203	416	625	293	1,547	3%	34%	93%	167%	163%	80%
Rodney Southern Coastal	0	130	329	463	520	1,442	0%	27%	74%	132%	147%	76%
North Shore	70	680	1,530	1,820	1,130	5,230	4%	29%	73%	143%	141%	62%
Waitakere	50	830	1,488	1,508	1,017	4,893	3%	35%	81%	143%	139%	63%
Auckland CBD	3,937	1,082	767	578	164	6,528	135%	185%	229%	304%	298%	160%
Auckland North East	13	198	511	747	461	1,930	2%	24%	68%	121%	129%	59%
Auckland North West	131	543	966	1,012	594	3,246	6%	31%	69%	110%	105%	48%
Auckland South East	44	315	498	648	400	1,905	6%	34%	66%	96%	105%	54%
Auckland South West	-33	326	749	794	610	2,446	-3%	21%	52%	85%	91%	42%
Manukau North	190	619	1,240	1,183	741	3,973	25%	57%	114%	214%	209%	103%
Manukau North West	50	612	960	1,000	647	3,269	4%	34%	69%	109%	117%	55%
Manurewa & Papakura	-55	405	663	787	445	2,245	-5%	26%	66%	109%	121%	46%
Pukekohe	-1	61	125	147	138	470	-1%	32%	77%	130%	145%	66%
Rural South	-1	97	190	300	172	758	-1%	31%	99%	172%	164%	79%
Total 14 HMAs	4,405	6,101	10,432	11,612	7,332	39,882	29%	37%	78%	131%	132%	67%

Source: Darroch. Financial housing stress is set at housing costs being greater than 30% of household income.

By age of the reference person key trends in household financial housing stress growth over the 2006 to 2026 period are:

- The most significant increase is forecast for those households with a reference person aged over 40 years of age. These households account for 74% of the total increase in financially stressed renter households. This is a reflection of the significant growth in renter households resulting from an ageing of the overall population and a decline in home ownership rates for those age groups;
- In terms of total increase in the number of stressed households, the Auckland CBD will grow by approximately 6,528 households between 2006 and 2026. The largest proportion will be those households in the under 30 years of age bracket (60% of the total); and
- The Auckland CBD and Manukau North HMAs are forecast to experience the largest percentage increase in financially stressed renter households. The Manukau North outturn is largely skewed by the large increase in the number of households where the reference person is aged either between 50 and 64 years of age or 65 years of age and older.

Table 11.4 presents the forecast increase in the number of renter households paying more than 30% of their household income in housing costs by household type by HMA.

Table 11.4: Forecast Growth in Financial Housing Stress (Renter households) by Household Type 2006 to 2026

Housing Market Area	Increase in Stressed Households 06 to 26					% Increase in Stressed Households 06 to 26				
	Couple without children	Couples with children	One Parent	One Person	Other	Couple without children	Couples with children	One Parent	One Person	Other
Rural North	400	170	240	570	180	211%	57%	44%	85%	78%
Rodney Southern Coastal	380	110	210	620	110	158%	39%	40%	91%	58%
North Shore	1,160	760	890	1,690	740	127%	40%	47%	80%	46%
Waitakere	860	570	990	1,620	850	141%	37%	41%	90%	62%
Auckland CBD	1,040	160	220	2,970	2,140	173%	133%	169%	176%	138%
Auckland North East	470	280	240	770	170	109%	43%	50%	66%	33%
Auckland North West	520	420	460	1,300	560	65%	39%	51%	61%	31%
Auckland South East	340	160	310	700	390	92%	21%	41%	75%	55%
Auckland South West	400	270	340	870	560	80%	20%	31%	61%	38%
Manukau North	900	860	720	900	590	200%	74%	81%	123%	94%
Manukau North West	460	370	630	920	900	112%	26%	39%	86%	63%
Manurewa & Papakura	370	190	430	760	490	116%	22%	26%	75%	49%
Pukekohe	100	40	90	180	60	143%	33%	36%	95%	67%
Rural South	190	90	110	290	60	211%	50%	39%	88%	67%
Total HMAs	7,590	4,450	5,880	14,160	7,800	127%	38%	44%	89%	61%

Source: Darroch

The majority of the growth in renter households facing financial housing stress is forecast to be in couple without children and one person households. The growth in one person financially stressed renter households is forecast to be greatest in the following HMAs:

- North Shore – 1,690;
- Waitakere – 1,620;
- Auckland CBD -2,970; and
- Auckland North West – 1,300.

The percentage growth in financially stressed renter households is forecast to be greatest for couple without children households. HMAs forecast to experience significant growth in the number of financially stressed couple only renter households include:

- 211% in the Rural North;
- 158% in Rodney Southern Coastal;
- 173% in the Auckland CBD;
- 200% in Manukau North;
- 143% in Pukekohe; and
- 211% in the Rural South.

In summary, the key drivers for these changes include the expected growth in renter households, the change in the age profile of the population which results in an increase in the number of older one person and couple with children households as a proportion of total households, and the fall in home ownership rates for older households.

11.5 Future Requirement for “Other Need” Housing

The objective of this section is to present the implications of the forecast growth in housing need for social housing. Social housing providers such as HNZ, local authorities, and other third sector housing providers typically meet the majority of the ‘other need’ housing requirements.

The level of social housing stock provided relative to total households or total housing need is a policy decision by social housing providers. The objective of this analysis is to try and provide an insight into how the requirement for social housing might change over the next 15 to 20 years as a result of the likely changes in the ‘other need’ category, relative to the existing social housing stock. Consequently, we will demonstrate the number of additional social housing units required to maintain the current relationship between social housing stock and total housing need over the next 15 to 20 years and, in addition, the implications of maintaining the level of social housing at current levels relative to total housing need.

Table 11.5 presents analysis of the estimated growth in total housing need by financially stressed renter households and other need over the 2009 to 2026 period. These estimates assume:

- The growth in the level of ‘other need’ is proportionate to the growth in financially stressed renter households;
- There are no significant changes to the financial, structural and institutional environment in which the housing market operates over the next 15 to 20 years; and
- There are no unexpected corrections in the housing market over the next 15 to 20 years.

Table 11.5: Estimated Growth in Housing Need by HMA by Financially Stressed Renter Households and Other Need 2009 to 2026

	Financially Stressed Renters		Other Need (Inc HNZ)		Total Need	
	Hhlds	% Inc	Hhlds	% Inc	Hhlds	% Inc
Rural North						
2009	2,170		75		2,245	
2011	2,320	7%	80	7%	2,400	7%
2016	2,740	18%	94	18%	2,834	18%
2021	3,130	14%	107	14%	3,237	14%
2026	3,490	12%	119	11%	3,609	11%
Rodney Southern Coastal						
2009	2,100		37		2,137	
2011	2,230	6%	39	5%	2,269	6%
2016	2,610	17%	46	18%	2,656	17%
2021	2,980	14%	53	15%	3,033	14%
2026	3,340	12%	59	11%	3,399	12%
North Shore						
2009	9,170		1,915		11,085	
2011	9,670	5%	2,019	5%	11,689	5%
2016	11,070	14%	2,311	14%	13,381	14%
2021	12,410	12%	2,591	12%	15,001	12%
2026	13,650	10%	2,850	10%	16,500	10%
Waitakere						
2009	8,470		4,071		12,541	
2011	8,960	6%	4,307	6%	13,267	6%
2016	10,260	15%	4,932	15%	15,192	15%
2021	11,500	12%	5,528	12%	17,028	12%
2026	12,630	10%	6,071	10%	18,701	10%
Auckland CBD						
2009	4,930		359		5,289	
2011	5,500	12%	401	12%	5,901	12%
2016	7,060	28%	515	28%	7,575	28%
2021	8,700	23%	635	23%	9,335	23%
2026	10,610	22%	774	22%	11,384	22%
Auckland North East						
2009	3,540		930		4,470	
2011	3,730	5%	980	5%	4,710	5%
2016	4,260	14%	1,119	14%	5,379	14%
2021	4,740	11%	1,245	11%	5,985	11%
2026	5,180	9%	1,361	9%	6,541	9%

Source: Darroch

Table 11.5: Estimated Growth in Housing Need by HMA by Financially Stressed Renter Households and Other Need 2009 to 2026 Continued

	Financially Stressed Renters		Other Need (Inc HNZ)		Total Need	
	Hhlds	% Inc	Hhlds	% Inc	Hhlds	% Inc
Auckland North West						
2009	7,260		2,289		9,549	
2011	7,590	5%	2,393	5%	9,983	5%
2016	8,480	12%	2,674	12%	11,154	12%
2021	9,260	9%	2,920	9%	12,180	9%
2026	10,000	8%	3,153	8%	13,153	8%
Auckland South East						
2009	3,790		4,406		8,196	
2011	3,960	4%	4,604	4%	8,564	4%
2016	4,480	13%	5,209	13%	9,689	13%
2021	4,970	11%	5,779	11%	10,749	11%
2026	5,440	9%	6,326	9%	11,766	9%
Auckland South West						
2009	6,280		5,688		11,968	
2011	6,560	4%	5,942	4%	12,502	4%
2016	7,240	10%	6,558	10%	13,798	10%
2021	7,810	8%	7,074	8%	14,884	8%
2026	8,300	6%	7,518	6%	15,818	6%
Manukau North						
2009	4,460		657		5,117	
2011	4,860	9%	716	9%	5,576	9%
2016	5,900	21%	869	21%	6,769	21%
2021	6,850	16%	1,009	16%	7,859	16%
2026	7,820	14%	1,152	14%	8,972	14%
Manukau North West						
2009	6,350		8,056		14,406	
2011	6,620	4%	8,399	4%	15,019	4%
2016	7,620	15%	9,668	15%	17,288	15%
2021	8,500	12%	10,785	12%	19,285	12%
2026	9,220	8%	11,699	8%	20,919	8%
Manurewa & Papakura						
2009	5,290		4,053		9,343	
2011	5,570	5%	4,268	5%	9,838	5%
2016	6,070	9%	4,651	9%	10,721	9%
2021	6,590	9%	5,049	9%	11,639	9%
2026	7,110	8%	5,447	8%	12,557	8%

Source: Darroch

Table 11.5: Estimated Growth in Housing Need by HMA by Financially Stressed Renter Households and Other Need 2009 to 2026 Continued

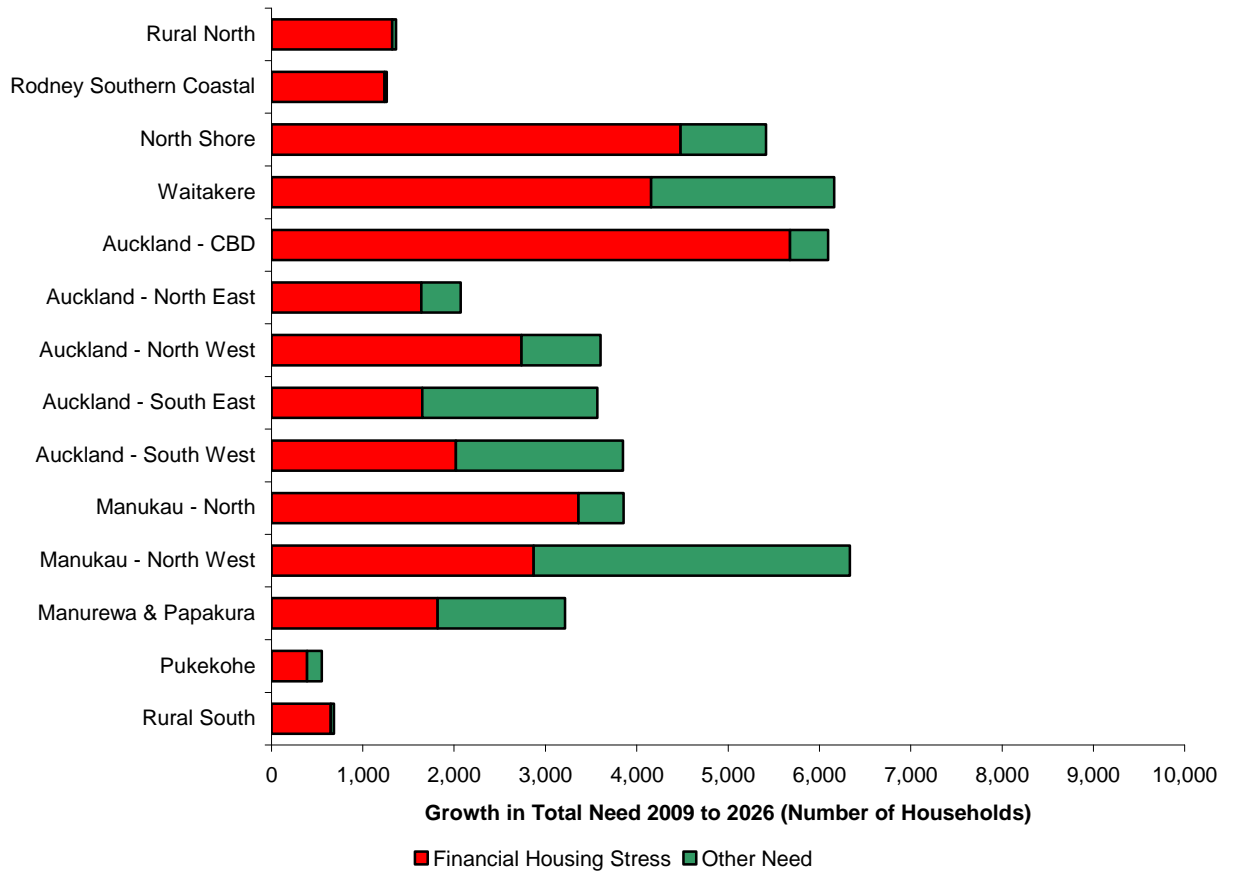
	Financially Stressed Renters		Other Need (Inc HNZ)		Total Need	
	Hhlds	% Inc	Hhlds	% Inc	Hhlds	% Inc
Pukekohe						
2009	790		327		1,117	
2011	840	6%	348	6%	1,188	6%
2016	950	13%	394	13%	1,344	13%
2021	1,060	12%	440	12%	1,500	12%
2026	1,180	11%	490	11%	1,670	11%
Rural South						
2009	1,070		56		1,126	
2011	1,150	7%	60	7%	1,210	7%
2016	1,340	17%	70	17%	1,410	17%
2021	1,530	14%	80	14%	1,610	14%
2026	1,720	12%	90	13%	1,810	12%
Total All HMAs						
2009	65,670		32,919		98,589	
2011	69,560	6%	34,556	5%	104,116	6%
2016	80,080	15%	39,110	13%	119,190	14%
2021	90,030	12%	43,295	11%	133,325	12%
2026	99,690	11%	47,109	9%	146,799	10%

Source: Darroch

It is estimated that total housing need will grow from 98,589 households in 2009 to 146,799 households in 2026 or by 48,210 households. This equates to an increase in total housing need of slightly less than 50% over the period. The number of financially stressed renter households is forecast over the same period to increase from 65,670 to 99,690 or by 52% and it is estimated that other need will increase, again over the same period, from 32,919 households to 47,109 households, or by 43%. The increase in the number of financially stressed renter households (34,020 households) accounts for 70.5% of the increase in total housing need over the period and the increase in other need (14,190) for the balance (29.4%).

Figure 11.3 summarises the growth in total housing need (financially stressed renter households and other need combined) between 2009 and 2026.

Figure 11.3: Expected Growth in Total Need by HMA 2009 to 2026



Source: Darroch

Manukau North West HMA is expected to experience the strongest growth in total need with both strong growth in financial housing stress and other need requirements assuming the number of households with ‘other need’ increases at the same rate as does the number of financially stressed renter households.

These estimates assume that the relationship between the level of other need and total housing need in 2009 is held constant over the next 15 to 20 years. It is likely that the private rental market with government assistance via the Accommodation Supplement will meet the majority of the growth in housing need. ‘Other need’ households’ requirement for assistance that is not solely financial may, however, struggle to have their physical housing requirements met in an appropriate manner.

Table 11.6 presents the trend in the ratio between total housing need and the current level of social housing stock assuming that no extra social housing units are provided. In addition the second half of the table presents the trend in the number of social housing units required to maintain the 2009 ratio between ‘other need’ and total housing need.

Table 11.6: Ratio of Other Need to Total Housing Need 2009 to 2026

	2009	2011	2016	2021	2026	Chge 09 to 26
Ratio of Social Housing Stock to Total Need Assuming Social Housing Held at 2009 Levels						
Rural North	4.3%	4.0%	3.4%	3.0%	2.7%	-1.6%
Rodney Southern Coastal	2.0%	1.9%	1.6%	1.4%	1.3%	-0.7%
North Shore	17.9%	17.0%	14.8%	13.2%	12.0%	-5.9%
Waitakere	33.6%	31.7%	27.7%	24.7%	22.5%	-11.1%
Auckland CBD	6.8%	6.1%	4.8%	3.9%	3.2%	-3.6%
Auckland North East	21.0%	20.0%	17.5%	15.7%	14.4%	-6.7%
Auckland North West	25.8%	24.7%	22.1%	20.2%	18.7%	-7.1%
Auckland South East	54.0%	51.7%	45.7%	41.2%	37.6%	-16.4%
Auckland South West	48.1%	46.0%	41.7%	38.7%	36.4%	-11.7%
Manukau North	13.5%	12.4%	10.2%	8.8%	7.7%	-5.8%
Manukau North West	56.6%	54.3%	47.1%	42.3%	39.0%	-17.6%
Manurewa & Papakura	44.4%	42.2%	38.7%	35.6%	33.0%	-11.4%
Pukekohe	32.5%	30.6%	27.0%	24.2%	21.7%	-10.8%
Social Housing Requirement Assuming 2009 Ratio of Social Housing to Total Need is Constant						
Rural North	97	104	122	140	156	59
Rodney Southern Coastal	43	46	53	61	68	25
North Shore	1,984	2,092	2,395	2,685	2,953	969
Waitakere	4,211	4,455	5,101	5,718	6,279	2,068
Auckland CBD	360	402	516	635	775	415
Auckland North East	940	990	1,131	1,259	1,376	436
Auckland North West	2,462	2,574	2,876	3,140	3,391	929
Auckland South East	4,428	4,627	5,235	5,807	6,357	1,929
Auckland South West	5,755	6,012	6,635	7,157	7,606	1,851
Manukau North	693	755	917	1,064	1,215	522
Manukau North West	8,149	8,496	9,779	10,909	11,833	3,684
Manurewa & Papakura	4,147	4,367	4,759	5,166	5,574	1,427
Pukekohe	363	386	437	487	543	180
Rural South	71	76	89	102	114	43
Total All HMAs	33,703	35,382	40,045	44,330	48,240	14,537

Source: Darroch modeled from HES, Census, and Population Projections Series from Statistics New Zealand

NB: Note that the numbers used in this table for 2009 relate to the estimate stock of social housing rather than the level of other need as we are estimating the additional social housing requirement as at 2026.

In percentage terms, the ratio of total housing need to the social housing stock will fall across all 14 HMAs. Current ratios are greatest in the Auckland South East (54%), Auckland South West (48%), Manukau North West (56.6%) and Manurewa and Papakura (44%) HMAs. Assuming no increase in social units in these HMAs these ratios are estimated to fall by approximately 37.6%, 36.4%, 39.0% and 33.0% respectively up to 2026.

In absolute terms, the HMAs that would require the largest absolute increase in social unit provision to maintain current ratios are Waitakere, Auckland South East, Auckland South West and Manukau North West. Each of these HMAs requires approximately 2,068, 1,929, 1,851 and 3,684 units respectively over the 2009 to 2026 period. Overall, a further 14,537 units need to be constructed in order to maintain current ratios. This equates to approximately 855 units per annum over the next 17 years to 2026 or a 43% increase on current levels. At today's HMA lower quartile dwelling sales price this would equate to an approximate total cost of \$4.1 billion or \$241 million per annum (at today's prices and assuming no price inflation over the next 17 years) to purchase enough dwellings to maintain social housing at current ratios.

Table 11.7 presents the estimated growth in the total housing need by household size for all dwelling types from 2009 to 2026.

Table 11.7: Growth in Total Need by Dwelling Size 2009 to 2026

Housing Market Area	Standalone				Multi-Unit				Total Hhlds
	2 bdrm	3 bdrm	4+ bdm	Total	1 bdrm	2 bdrm	3+ bdm	Total	
Rural North	360	450	220	1,030	140	140	50	330	1,360
Rodney SC	200	270	90	560	160	350	180	690	1,250
North Shore	270	750	360	1,380	1,210	1,910	910	4,030	5,410
Waitakere	520	1,520	520	2,560	980	1,690	930	3,600	6,160
Auckland CBD	0	0	0	0	3,260	2,430	400	6,090	6,090
Auckland North East	40	80	30	150	690	900	340	1,930	2,080
Auckland North West	10	120	120	250	1,490	1,490	390	3,370	3,620
Auckland South East	210	440	100	750	900	1,420	500	2,820	3,570
Auckland South West	160	280	70	510	1,160	1,680	500	3,340	3,850
Manukau North	170	800	490	1,460	630	1,190	570	2,390	3,850
Manukau North West	400	1,230	550	2,180	1,120	2,140	1,060	4,320	6,500
Manurewa & Papakura	220	790	270	1,280	470	1,060	410	1,940	3,220
Pukekohe	50	180	50	280	100	130	50	280	560
Rural South	140	260	110	510	70	80	30	180	690
Total All HMAs	2,750	7,170	2,980	12,900	12,380	16,610	6,320	35,310	48,210

Source: Darroch Consulting & Research

These estimates assume that renter households continue to live in the same dwelling configuration when stratified by age and household composition. In addition, a trend away from standalone to multi-unit dwellings is assumed. The trend towards multi-unit dwellings assumes that 0.5 percentage points more renter households live in multi-unit accommodation each year.

The above analysis assumes that the future pattern of dwelling type requirement by household type and age continues to reflect current requirements by dwelling type and size. This analysis suggests that for all areas, the majority of requirement over the 2009 to 2026 period will be for multi-unit dwellings. The multi-unit requirement is predominately for two and three-bedroom units whilst the requirement for standalone dwellings will be predominantly for three-bedroom units (56% of the standalone requirement), however, this type of dwelling will only comprise of 15% of total requirement or 4,910 units.

The requirement for standalone dwellings will be concentrated in the North Shore (1,380 units), Waitakere (2,560 units), Manukau North (1,460 units); and Manukau North West (2,180 units) HMAs. The requirement for multi-unit dwellings will be concentrated in the North Shore (4,030 units), Waitakere (3,600 units), Auckland CBD (6,090 units), Auckland North West (3,370 units), Auckland South East (2,820 units), Auckland South West (3,340 units), Manukau North (2,390 units), and Manukau North West (4,320 units) HMAs.

In summary, as Auckland continues to expand the level of housing need is also expected to increase. Both financial housing stress, offset to some extent by the Accommodation Supplement, and households with 'other needs', currently met by HNZ, TLAs and other third sector providers, are expected to expand. Future growth in housing need is likely to be focused on older smaller households, than in the past. How this additional need is met is a social policy decision for central and local government. In the past the majority of the need has been met via the provision of HNZ housing stock and the Accommodation Supplement.

11.6 Conclusion

To summarise, the North Shore, Waitakere, Auckland South West and Manukau North West HMAs have the highest level of housing need. However, as a proportion of total renters Auckland South East, Manukau North West and Manurewa and Papakura HMAs have the highest proportions. The Auckland CBD and Auckland South East HMAs have the highest proportion of housing need when compared to total households. This reflects their lower home ownership rates relative to the other housing market areas.

Within the 14 subject housing market areas, numerically the main growth in financially stressed renter households over the 2009 to 2026 period is projected to be from the HMAs of North Shore, Waitakere, Auckland CBD and Manukau North West. In percentage terms, the Rural North and South as well as Rodney Southern Coastal, the CBD and Manukau North are estimated to experience significant increases in the number of financially stressed renter households. This can be explained by the low population base they are growing from.

To 2026, the main growth in financially stressed renter households by age is forecast to come from those households where the reference person is aged between 50 and 64 years of age as well as those where the reference person is aged 65 years of age and over. This can be seen as those people who are currently aged under 40 years of age and unable to gain access to home ownership or move out of financial housing stress, ageing.

The vast majority of the numerical growth in renter households facing financial housing stress is projected to be one person households. However, the highest forecast increase in the number of financially stressed renter households is couple without children households.

The level of 'other need' is expected to increase across all 14 HMAs, though at a slowing rate. The ratio of 'other need' to total need is also projected to fall. In absolute terms, the areas with the greatest increase in 'other need' (to maintain current ratio with total need) are Waitakere, Auckland South East, Auckland South West and Manukau North West. This equates to approximately 855 units per annum over the next 17 years to 2026. At today's HMA lower quartile dwelling sales price this would equate to an approximate total cost of \$4.1 billion or \$241 million per annum (at today's prices and assuming no inflation in house prices) to purchase enough dwellings to meet current projected needs.

From a policy perspective these forecasts present policy makers with some significant challenges. The majority of the expected growth in both renter financial housing stress and total need is expected to be driven by the total growth in the number of renter households. While a smaller portion of the growth is a result of slightly faster growth in rents when compared to household incomes. Identifying policy options which will have a significant impact on reversing these trends is challenging. Some of the dilemmas facing policy makers include:

- Can renter household incomes grow at significantly faster rates than rents and thus reduce the number of financially stressed households?
- Can rental growth rates be limited to significantly lower levels than household incomes? If so how? For example by growing the renter dwelling stock faster than demand and thus create an over-supply of renter properties; and
- Can the rate of growth in the number of renter households be limited? If so how? For example, by encouraging home ownership and thus reduce the number of renter households as a portion of total growth. Alternatively by limiting the rate of overall population growth.

There are no easy answers to these inter-related challenges. However, the outcomes of any policies adopted will influence the affordability of housing in Auckland and impact on the city's ability to attract people and grow over the next 17 years.

12.0 Implications

12.1 Introduction

The housing market in Auckland is complex, dynamic and does not exist in isolation. It is heavily influenced by immigration patterns, economic factors and macro policy settings. Over the last decade the Auckland housing market has been characterised by very strong demand growth, significant house price inflation, growing housing affordability issues for some households, a growing intermediate housing market, falling home ownership and growing pressures on the rental market. In short there have been a number of significant changes in housing consumption over the period. This assessment, in the period to 2026, identifies further significant housing demand growth, looming supply issues, a continued decline in the propensity of households to be home owners, rising housing need and financial housing stress, and mismatches between the location of employment growth, the types of growth and the location of additional residential capacity.

The objective of this chapter is to highlight some of the key issues and implications for the Auckland region and the Auckland housing market flowing from our assessment of future housing demand and need presented in earlier chapters. We would emphasise that the objective of this chapter is not to proffer solutions or consider scenarios, consideration of both being outside this assessments brief, but rather, in the context of the specific demand and need forecasts presented in the report, to consider what they might mean for the Auckland region and Auckland housing market.

The Auckland housing market does not exist in isolation and both housing demand and supply, and house prices are influenced by a multiplicity of factors. The demand and need forecasts presented in Chapters 10 and 11 should be read within this context. They are based on specific assumptions around a number of key variables including household growth and net immigration trends, economic growth, inflation, income growth, rental growth, and house prices.

Out of this assessment of the housing market in the Auckland region a number of key issues emerge. Each of these will be considered in turn. They are:

- Lack of development capacity, particularly towards the latter part of the forecast period;
- Mismatch between existing residential capacity and the location of projected employment growth;
- Household growth and change in household structure and tenure implications;
- Forecast trends in affordability for private renter households;
- Renter stress, social housing shortfall and demand for capital to grow the private and public sector housing stock; and
- The impact that possible future increased transport costs may have on the spatial distribution of demand and housing need.

Before considering each of these issues, however, the chapter will provide a brief overview of what the Auckland housing market might look like in 2026, at the end of this assessments forecast period.

12.2 Auckland Housing Market in 2026

It is beyond the scope of this report to provide a detailed snap shot of what Auckland will look like in 2026. The objective of this section is to provide an overview of Auckland's housing market in 2026 and some of the key challenges which will influence these outcomes.

The housing market outlook is set in the context of:

- Auckland continuing to be the main powerhouse of the economy and is forecast to grow at between 0.2% and 0.6% per annum faster than the national rate of economic growth¹⁸⁴;
- Auckland will continue to be one of the fastest growing locations in the country. The population is expected to increase to 1.8 million by 2026 and total 37% of the country's total population;
- The current changes in Auckland's local governance arrangements provides the opportunity to have a coordinated approach to the City's future development. If the City's leaders can capture the potential this opportunity creates it could help drive productivity growth within the region and assist in faster income growth;
- Development of an integrated urban plan; and
- The trend in migration flows which can boost the strong natural population growth in the region.

For Auckland to continue to grow in a sustainable way the region needs to be able to continue to attract and retain workers. Providing an environment in which businesses can grow and consequently create well paid employment opportunities is essential as well as making sure the market can provide suitable affordable housing. In addition, the integration of business and housing development with the transport infrastructure to get to and from work is likely to be an important component driving sustainable growth within the city. The alternative could be both businesses and households bypass Auckland and choose to seek opportunities in Australia.

The importance of transport routes in shaping the city's growth cannot be over stated. Both the completion of the motorway infrastructure within the city and the provision of affordable urban public transport network will impact on the future type, nature, and distribution of development activity. Other key infrastructure developments such as the proposed high speed internet network will also impact on the city's attractiveness as a place to live and do business.

The housing market conditions in 2026 are likely to include:

- The affordability of housing will still be a significant issue within the region;
- The region will have experienced further declines in the relative level of owner occupiers which will influence the style and nature of dwellings being built;
- Auckland's residential development capacity under the existing growth strategy will be nearing full capacity. Unless there has been significant changes in the RGS more Aucklanders than ever before will be living in medium and high density dwellings (town houses, terraced houses and apartments);
- Ongoing conflict between planner's goals of increased intensification of the urban area with, to date, Aucklanders' general reluctance of to embrace higher density living outside the CBD;

¹⁸⁴ NZIER June 2010 quarterly forecasts.

- Auckland would have had to revise its growth strategy to accommodate growth beyond 2026. The options include increased intensification within existing urban areas and along growth corridors, identification of new urban areas/ growth corridors to support future growth. A coordinated approach between the provision of public transport and future urban growth is required.
- A generation of owner occupiers aged in their 60s will have reached or are about to reach what previously would have been the typical retire age with significant amounts of debt. They are likely to be faced with a number of options including continue working to maintain income to pay down debt or alternatively sell and trade down either in or outside Auckland. This could add impetus to the outward flow of domestic migrants from Auckland to other regions;
- Significant increases in the number of renter households with people aged 65 and over. These households typically have a high proportion of financial housing stress. One of the challenges will be whether the existing housing stock and the housing stock investors choose to invest in will suit this segment of the market;
- Household size is also likely to be impacted by affordability with children living for longer periods with their parents; and
- Increased disparity of wealth between 'haves' and 'have nots' (renters, owner occupiers and landlords) and the implication of this on the social outcomes.

Key issues will be

- Need for mechanisms to allow urban regeneration within the City. Will we see development corporations formed to acquire land which will subsequently be developed in partnership with the private and or third sector?
- What alternatives to intensification should be adopted and how to integrate such strategies with the motorway and public transport network;
- Development of a co-ordinated plan to provide the infrastructure including public transport to future growth areas and how this will be funded;
- Can Auckland's existing infrastructure cope with ongoing intensification or will it require significant upgrades?
- Will Central government follow NSW's lead and limit Councils ability to charge development levies to try and improve affordability and if so how will councils subsequently fund infrastructure and community amenities?;
- How will transport costs be impacting on where people want to live, particularly if they increase at a much faster rate than household incomes?
- Provision of alternative forms of tenure and housing assistance such as shared equity and the provision of affordable rental housing for essential workers;
- Who will be the residential landlords of the future?
- What is the impact of these trends on the social fabric of Auckland society?
- Competition for land between residential and other uses for prime brownfield sites driving up land values as development sites become increasingly scarce within the existing urban area.

12.3 Key Implications

12.3.1 Capacity Constraints

One of the major challenges for the region is to ensure that there is sufficient residential development capacity for the market to operate in an efficient manner whilst not placing undue upward pressure on housing costs.

Table 12.1 presents for each HMA the dwelling development capacity still available in 2026. The table matches forecast demand by dwelling type between 2006 and 2026 by HMA against dwelling development capacity by HMA¹⁸⁵.

Table 12.1: Development Capacity Remaining as at 2026

Housing Market Area (HMA)	Remaining Capacity 2026			Yrs Supply
	Standalone	Multi	Total	Remaining Post 2026
Rural North	11,270	1,530	12,800	31.5
Rodney Southern Coastal	-390	460	70	0.2
North Shore	-920	3,770	2,850	2.4
Waitakere	1,220	1,440	2,660	2.3
Auckland CBD	0	3,210	3,210	4.4
Auckland North East	1,300	-480	820	1.8
Auckland North West	420	1,390	1,810	2.8
Auckland South East	-500	1,570	1,070	3.1
Auckland South West	890	-1,950	-1,060	-2.2
Manukau North	-6,100	920	-5,180	-4.6
Manukau North West	-1,080	-840	-1,920	-2.6
Manurewa & Papakura	2,340	-3,740	-1,400	-2.8
Pukekohe	790	-710	80	0.5
Rural South	440	-2,080	-1,640	-6.3
Total 14 HMAs	9,690	4,500	14,190	1.7

With the exception of the Rural North HMA all HMAs have less than five years worth of capacity left as at 2026¹⁸⁶. All the HMAs within Manukau have insufficient capacity to cope with the demand forecast in the period to 2026. The key issue is where these households migrate to if capacity within their boundaries is not increased. Households within the Manukau North HMA have similar characteristics to households in the Auckland North West and Auckland North East HMAs and it is possible that a proportion of Manukau North households could cope with the higher housing costs associated with these HMAs. However, the majority of households within Manukau North West and Manurewa and Papakura HMAs are unlikely to be able to afford the much greater housing costs associated with the Auckland City HMAs. In the northern part of the region the excess demand from Southern Coastal Rodney could flow over into the surrounding Rural North HMA.

¹⁸⁵ Dwelling capacity has been assessed based upon the policies and rules of the region's territorial authority district plans as at March 2006. See Section 6 in Chapter 6 for greater detail and also Appendix 6.

¹⁸⁶ Note the analysis in this report was undertaken prior to the release of the ARC's Capacity for Growth Study 2006, Final Report in March 2010. ARC's Final Report includes the results of the completed survey of rural towns and coastal settlements. The estimated capacity in rural towns and coastal settlements from the completed survey is 20,272 to 22,736 (infill general to redevelopment infill), primarily in Rodney District. This means that for both the Rural North and Rural South HMAs the remaining capacity in 2026 is likely to be greater than what is shown in Table 12.1

In the context of these market dynamics, the demand growth, in particular in the Manukau HMAs, has nowhere to go. This is a significant issue that needs to be addressed in the early stages of the transition to the new Auckland Council. As identified in other studies, Auckland has inadequate capacity, from about 2020, to cope with the projected growth in housing demand. The capacity gap is most critical in the southern part of the urban area. Effectively the new Auckland Council has a limited window of opportunity to develop strategies to address this issue.

The Auckland governance reforms, in particular the Regional Spatial Plan, should further advance some of the planning issues inhibiting growth in Auckland. This plan would consolidate all planning documents as required under the Resource Management Act 1991 and the Local Government Act 2002. Effectively, there would be one long-term council community plan, one district plan, one rating system and one regional spatial plan.

In terms of future capacity there are a number of strategies that could be pursued either individually or in combination. They include:

- Increasing the greenfield development capacity by adjusting the metropolitan urban limit in certain areas. Any adjustment to the MUL would need to be done in tandem with the provision of appropriate infrastructure and in particular transport;
- Intensification around key transport corridors and key employment nodes;
- Increasing the development potential in existing residential areas by allowing higher densities; and
- Designating corridor linked additional capacity in peripheral TLAs.

In terms of additional greenfield capacity the Regional Growth Strategy always envisaged, that from time to time, further greenfield land would be made available, primarily by adjustment to the MUL. The Regional Growth Forum's 2007 evaluation of the Growth Strategy showed that since 1999 14% of residential development in the region has occurred outside of the MUL, and the MUL has been extended by 2,000 hectares since 1999.

Intensification around key transport corridors and key employment nodes is a key component of the Regional Growth Strategy. The Forum's 2007 evaluation, however, showed that intensification around key transport corridors and key employment nodes, with the exception of the CBD, has been limited. Nodes such as New Lynn, for example, have only seen relatively limited intensification. There are a number of issues that might need to be addressed. Firstly, there are very few examples in the region of quality residential intensification in such areas. Indeed residential development in such areas has often been synonymous with poor quality and sometimes with 'leaky building syndrome'. Second, is the issue of how to amalgamate sufficiently large blocks of land in and around growth centres and growth corridors to enable the comprehensive redevelopment and intensification envisaged by the RGS to happen. A key tool in many overseas jurisdictions to facilitate comprehensive urban redevelopment has been the ability of government, where deemed necessary, to compulsory purchase key strategic sites.

Increasing the development potential in existing residential areas by allowing higher densities has to date been largely pursued through an infill strategy. More comprehensive redevelopment to higher densities in existing residential areas has in some parts of the region meet with resistance. This issue is not unique to New Zealand. Mills examined residential development and density controls in urban areas across the United States¹⁸⁷. He noted that “Residents in high income suburbs revel in the 10% to 15% increases in house prices. Almost no one seems to understand that the benefits are mostly illusory or that they result substantially from government restrictions on housing supply.....They fail to realise that government restrictions (density controls) are the problem, not the solution.” He concluded that density controls restrict market equilibrium which allows households to trade off the benefits of living on the urban fringe, higher property values, longer commute times and higher density living.

Designating additional capacity along corridors in peripheral TLAs is contrary to the intent of the RGS. However, given the capacity shortfalls likely to begin to occur in some HMAs by 2020 this option may need to be considered. The objective should be to create densities along key transport corridors sufficient to support the extension of public transport services.

In summary, dwelling capacity issues are likely to become real in the region over the next 10 to 15 years. There are a number of potential strategies that could address the issue. It is likely, however, that any response will entail a combination of different approaches rather than a focus on one single approach. It is important to emphasize that the capacity issue is not one just about housing supply. Equally as important is the ability to provide the appropriate physical and social infrastructure.

Lee and McDermott note that urban fringe / exurbia development and urban core intensification impose demands on services and the environment¹⁸⁸. The type of demands, however, are quite different, with urban fringe and exurbia development putting pressure on scarce, sometimes non-existent infrastructure, while core intensification adds additional loadings to existing, often ageing and possibly unsound infrastructure. Thus the dwelling capacity issue is not just a planning issue, but is one which involves many public sector agencies and the private sector. They go on to argue for greater sophistication in both land use and economic development planning so as to provide the diversity of service packages required in different areas and by different populations¹⁸⁹.

12.3.2 Mismatch of Dwelling Capacity and Expected Employment Growth

The last section discussed the amount and location of dwelling capacity shortfalls in the region, particularly beyond 2020, in the context of the forecast household growth by HMA. Here we consider, more specifically, the mismatch between the location of dwelling development capacity in the region and the location of projected employment growth.

¹⁸⁷ Mills, 2005.

¹⁸⁸ Lee and McDermott, 1998: 101.

¹⁸⁹ Lee and McDermott, 1998: 103.

The key issue is that slightly in excess of 51% of the employment growth in the region in the period out to 2026 is projected to be located in Auckland City where as only 32% of regional dwelling capacity is estimated to be in Auckland City. The increased concentration of employment growth in Auckland City is tied largely to the type of employment growth anticipated, that is higher skilled business services sectors jobs. The match between dwelling capacity and employment growth is more balanced in terms of both North Shore City and Manukau City. Approximately 14.5% of the regions dwelling capacity is found in North Shore City, which is projected to accommodate 11% of the region's employment growth. Slightly less than 20% of the regions dwelling capacity is in Manukau City which is projected to account for about 23% of the region's employment growth.

There would seem to be two key potential implications of the mismatch. Firstly, the much stronger growth projected for higher skilled and high paid occupations is likely to increase the demand for isthmus housing, and in particular for standalone housing, potentially making it less affordable for lower paid and key workers such as teachers, nurses and police, with these workers, over time, migrating off the isthmus as they seeking lower cost housing in more peripheral HMAs. It is arguable that this trend has been evident for some time, with the mismatch projected simply compounding the trend. The Auckland South West and Auckland South East HMAs, where standalone dwelling prices are significantly below standalone dwelling prices in the Auckland North West and Auckland North East HMAs, are likely to be the HMAs most impacted by this increased competition. Also, a consequence of such a trend is that capacity shortfalls in the Auckland HMAs could be greater than estimated.

A second key implication of the discrepancy between dwelling capacity and projected employment growth on the Auckland isthmus is the likely significant increase in the number of people commuting into the Auckland isthmus for employment. This could potentially strengthen the case for further public transport infrastructure investment focused on linking in particular, the North Shore, Waitakere and Manukau North HMAs with the Auckland isthmus. These three HMAs are the HMAs with the most important commuter links with employment nodes on the Auckland isthmus.

In summary, the mismatch between dwelling capacity and the location of employment growth highlights two issues. The first, and perhaps most important issue highlighted by the projected mismatch is the absolute importance and centrality of transport strategy and infrastructure to housing market developments. The second issue highlighted concerns the way in which labour market developments might impact the housing market. It is important, however, as discussed earlier in the report, not to over emphasise the importance of employment location in terms of housing location choice. Lee and McDermott have argued that with the diversification of the form and location of urban growth, that is, where growth is not simply determined by employment, planners must develop a diversity of responses to distinctive locational population pressures and planning issues¹⁹⁰.

¹⁹⁰ Lee and McDermott, 1998: 97.

12.3.3 Housing Demand Growth and Change in Household Structure and Tenure Implications

Total housing demand in the Auckland region is forecast to increase by 169,530 over the period from 2006 to 2026. While all household types will grow over the period the key demographic trend projected at the household level is one which will see a significant increase in the number of couple only and, to a lesser extent, one person households. The increase in the numbers of these two household types is projected to be particularly significant amongst the older age groups. Given the projected increase in the number of older households, couple only households and one person households, the strongest increases in demand is likely to be for smaller one and two-bedroom dwellings offering relatively easy access, security, access to amenities etc. The housing stock only changes relatively slowly therefore, it could take some time for provision for this rapidly growing demand segment, to match demand.

While household growth by ethnicity has not been specifically forecast for this assessment it is likely, given the projected trend in population growth by ethnicity, that there will be a growing requirement for more diverse types of housing to cater for different ways of living and family compositions.

Demand growth in percentage terms is forecast to be particularly strong in the Rodney Southern Coastal, Auckland CBD, Manukau North, and Pukekohe HMAs. In absolute terms, however, the greatest increase in demand is forecast to be in the North Shore, Waitakere, and Manukau North HMAs. This spatial pattern highlights the diversity of demand drivers; employment, lifestyle and other, which are likely to increasingly shape housing consumption across the region in the future.

Different types of housing demand are likely to have implications in terms of the services required in different areas. For example, HMAs such as Rodney Southern Coastal, where growth is dominated by older age groups are likely to demand the development of services particular to their needs, which are shaped by low labour force participation rates, fixed incomes and gradually declining physical mobility¹⁹¹. Urban core and growth centre redevelopment, according to Lee and McDermott, present challenges of infrastructure rehabilitation and adaptation. While in the low density residential areas a key challenge may be the adaptation required to social infrastructure in moving to a more diverse household composition, both in terms of age, lifestyle and ethnicity.

While Auckland's continued growth and dominance are undeniable, such growth is not monolithic. It is a composite of very different elements. For example (Lee and McDermott, 1998, pg. 103):

- Inner city redevelopment poses challenges of infrastructure rehabilitation and adaptation to residential uses;
- In the suburbs, as in the provincial cities, maturity may bring new demands for amenity and services, and a shift in public consumption from the social infrastructure required to sustain home building and family raising to the creation of shared lifestyles for those groups (young and old) with finite or diminishing resources; and
- At the growth edge, exemplified by Rodney District, basic infrastructure provision which does not unduly undermine coastal and rural amenity is the challenge.

¹⁹¹ Lee and McDermott, 1998: 102.

In terms of tenure the number of renter households is forecast to increase by 95,980 accounting for 55% of the forecast household growth over the period and the number of owner occupier households is projected to increase by 73,550 accounting for 45% of household growth over the period. Historically in New Zealand, for a host of reasons, households in the older age groups have had home ownership rates significantly ahead of the overall home ownership rate. A decline in home ownership affordability over the last twenty years, however, has seen an increase in the age of first home ownership and a decline in home ownership rates for younger and early middle age groups. These trends have as yet only very slightly impacted on the home ownership rates of those aged 65 years of age and older.

Over the next twenty or so years, however, as younger and middle aged cohorts age our projections show a marked reduction in home ownership rates, particularly as they apply to the 50 to 65 year old age group. These older households, who a generation ago would have owned their homes, will largely have to be accommodated in the private rental sector. There are a number of implications associated with the significant growth in rental tenure, not only for older households, but also for the wider market.

Firstly, an increase in the number of households renting, unless they make specific provision through savings during their working lives, is likely to have implications for the financial well-being of older people in retirement. Secondly, and specifically in terms of older couple only and one person households, will the type of dwelling that investors are prepared to supply, which has typically been three-bedroom standalone dwellings, meet their requirements?

In summary, all household types across all age groups are projected to experience growth over the 2006 to 2026 period. The most significant growth is forecast to be experienced by older couple only and one person households. In terms of tenure the growth in renter households is forecast to account for the majority of the demand growth.

12.3.4 Forecast Trends in Financial Housing Stress

We forecast that across all HMAs in the period to 2026 there will be a significant increase in the absolute numbers of renter households facing financial stress with all HMAs projected to see the number of renter households facing financial housing stress increase by more than 40% over the 2006 to 2026 period.

The growth in renter financial stress is forecast to have specific dimensions both in terms of age-group and household type. While the number of stressed renters is projected to grow across all age groups and household types, by far the most significant growth in renter stress will be experienced by older couple only and one person renter households. Our modelling indicates that the number and proportion of older renters facing financial housing stress over the next twenty years will significantly increase both in absolute terms and as a proportion of all financially stressed households.

This ageing in the composition of renter financial housing stress will have significant implications in terms of those households ability to deal with a range of housing issues, that as a matter of course confront those in the private rental sector such as tenure security and stability, dwelling quality and a range of issues related to the ability of the private rental stock to cater for the changing physical needs of ageing tenants.

The growth in the number of financially stressed older renter households is forecast in percentage terms to be particularly strong in the Auckland CBD, Manukau North, Rural North and Rural South. In absolute terms, however, the greatest increase in financially stressed renter households is forecast to be in the North Shore, Waitakere, Manukau North, and Auckland North West HMAs.

12.3.5 Private Renter and Social Housing Demand

The short to medium term outlook for the region in terms of housing need and affordability presents some interesting challenges for central and local government. Whilst house price growth has slowed, interest rates are expected to increase by 100 to 200 basis points in the period to mid 2011. Capital for developers is in short supply and when combined with the continued risk adverse bank lending policies, makes it difficult for the supply side to respond to the increased demand driven by population growth. Market capacity and finance, especially over the short term, are going to be critical issues in terms of supply. Under this scenario, housing affordability is likely to continue to deteriorate and housing need increase over the next decade.

The changes to Auckland governance and the inception of the Auckland Council may, however, provide Aucklanders with the opportunity to address some of the supply issues facing the region. Development capacity is in short supply within the metropolitan urban limit, particularly in locations close to the expected future employment growth. Opening up existing urban areas to intensification in locations where it is profitable for these developments to occur whilst expanding the urban limit in an orderly way are two possible strategies.

The type and nature of housing demand is also forecast to change. Ongoing housing affordability pressures are likely to continue to drive down home ownership rates. Demand for rental accommodation will continue to increase at a significantly faster rate than demand from owner occupiers. A key issue is whether investors will have the appetite for additional investments particularly in light of recent changes made by central government around depreciation and in a market where, especially over the short term, capital gains are projected to be limited.

Table 12.2 summarises the number and total investment required in the rental market to meet the demand presented in Chapter 10. It assumes that the total growth in rental demand is met by the private sector. It also shows the additional investment that would be required in social and third sector housing units, in the period to 2026, to maintain the 2009 ratio between total housing need and the number of social and third sector housing units. Note, that these two estimates are mutually exclusive and not additive.

Table 12.2: Total Rental Market Demand and Social & Third Sector Investment to Maintain Current Ratios

	Total Rental Market 2006 to 2026		Social and Third Sector - 2009 to 2026	
	Units	Cost (\$ million)	Units	Cost (\$ million)
Total	95,980	\$31,190	14,540	\$4,100
Annual average	4,799	\$1,560	855	\$241

NB: Cost is calculated using lower quartile house prices (2009) with no price escalation over the 17 years to 2026

The estimated level of private sector investment required, an average yearly investment of \$1,560 million between 2006 and 2026, is similar to the levels invested over the last decade. The key issue, however, is whether or not there will be sufficient new investment. The level of investment required from social and third sector providers, however, is significantly higher than what has occurred over the last ten years. Our estimates suggest that to maintain the 2009 ratio between total housing need and the number of social and third sector housing units would require the provision of an additional 14,540 units or 855 units per annum in the period to 2026.

Auckland like the rest of New Zealand will experience an ageing of its population over the next twenty years. In addition it will also see a significant increase in the number of aged renters. This change in demand composition has an important implication for housing need. Typically over 45% of renter households aged 65 and over experience housing stress and are in need. The growth in these needy households with limited opportunity to supplement their incomes is likely to be one factor in the significant growth in the number of households seeking the Accommodation Supplement in the medium term.

12.3.6 Implication of Transport Costs Escalation

In Chapter 6, Section 8 we introduced the proposition, as argued by Maclennan, that likely rising fuel and transportation costs over the next couple of decades will have significant 'transformative' implications for metropolitan structure as well as for dwelling size. He suggests that new choices will be required for housing market participants in many cities in the face of new, more binding fuel and energy cost constraints¹⁹².

In the Auckland region a significant increase in transport costs over and above the growth in household incomes could have significant implications for the spatial distribution of households. One potential implication may be to increase the relative demand for housing close to the main employment nodes relative to other locations for people in paid employment. This could change the slope of the bid rent function with rents and house prices close to employment nodes or effective low cost public transport corridors increasing relative to other locations. It likely that a balance between increased transport costs in some locations compared to lower transport costs and higher housing cost (as a result of the shift in the bid rent function) would occur.

Transport costs currently account for 13.9% of household expenditure in Auckland Region whereas housing costs account for 23.1%¹⁹³.

As the relative cost of transport increases households are likely to try and trade off transport and housing costs by shifting closer to their place of work. These trends are likely to increased demand for properties closest to key employment nodes. These locations are areas which already have limited capacity for additional growth. Effectively in a number of cases, these households would be looking at shifting from lower value locations into higher value areas.

¹⁹² Maclennan, 200:3.

¹⁹³ Statistics New Zealand, HES 2007.

This is likely to place increased pressure on housing affordability for both households already living in these locations plus the relocating households as values and rents increase. These trends may place pressure on low income households currently living in or close to the employment nodes. The potential increase in housing costs, as a result of increased demand, could mean that they can no longer afford to live close to their place of work and may have to seek employment away from these locations as in addition to being unable to afford the increased accommodation costs it is likely that they also would not be able to afford the increased transport costs to commute greater distance.

The region has some strategic decisions to make:

- Make no changes and allow market forces to determine;
- Introduce policies with the objective of redistributing growth away from the isthmus;
- Adapt planning policies which will increase the development capacities of the areas surrounding the key employment nodes; and / or
- Continue to develop and subsidise efficient public transport networks to negate the increase in transport costs ensuring these networks take into account where people live relative to their place or work.

It is important to acknowledge that the outcome of market forces are in part a reflection of the institutional environment in which they operate. Hence the market outcomes will vary with changes in the other three factors listed above. In all likelihood a combination of these strategies is likely to have the greatest impact.

Auckland, like the rest of New Zealand, lacks an appropriate mechanism to facilitate urban regeneration. This may limit the City's ability to provide additional capacity close to key employment nodes. The fragmented nature of property ownership and the inability of private sector developers to accumulate up sufficiently large blocks of land generally results in a largely piece meal style of redevelopment. Development corporations with the ability to amalgamate sites together, coordinate change in planning regulations, whilst participating in public private partnerships with the private sector to make it happen could provide a boost to urban regeneration¹⁹⁴. This could assist in boosting capacity in areas close to forecast employment growth. In addition, it could also be used as a mechanism to ensure larger projects included a component of affordable housing. Affordable housing could be strategically targeted at essential workers who are currently being priced out of the market.

Even small increases in the overall combined expenditure on transport and housing costs will have a significant impact on the relative level of financial stress within households. For example, if changes to households transport costs increased the effective commute cost by 25%, over and above the increase in household income between 2006 and 2026, the number of stressed households would increase.

¹⁹⁴ The Urban Taskforce (2009) in a recent report to the Minister for Building and Construction presents a number of options for delivering better higher density development in New Zealand's cities.

Table 12.3 presents the impact of this possible scenario.

Table 12.3: Potential Impact of Increased Transport Costs

	Stressed Households 2026	As a % of Renters	As a % of All Households
Base Scenario	99,690	40.1%	16.6%
Additional Stressed Renters	27,200	11.0%	4.5%
Effective Financially Stressed Renters	126,890	51.3%	21.1%

Source: Darroch

An increase in transport costs in the order of 25%, over and above any increase in household income, could over the 2006 to 2026 period, increase the number of households that are effectively stressed by 27% and stressed households as a proportion of all renters from 40.1% in 2026 to 51.3% of all renters.

The ability to increase the dwelling development capacity around the key employment nodes is likely to become a key strategic issue should transport costs increase relative to other household costs as envisaged by the scenario presented in Table 12.3. It will be interesting to see whether we are in fact entering a truly transformative period where the increase in transport costs is so great as to re-order the traditional trade-offs households have made between residential location and their transport costs.

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Auckland Region Housing Market Assessment Volume 2: Appendices

For

Centre for Housing Research Aotearoa New Zealand

By

Darroch Limited

(August 2010)

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1.0 Appendix 1 - Introduction to Appendices

These appendices (Auckland Region Housing Market Assessment - Volume 2 Appendices) provide supporting information to the main report titled 'Auckland Region Housing Market Assessment – Volume 1 Main Report' produced by Darroch Consulting and Research for the Centre for Housing Research, Aotearoa New Zealand. The research was also partially funded by the Auckland Regional Council.

The research entailed undertaking a housing market assessment of the Auckland region utilising the methodology outlined in the New Zealand Manual for Housing Market Assessments¹. The Main Report presents the results of an Auckland 'case study' using that housing market assessment methodology. It is the first assessment to be undertaken in New Zealand that uses this particular approach. For the assessment the Auckland housing market was divided into 14 housing market areas (HMAs).

This Auckland housing market assessment has a number of specific objectives. Its key objective is to assess current and future (as at 2011, 2016, 2021, and 2026) housing demand and need² in the Auckland region, its distribution across the region and composition by household type, household age, household tenure and household income. The assessment is required to take into account: labour market trends, non-labour market income and households' work-place geography; strategic issues such as transport, infrastructure and planning; and dwelling capacity issues, in particular, the ability of the supply side of the market to respond to changes in the quantum, composition and distribution of housing demand and need. The assessment also needs to consider current housing affordability, in terms of both renter and owner households, and future affordable housing and social housing demand. Finally, the assessment needs to consider any implications resulting, specifically those from a social, property market and economic perspective.

This housing market assessment incorporates data and information available up to November 2009 and the analysis was completed in December 2009. The most recent census data available and used relates to the 2006 Census. The house price data, rental data, and dwelling consent data used was that which was available up to mid 2009.

This appendices volume is structured into 12 chapters, including this introduction. The 12 chapters are as follows:

- Appendix 1 – Introduction to Appendices;
- Appendix 2 – Housing Market Assessment Boundaries;
- Appendix 3 - Demographics;
- Appendix 4 – Work Place Geography;
- Appendix 5 – Residential Land Use Management;
- Appendix 6 - Infrastructure;
- Appendix 7 – Dwelling Capacity;
- Appendix 8 – Residential Development Activity;
- Appendix 9 – Residential Development Profiles;
- Appendix 10 – Modelling Methodology;
- Appendix 11 – Demand by Tenure, Dwelling Type and HMA; and
- Appendix 12 – Social Housing Waiting List Data.

¹ DTZ New Zealand, 2009b.

² Housing need refers to households which are unable to meet their own housing requirements. Typically they either have financial housing stress, or have other needs which are met by social housing providers

2.0 Appendix 2 – Housing Market Assessment Boundaries

2.1 Introduction

This Appendix outlines in greater detail the process followed by Darroch to define the Auckland housing market areas (HMA) as outlined in Section 2.6 – Housing Market Area Definition in Chapter 2 of the Main Report. Housing market areas are geographical areas defined by household demand and preferences for housing.

2.2 United Kingdom Approach to identifying Housing Market Areas

In the United Kingdom, where housing market assessment methodologies have been developed and refined over a number of years, three main approaches are used to identify housing market areas³. They are:

- Labour market areas or travel to work areas;
- House price levels and rates of change; and
- Household migration and search patterns.

Labour market areas provide information about the areas within which people move without changing other aspects of their lives, primarily work. In the United Kingdom Travel to Work Area boundaries use Census 1991 data to show areas where 70% of commuting flows are contained.

Housing market areas can also be identified by looking at patterns in the relationship between housing demand and supply across different locations. This type of analysis uses house prices to provide a market based view of housing market boundaries, typically where households pay comparable costs for comparable dwellings.

Household migration flows reflect a variety of economic, social, and other factors including households' proximity to work, family, friends and recreation. Analysis of migration flow patterns can help to identify these relationships and the extent to which people move house within an area. The findings can identify the areas within which a relatively high proportion of household moves, usually around seventy percent, are contained. This typically excludes long distance moves reflecting the fact that most people move relatively short distances due to connections to employment, families, friends, and schools.

2.3 Defining the Auckland HMA Areas

To identify the Auckland HMA areas as presented in Figure 2.1 in the Main Report Darroch followed the following process.

The labour market areas (LMA) that have been identified for the Auckland region were reviewed. The LMA analysis undertaken in New Zealand over the last decade has essentially followed the Travel to Work Area methodology developed in the United Kingdom. The most recent work undertaken by James Newell (unpublished), based on 2006 Census data, divides the Auckland region into two LMAs; Central and North Auckland and Greater Manukau.

³ Communities and Local Government (2007), Identifying sub-regional housing market areas – Advice note. Department of Communities and Local Government, March 2007: United Kingdom.
<http://www.communities.gov.uk/documents/planningandbuilding/pdf/323693.pdf>

The former stretches from Mangawhai Heads in the north and includes all of Rodney District, North Shore City, Waitakere City and most of Auckland City. The boundary between the Central and North Auckland and Greater Manukau Labour Market Areas is Mt Wellington. The Greater Manukau Labour Market Area, bounded to the south by Meremere, includes the suburbs of Mt Wellington, Westfield and Otahuhu in Auckland City, all of Manukau City and Papakura District and most of Franklin District. For the purpose of this Auckland housing market assessment it was concluded that the division of the Auckland region into just two areas provided an insufficient level of housing market disaggregation.

House price levels, household incomes, and household deprivation measures were looked at to identify areas of housing market commonality across the region. Approximately 20 areas were initially identified through this process. These areas were then tested by looking at the extent to which migration flows between the areas might be considered to be self-contained.

The migration flow analysis looked at where the people, who lived in each of the 20 areas in 2001, but who shifted residence between the 2001 and 2006 Censuses, lived in 2006. This analysis focused on two things. Firstly, the extent to which people that shifted between the censuses remained in the same areas and secondly, if they shifted outside their 2001 area, where they shifted to. Based on the flows between adjacent areas we refined the number of discrete areas down to 14 areas as presented in Figure 2.1 in the Main Report.

An areas self-containment was defined as the proportion of all people who moved residence between the 2001 and 2006 Censuses, but remained in the same area. Of the 14 areas all but three had self-containment measures in excess of 60%. The three HMAs with self-containment measures less than 60% were:

- Auckland CBD (22%);
- Rural North (56%); and
- Rural South (54%).

The Auckland CBD has a self-containment measure of just 22%, easily the lowest of all 14 Auckland HMA areas. In part this self-containment measure might be attributed to the relatively recent growth in CBD apartment living in New Zealand, i.e. the CBD is still a relatively immature housing market. We have identified the Auckland CBD as a distinct area therefore not on the basis of its self-containment, but because of its location, relatively homogeneous apartment dwelling type and because of the specific functional characteristics of the area, i.e., predominantly non-residential. In addition, we have identified it as a distinct HMA because it does not sit comfortably or logically as part of any other HMA.

Rural North and Rural South are both, in a sense, residual HMA areas. They are the non-urban parts of the region left over once the urban parts of the region have been allocated into a HMA. They are both, however, largely rural/small town in character which would indicate a specific preference for housing located in such areas.

The 14 HMAs defined for this assessment are: Rural North; Rodney Southern Coastal; North Shore; Waitakere; Auckland CBD; Auckland North East; Auckland North West; Auckland South East; Auckland South West; Manukau North; Manukau North West; Manurewa and Papakura; Pukekohe; and Rural South.

3.0 Appendix 3 - Demographics

3.1 Introduction

This appendix provides supporting information on the demographic characteristics of the 14 housing market areas. It should be read in conjunction with Chapter 4 – Demographic Structure, Trends and Projections in the Main Report. The objective of Chapter 4 was to consider for each of the 14 housing market areas their current demographic structure, recent trends and the projected growth in household numbers in each HMA. More specifically, for each HMA, this appendix will provide an overview of the following demographic characteristics: tenure; age; household income; household type; ethnicity; occupation; employment status; dwelling size; and dwelling type.

3.2 HMA Profiles

3.2.1 Rural North HMA

Over the ten year period between 1996 and 2006, the total number of households in the Rural North HMA increased by 4,785, or 29.7%. The number of owner occupier households increased by 2,196, or 18.1%, whilst the number of households renting their dwellings increased by 1,566, or 71.0%.

Over this same ten year period the overall level of home ownership declined from 84.6% to 79.1%, a fall of 5.5 percentage points.

The key demographic trends seen in the Rural North HMA between the 1996 and 2006 censuses were:

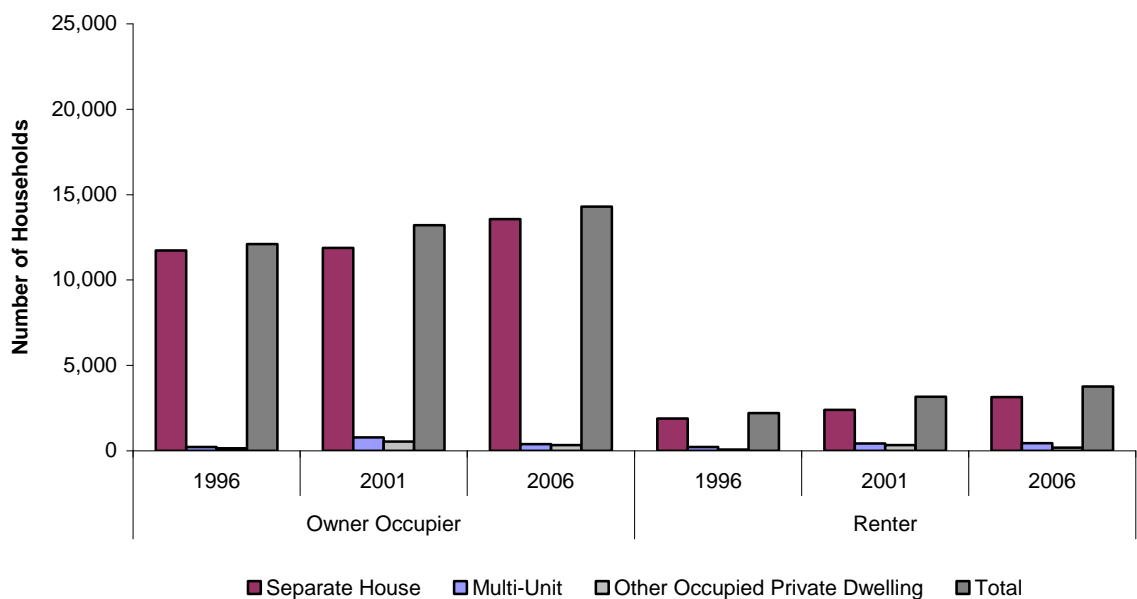
- Owner occupier households dominate the market, albeit their share of all households has declined over the period. As at 2006, the majority (75.2%) of households were aged between 30 and 64 years⁴. Home ownership rates declined across all household age groups except those aged less than 20 years. The 20 to 29 years and 30 to 39 years of age groups were the most affected by falls in home ownership rates, down by 13.2 and 13 percentage points respectively. The home ownership rate for households aged less than 20 years of age increased by 1.9 percentage points;
- Couple with Child(ren) households account for the largest proportion of households in this HMA, both overall and in terms of owner households. Over the 1996 to 2006 period the most significant growth by household type was in One-Person and One Parent with Child(ren) households, up 49% and 46.1% respectively, largely as a result of a growth in renter households. Home ownership rates declined across all household types, with One Parent with Child(ren) households experiencing the most significant decline, down 12 percentage points;
- By income the number of households increased the most in the \$100,001 or more and \$70,001 to \$100,000 income groups. This trend was evident across both the owner occupier and renter tenure categories. Home ownership rates fell across all income groups, with those earning \$30,001 to \$50,000 and \$50,001 to \$70,000 the most affected, both down 11.9 percentage points;

⁴ Refers to the age of the dwelling reference person.

- Households of European ethnicity⁵ in 2006 accounted for the largest proportion of both owner occupier and renter households. The number of Asian households, however, increased by the most over the period, up by 133.3%. Home ownership rates declined across all ethnic groups, with that of Pacific people falling by the most, down by 14.7 percentage points;
- By number, households employed in the Property and Business Services sector grew by the most across all tenure types, whilst those employed in the Agricultural, Forestry and Fishing sector experienced the greatest absolute decrease across all tenure types. As at 2006 households employed in the Agricultural, Forestry and Fishing, and Property and Business Services sectors together accounted for 24.5% of all households;
- The majority of owner households occupy three and four-bedroom dwellings. The number of owner households living in four-bedroom dwellings increased in percentage terms by the most over the 1996 to 2006 period, up by 52.5%. The vast majority of renter households occupy two and three-bedroom dwellings; and
- As at 2006 the overwhelming majority of both owner and renter households occupied standalone dwellings, 94.9% and 83.5% respectively.

Figure A3.1 presents the number of households by tenure and dwelling type for the Rural North HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.1: Households by Tenure and Dwelling Type – Rural North HMA



Source: Statistics New Zealand

Owner households dominate overall household numbers within the Rural North HMA and standalone dwellings account for the largest portion of the market.

⁵ Based on the ethnicity of the dwelling reference person.

3.2.2 Rodney Southern Coastal HMA

Over the ten year period between 1996 and 2006, the total number of households in the Rodney Southern Coastal HMA increased by 4,389, or 41.8%. The number of owner occupier households increased by 2,088, or 27.6%, whilst the number of households renting their dwellings increased by 1,524, or 79.4%.

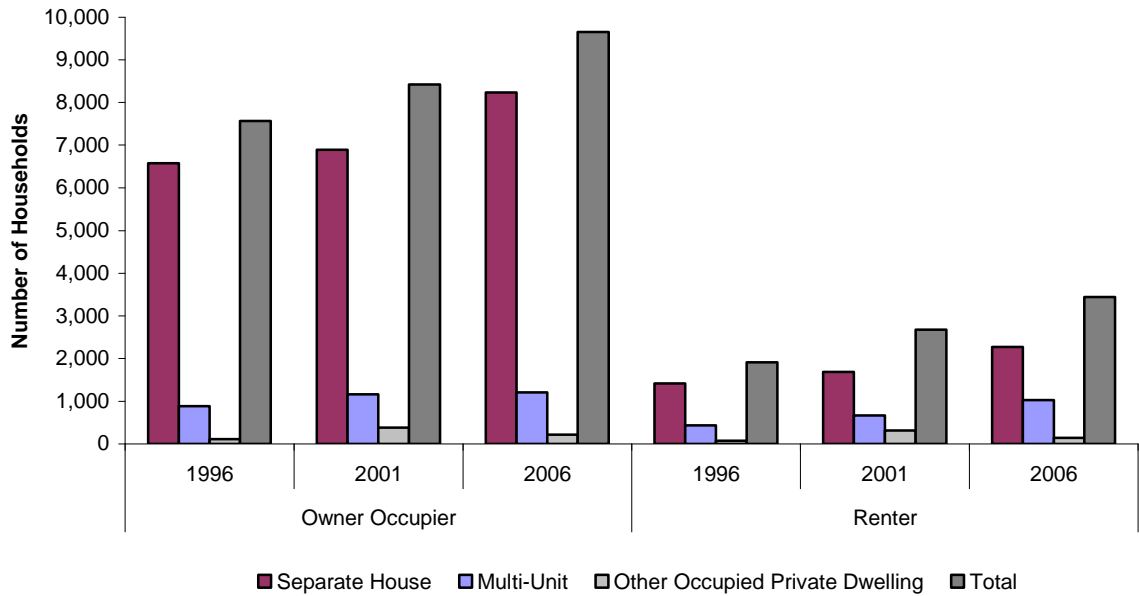
Over this same ten year period the overall level of home ownership declined from 79.8% to 73.7%, a fall of 6.1 percentage points.

The key demographic trends in the Rodney Southern Coastal HMA between the 1996 and 2006 censuses were:

- Owner occupier households dominate the market; however, this dominance reduced slightly over the ten years to 2006. As at 2006, the majority (63.3%) of households are aged between 30 and 64 years; however, there is also a high proportion of households aged 65 years and over in the HMA (29.5%). Home ownership rates declined across all household age groups, except those less than 20 years of age, by between 2.5 and 10.6 percentage points;
- Couple Only and Couple with Child(ren) households dominate this market; this pattern has changed very little over the past 10 years. The most significant percentage growth has been in the number of One Parent with Child(ren) households, up 55.6%. Home ownership rates declined by between 4.2 and 8.7 percentage points across all household types;
- The total number of households increased most significantly in the \$100,001 or more income group, this trend was reflected across both owner occupier and renter tenure categories. Home ownership rates fell for households across all income groups, with those earning \$70,001 to \$100,000 and \$50,001 to \$70,000 the most affected, down 11.5 and 11.1 percentage points respectively;
- Households with a reference person of European ethnicity dominate both owner occupier and renter households. Households with a reference person of European ethnicity experienced the most significant overall absolute increase, up 4,008 households; however, households with reference person of Asian descent experienced the most significant overall percentage increase, up 174.4%. Home ownership rates decreased across all ethnic groups, with Pacific peoples most affected, down 17.9 percentage points;
- Households employed in the Property and Business Services sector experienced the greatest absolute increase across all tenure types, accounting for 17.2% of all households;
- Three and four-bedroom dwellings house the majority of owner households; households occupying four-bedroom dwellings experienced the most significant increase between 1996 and 2006, up 92.1%. Two and three-bedroom dwellings house the majority of renter households; the number of renter households in four-bedroom dwellings grew by 162.7% between 1996 and 2006; and
- As at 2006 the overwhelming majority of owner households occupied standalone dwellings (85.3%), whilst the majority of renter households occupied multi unit dwellings (66.1%).

Figure A3.2 presents the number of households by tenure and dwelling type for Rodney Southern Coastal HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.2: Households by Tenure and Dwelling Type – Rodney Southern Coastal HMA



Source: Statistics New Zealand

Owner households dominate overall household numbers within the Rodney Southern Coastal HMA and standalone dwellings make up the largest portion of the market.

3.2.3 North Shore HMA

Over the ten year period between 1996 and 2006, the total number of households in the North Shore HMA increased by 11,787, or 19.5%. The number of owner occupier households increased by 3,525, or 8.2%, whilst the number of households renting their dwellings increased by 5,625, or 44.4%.

Over this same ten year period the overall level of home ownership declined from 77.3% to 71.8%, a fall of 5.5 percentage points.

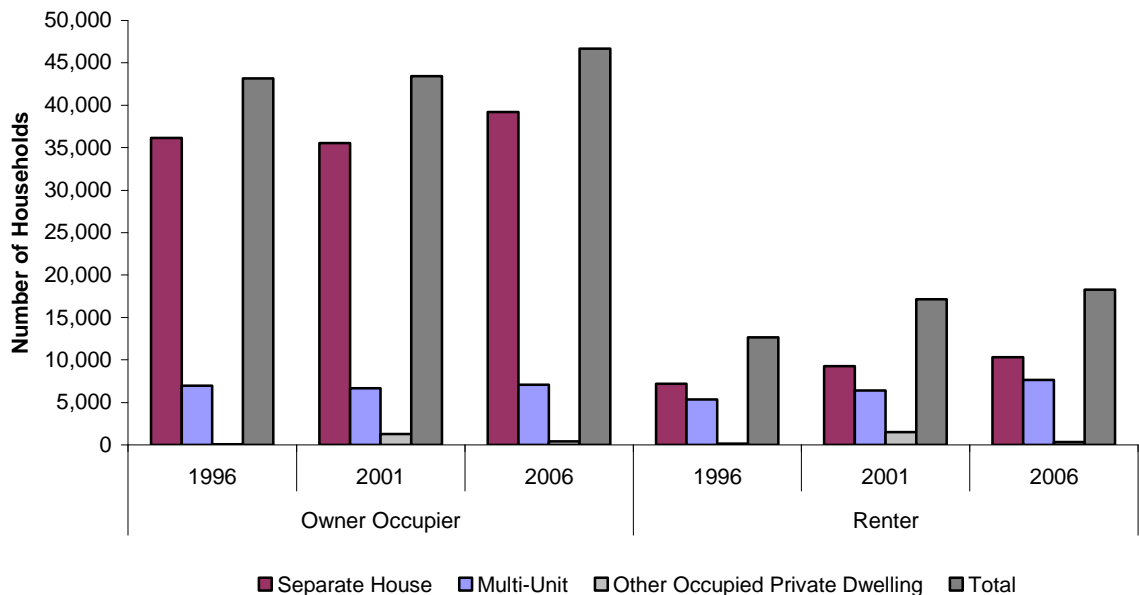
The key demographic trends seen in the North Shore HMA between the 1996 and 2006 censuses were:

- Owner occupier households continue to dominate the market, albeit at a decreasing rate. As at 2006, the majority (70.1%) of households are aged between 30 and 64 years. Home ownership rates declined across all age groups, with the 40 to 49 years age group most affected, down 10.2 percentage points;
- Couple with Child(ren) and Couple Only households make up the greatest proportion of households in this HMA, most of these owners. This pattern has changed very little over the past 10 years. The most significant growth has been in the number of One Parent with Child(ren) and One-Person households, up 28.9% and 25.5% respectively, reflected across both the owner occupier and renter tenure categories. Home ownership rates declined across all household types, with those of One Parent with Child(ren) households down the most, by 7.9 percentage points;
- Households with an income in excess of \$100,000 make up the greatest proportion of total households in this market (27.2%), the majority of these owner occupiers. The total number of households increased most significantly in the \$70,001 to \$100,000 and \$100,001 or more income groups. Home ownership rates fell for households across all income groups, with those earning \$30,001 to \$50,000 and \$70,001 to \$100,000 the most affected, both down 11.6 percentage points;
- Households with a reference person of European descent dominate both owner occupier and renter households; however, the proportion of European households has decreased since 1996, from 84.7% to 77.5%. The number of Asian households has experienced the largest growth since 1996, up 165.0%, followed by Pacific people households, up 27%, largely attributed to households in the renter tenure category. Home ownership rates fell across all ethnic groups, with those of Asian ethnicity most affected, down 10.1 percentage points;

- Households employed in the Property and Business Services sector experienced the greatest absolute increase across all tenure types, accounting for 21.1% of all households, whilst households employed in the Cultural and Recreational Services sector experienced the greatest percentage increase for owner occupier households (up 64.9%) and households employed in the Education sector experiencing the greatest percentage increase for renter households (up 146.7%);
- Three and four-bedroom dwellings house the vast majority of owner households; households in four-bedroom dwellings experienced the most significant increase between 1996 and 2006, up 46.9%. Renter households mostly occupy two and three-bedroom dwellings, although renter households occupancy of four-bedroom dwellings was up by 105.9% over the 1996 to 2006 period; and
- As at 2006 the majority of both owner and renter households occupied standalone dwellings, 84.0% and 56.4% respectively.

Figure A3.3 presents the number of households by tenure and dwelling type for North Shore HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.3: Households by Tenure and Dwelling Type – North Shore HMA



Source: Statistics New Zealand

Owner households dominate overall household numbers within the North Shore HMA. Standalone dwellings make up the significant portion of both the owner occupier and renter market.

3.2.4 Waitakere HMA

Over the ten year period between 1996 and 2006, the total number of households in the Waitakere HMA increased by 11,427, or 24.2%. The number of owner occupier households increased by 1,557, or 4.7%, whilst the number of households renting their dwellings increased by 5,706, or 56.9%.

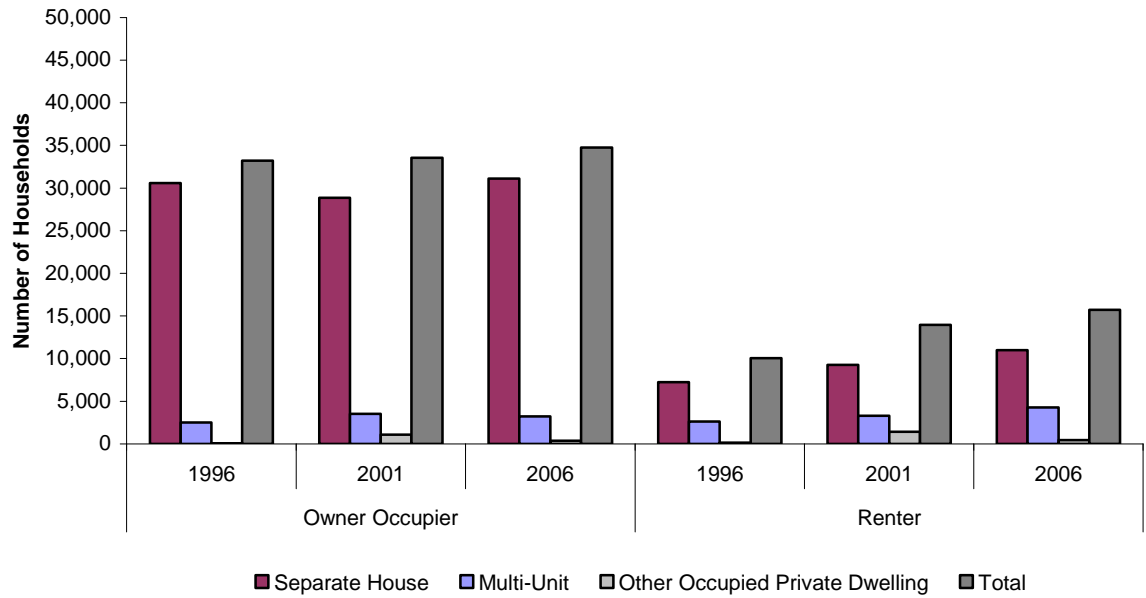
Over this same ten year period the overall level of home ownership declined from 76.8% to 68.8%, a fall of 8 percentage points.

The key demographic trends seen in the Waitakere HMA between the 1996 and 2006 censuses were:

- Owner occupier households dominate the market; albeit at a decreasing rate. As at 2006 the majority (70.6%) of households were aged between 30 and 64 years; with 44.1% of these households' owner occupiers. Home ownership rates declined by between 1.7 and 12.5 percentage points across all age groups;
- Couple with Child(ren) households dominate this HMA; this pattern has changed very little over the past 10 years. The most significant growth by household type has been in the number of One-Person households, up 48.1%. Home ownership rates declined between 4.1 and 11.9 percentage points across all household types;
- The total number of households increased most significantly in the \$100,001 or more income group, this trend was reflected across both owner occupier and renter households. Home ownership rates fell for households across all income groups, with those earning \$30,001 to \$50,000 the most affected, down 16.2 percentage points;
- Households with a reference person of European descent dominate both owner occupier and renter households. Households with a reference person of Asian ethnicity experienced the most significant overall increase in numbers, up 189.6%, attributed to both renter and owner occupier household growth. Home ownership rates declined between 6 and 13 percentage points across all ethnic groups;
- Households employed in the Property and Business Services sector experienced the greatest absolute increase across all tenure types, accounting for 15.3% of all households, whilst households employed in the Manufacturing sector experienced the greatest absolute decline across all tenure types, accounting for 13.1% of all households;
- The majority of owner households occupy three and four-bedroom dwellings, with the number of owner households in four bedroom dwellings up significantly over the 1996 to 2006 period, by 42.2%. The majority of renter households occupy three-bedroom dwellings, with the number of renter households in four-bedroom dwellings increasing very significantly between 1996 and 2006, up 123.2%; and
- As at 2006 the overwhelming majority of owner households occupied standalone dwellings (89.6%), whilst the majority of renter households occupied multi unit dwellings (69.9%).

Figure A3.4 presents the number of households by tenure and dwelling type for the Waitakere HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.4: Households by Tenure and Dwelling Type – Waitakere HMA



Source: Statistics New Zealand

Owner households dominate overall household numbers within the Waitakere HMA and standalone dwellings make up the largest portion of the market.

3.2.5 Auckland CBD HMA

Over the ten year period between 1996 and 2006, the total number of households in the Auckland CBD HMA increased by 7,839, or 463.3%. The number of owner occupier households increased by 1,533, or 505.9%, whilst the number of households renting their dwellings increased by 4,317, or 559.9%.

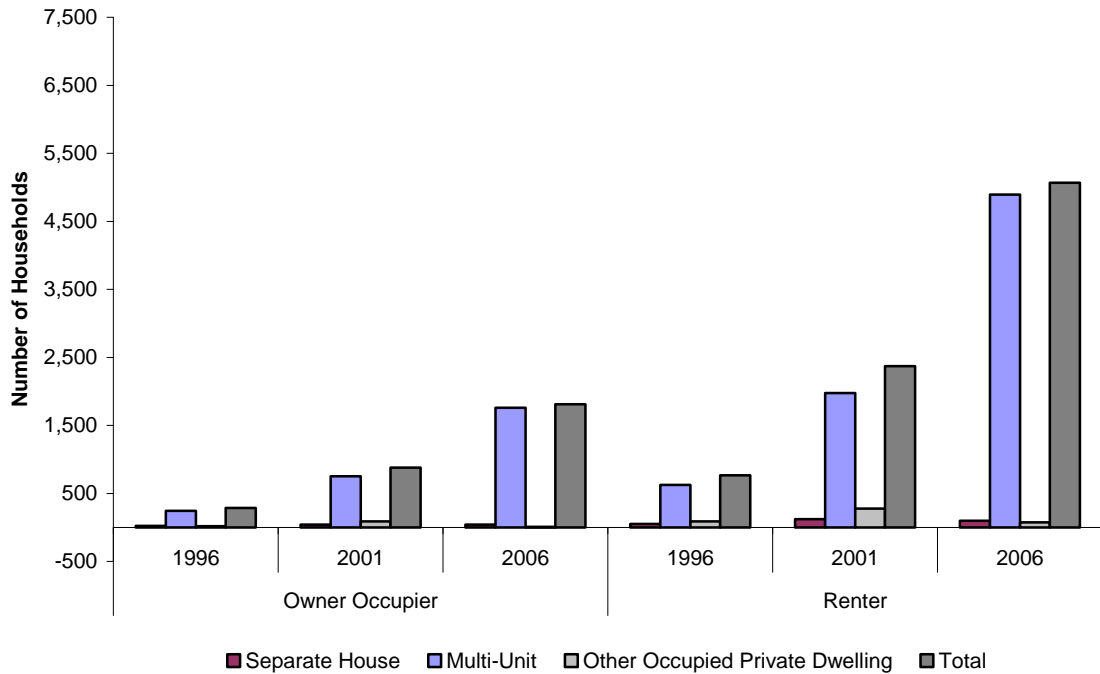
Over this same ten year period the overall level of home ownership declined from 28.2% to 26.5%, a fall of 1.7 percentage points.

The key demographic trends seen in the Auckland CBD HMA between the 1996 and 2006 censuses were:

- Renter households dominate the market, with this demographic increasing over the ten years to 2006. As at 2006, the vast majority (69.1%) of households are aged between 20 and 39 years; with 40.7% of these renter households, up from just 29.2% in 1996;
- Whilst increases were experienced across all household types, the number of One-Person and Couple Only households increased the most significantly up 692.1%, or by 3,135 households, over half of which were renter households (1,587). Couple Only households saw the most significant decline in home ownership rates, down from 41.1% to 29.5%;
- The number of households increased across all income groups and tenures, with owner occupiers earning in excess of \$100,000 and renter households earning \$20,000 or less experiencing the most significant absolute increases, up 417 and 1,095 households respectively. However, home ownership rates fell for households across all income groups, with the exception of those earning \$20,000 or less and between \$20,001 and \$30,000;
- Households with a reference person of Asian or European ethnicity dominate both owner occupier and renter households; however, the proportion of European households has declined significantly since 1996, whilst the proportion of Asian households has increased significantly. Home ownership rates for households identifying as Maori and Pacific people increased, whilst home ownership rates fell for all other ethnic groups;
- The number of households across all occupational groups increased between 1996 and 2006. Households employed in the Property and Business Services sector experienced the greatest absolute increase across all tenure types, whilst households employed in the Accommodation, Cafes and Restaurant sector experienced the greatest percentage increase for owner occupier households (up 1,100.0%) and households employed in the Finance and Insurance sector experienced the greatest percentage increase for renter households (up 1,533.3%);
- A majority of both owner and renter households occupy one and two-bedroom dwellings, specifically 71.5% of owner and 90.1% of renter households occupy either one or two-bedroom dwellings; and
- The overwhelming majority of both owner and renter households occupy multi-unit dwellings, specifically, 97.8% of owner households and 96.4% of renter households.

Figure A3.5 presents the number of households by tenure and dwelling type for the Auckland CBD HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.5: Households by Tenure and Dwelling Type – Auckland CBD HMA



Source: Statistics New Zealand

Renter households dominate overall household numbers within the Auckland CBD HMA and multi unit type dwellings make up the largest portion of the market. There has been very significant growth in the number of multi unit dwellings, with the multi unit stock doubling over the 1996 to 2001 period and again over the 2001 to 2006 period.

3.2.6 Auckland North East HMA

Over the ten year period between 1996 and 2006, the total number of households in the Auckland North East HMA increased by 3,339, or 11.9%. The number of owner occupier households increased by 1,890, or 10.8%, whilst the number of households renting their dwellings increased by 1,002, or 13.5%.

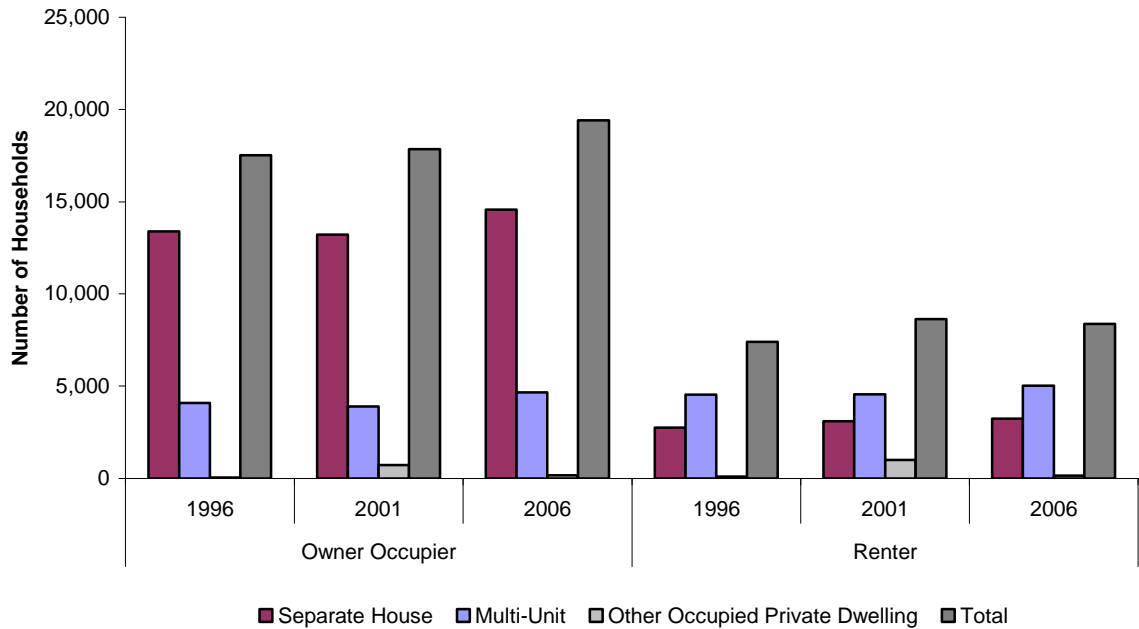
Over this same ten year period the overall level of home ownership declined from 70.3% to 69.8%, a marginal fall of 0.5 percentage points.

The key demographic trends seen in the Auckland North East HMA between the 1996 and 2006 census were:

- Owner occupier households dominate the market; however, this dominance reduced slightly over the ten years to 2006. As at 2006, the majority (69.2%) of households are aged between 30 and 64 years; with 45.3% of these owner occupier households. Home ownership rates declined between 1.9 and 6 percentage points across all age groups, with the exception of those aged 65 years and over, which increased by 3.1 percentage points;
- Couple Only, Couple with Child(ren) and One-Person households dominate this HMA, this pattern has changed very little over the past 10 years. The most significant growth has been in the number of One Parent with Child(ren) households, up 23.0%. Home ownership rates declined between 1.3 and 2.4 percentage points across all household types;
- The total number of households decreased across all income groups, with the exception of households in the \$70,001 to \$100,000 and \$100,001 or more income groups, this trend was reflected across both the owner occupier and renter tenure categories. Home ownership rates fell for households across all income groups, with the exception of those earning between \$20,001 and \$30,000;
- Households with a reference person of European ethnicity account for the largest proportion of both owner occupier and renter households; however, the proportion of Asian households has increased significantly since 1996, up 54.5%. Households with reference person of Pacific people ethnicity experienced the only significant overall decline, down 12.1%, all of which was attributed to renter households. Home ownership rates for households identifying as Maori and Pacific people increased, by 4.3 and 8.3 percentage points respectively, whilst home ownership rates decreased across all other ethnic groups;
- Households employed in the Property and Business Services sector experienced the greatest absolute increase across all tenure types, accounting for 27.6% of all households, whilst households employed in the Cultural and Recreational Services sector experienced the greatest percentage increase for owner occupier households (up 48.8%) and households employed in the Finance and Insurance sector experienced the greatest percentage increase for renter households (up 72.2%);
- Three and four-bedroom dwellings house the majority of owner households; with the number of owner households in four-bedroom dwellings up by 45.9% between 1996 and 2006. Two and three-bedroom dwellings house the majority of renter households, the number of renter households in these two dwelling types increasing by 8.3% and 19.4% respectively between 1996 and 2006; and
- As at 2006 the overwhelming majority of owner households occupied standalone dwellings (75.1%), whilst the majority of renter households occupied multi unit dwellings (59.8%).

Figure A3.6 presents the number of households by tenure and dwelling type for the Auckland North East HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.6: Households by Tenure and Dwelling Type – Auckland North East HMA



Source: Statistics New Zealand

Owner households dominate overall household numbers within the Auckland North East HMA with standalone dwellings making up the largest portion of the market.

3.2.7 Auckland North West HMA

Over the ten year period between 1996 and 2006, the total number of households in the Auckland North West HMA increased by 4,107, or 10.4%. The number of owner occupier households increased by 768, or 3.6%, whilst the number of households renting their dwellings increased by 2,817, or 20.5%.

Over this same ten year period the overall level of home ownership declined from 61% to 57.3%, a fall of 3.7 percentage points.

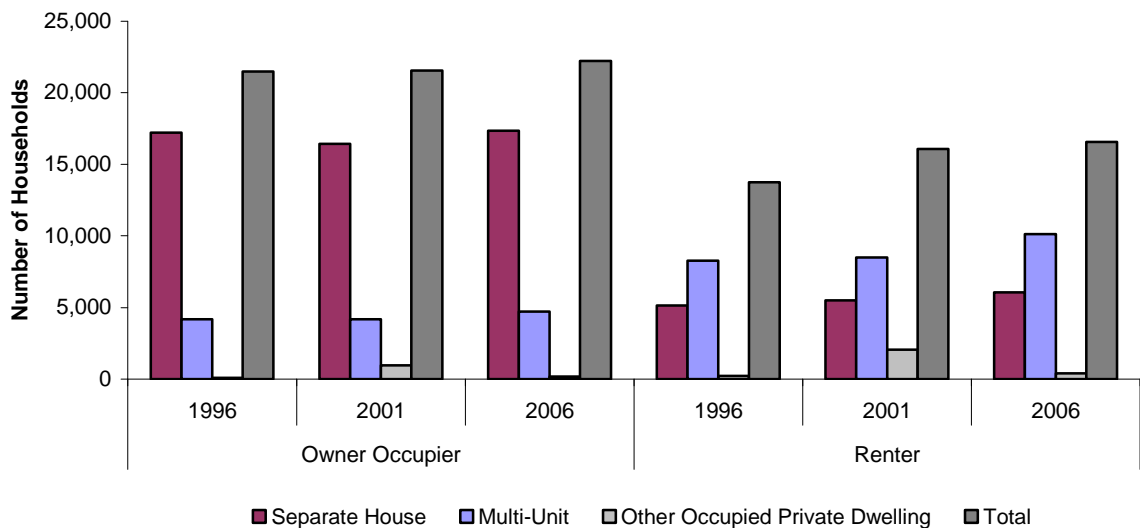
The key demographic trends seen in the Auckland North West HMA between the 1996 and 2006 censuses were:

- Owner occupier households dominate the market; however, their dominance reduced noticeably over the ten years to 2006. As at 2006, the majority (70%) of households were aged between 30 and 64 years. Home ownership rates declined between 1.1 and 9.5 percentage points across all age groups, with the exception of those aged between 50 and 64 years, whose home ownership rate increased by 1.1 percentage points and those aged 65 years and over whose home ownership rate did not change;
- Couple Only, Couple with Child(ren) and One-Person households dominate this market; this pattern has changed very little over the past 10 years. The most significant growth by household type has been in the number of Couple with Child(ren) households, up 21.0%. Home ownership rates declined between 2.2 and 5.9 percentage points across all household types;
- The total number of households decreased across all income groups, with the exception of households in the \$70,001 to \$100,000 and \$100,001 or more income groups, this trend was reflected across both the owner occupier and renter tenure categories for those households earning in excess of \$100,000, however, the increase in the number of households earning between \$70,001 and \$100,000 was attributed to renter households. Home ownership rates fell for households across all income groups, with those earning \$70,001 to \$100,000 and \$30,001 to \$50,000 the most affected, down 16.4 and 14.2 percentage points respectively;
- Households with a reference person of European ethnicity account for the largest proportion of both owner occupier and renter households; however, the number of Asian households has increased significantly since 1996, up 96.1%. Households with a reference person of Pacific people or Maori ethnicity experienced the only significant overall decline, collectively down 19.3%; this trend was reflected across both the owner occupier and renter tenure categories. Home ownership rates declined between 0.3 and 3.4 percentage points across all ethnic groups;

- Households employed in the Property and Business Services sector experienced the greatest absolute increase across all tenure types, accounting for 24.8% of all households, whilst households employed in the Finance and Insurance sector experienced the greatest percentage increase for both owner occupier and renter households, up 49.8% and 86.6% respectively;
- Owner households largely occupy three and four-bedroom dwellings, with the number of owner households in four-bedroom dwellings up by 45.4% between 1996 and 2006. The vast majority of renter households occupy either one, two or three-bedroom dwellings; the number of renter households in each of these dwelling types increasing by 8.7%, 17.4% and 35.8% respectively between 1996 and 2006; and
- As at 2006 the overwhelming majority of owner households occupied standalone dwellings (78.0%), whilst the majority of renter households occupied multi unit dwellings (61.1%).

Figure A3.7 presents the number of households by tenure and dwelling type for the Auckland North West HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.7: Households by Tenure and Dwelling Type - Auckland North West HMA



Source: Statistics New Zealand

Owner households dominate overall household numbers within the Auckland North West HMA and standalone dwellings account for the largest portion of this market. Conversely, the majority of renter households occupy multi unit dwellings.

3.2.8 Auckland South East HMA

Over the ten year period between 1996 and 2006, the total number of households in the Auckland South East HMA increased by 1,767, or 11.2%. The number of owner occupier households fell by 186, or 2.8%, whilst the number of households renting their dwellings increased by 1,635, or 23%.

Over this same ten year period the overall level of home ownership declined from 48% to 42.1%, a fall of 5.9 percentage points.

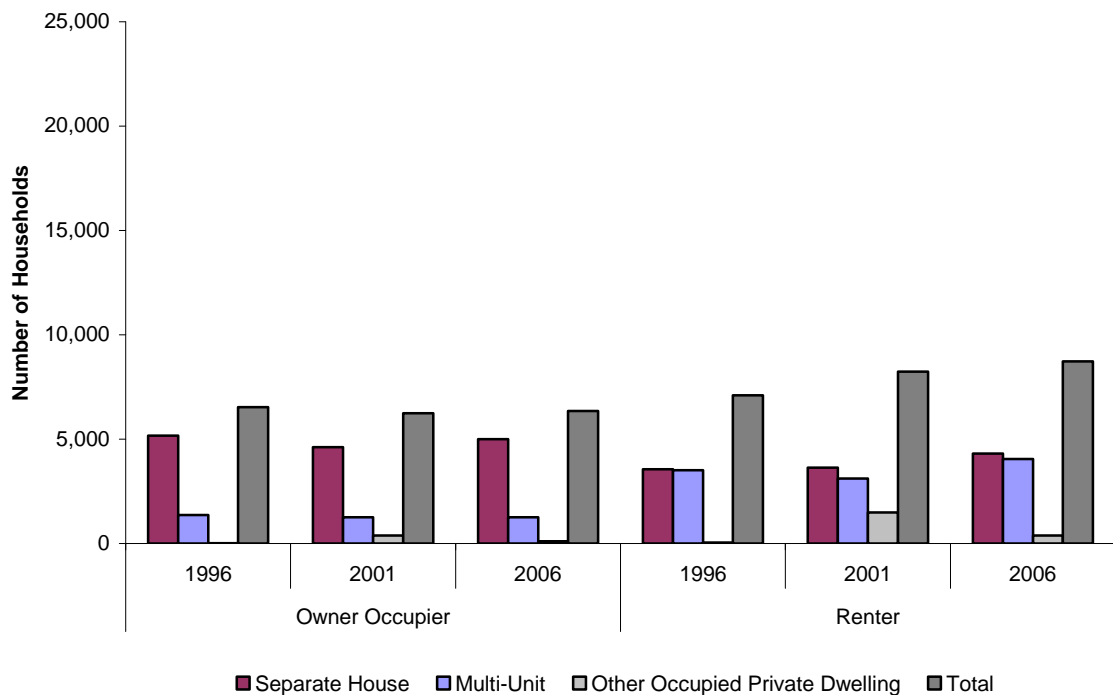
The key demographic trends seen in the Auckland South East HMA between the 1996 and 2006 censuses were:

- Renter households dominate the market and this dominance increased over the ten years to 2006. As at 2006, the majority (67.9%) of households were aged between 30 and 64 years. Home ownership rates declined across all age groups, with the rates for those aged 50 to 64 years falling by the most, down by 10.4 percentage points;
- Couple with Child(ren) and One-Person households dominate this HMA; and this pattern has changed very little over the past 10 years. The most significant growth by household type has been in the number of Couple Only households, up 17.4%. Home ownership rates declined across all household types, with Couple Only households reducing by the most, down 8.5 percentage points;
- The number of households increased most significantly in the \$70,001 to \$100,000 and \$100,001 or more income groups, this trend was reflected across both the owner occupier and renter tenure categories. Home ownership rates fell for households across all income groups, with those earning \$50,001 to \$70,000 and \$70,001 to \$100,000 the most affected, down 17.5 and 17.2 percentage points respectively;
- Households with a reference person of European ethnicity account for the largest proportion of both owner occupier and renter households; however, the number of Asian households has increased significantly since 1996, up 91.3%. Home ownership rates fell across all ethnic groups, with those households who identified as Maori most affected, down 5.9 percentage points;
- Households employed in the Property and Business Services sector experienced the greatest absolute and percentage increase across all tenure types, this trend was reflected across both owner occupier and renter households. As at 2006 households employed in the Property and Business Services and Health and Community Services sectors collectively accounted for 29.5% of all households;

- Three bedroom dwellings make up the majority of owned households; four bedroom households experienced the most significant increase between 1996 and 2006, up 28.9%. One and Two bedroom dwellings make up the vast majority of rented households, both increasing 756.4% and 508.3% respectively between 1996 and 2006; and
- As at 2006 the overwhelming majority of owner households occupied standalone dwellings (78.8%), whilst renter households were fairly evenly split between standalone (49.3%) and multi unit dwellings (46.4%).

Figure A3.8 presents the number of households by tenure and dwelling type for the Auckland South East HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.8: Households by Tenure and Dwelling Type- Auckland South East HMA



Source: Statistics New Zealand

Renter households dominate overall household numbers within the Auckland South East HMA, albeit slightly. Standalone dwellings house a significant portion of the owner occupier market, whilst the renter market is more evenly split between standalone and multi unit dwellings.

3.2.9 Auckland South West HMA

Over the ten year period between 1996 and 2006, the total number of households in the Auckland South West HMA increased by 4,362, or 13.3%. The number of owner occupier households increased by just 159, or 0.9%, whilst the number of households renting their dwellings increased by 2,343, or 21.6%.

Over this same ten year period the overall level of home ownership declined from 63.2% to 58.8%, a fall of 4.4 percentage points.

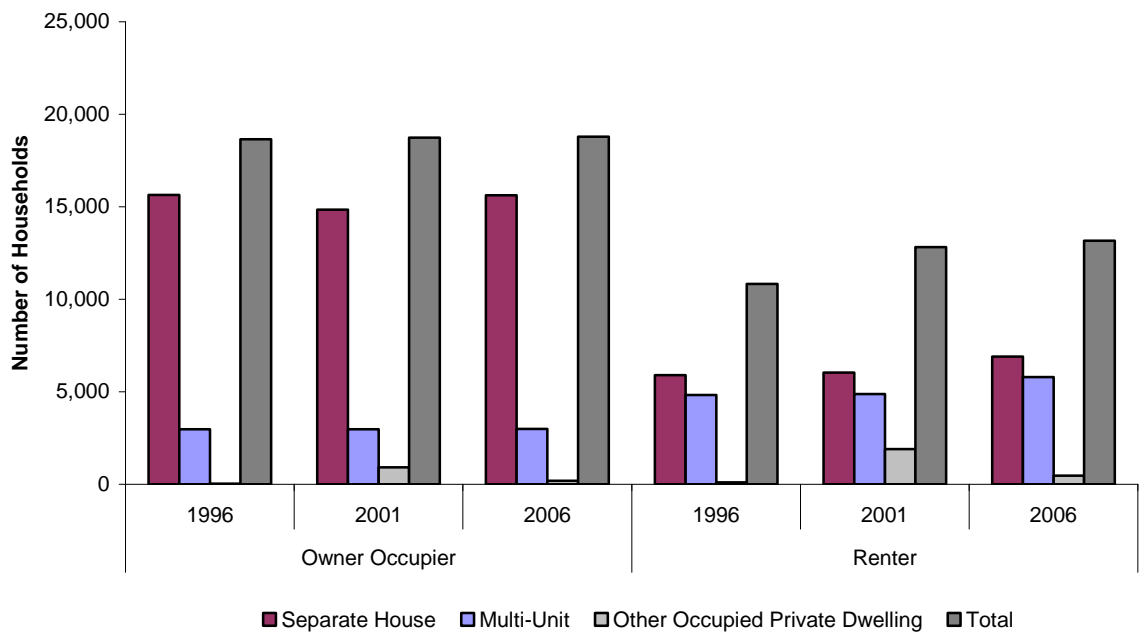
The key demographic trends seen in the Auckland South West HMA between the 1996 and 2006 censuses were:

- Owner occupier households dominate the market; however, this dominance has reduced significantly over the ten years to 2006. As at 2006, the majority (68.2%) of households were aged between 30 and 64 years. Home ownership rates declined across all age groups, with the exception of the groups aged less than 20 years of age and 65 years and over, whose home ownership rates increased by 2.2 and 0.8 percentage points respectively;
- Couple with Child(ren) and One-Person households dominate this HMA; this pattern has changed very little over the past 10 years. The most significant growth by household type has been in the number of Couple with Child(ren) households, up 16.5%, mostly attributed to growth in the renter tenure category. Home ownership rates declined across all household types, with Couple Only households falling by the most, down 6.5 percentage points;
- The total number of households increased most significantly in the \$70,001 to \$100,000 and \$100,001 or more income groups, this trend was reflected across both the owner occupier and renter tenure categories. Home ownership rates fell for households across all income groups, with those earning \$50,001 to \$70,000 and \$30,001 to \$50,000 the most affected, down 16 and 14.8 percentage points respectively;
- Households with a reference person of European ethnicity account for the largest proportion of both owner occupier and renter households; however, the proportion of Asian households has increased significantly since 1996, up 146.9%. Home ownership rates fell across all ethnic groups, with those households who identified as Maori most affected, down 4.9 percentage points;
- Households employed in the Property and Business Services sector experienced the greatest absolute increase across all tenure types; this trend was reflected across both owner occupier and renter households. As at 2006 households employed in the Property and Business Services and Manufacturing sectors collectively accounted for 29% of all households;

- Three and Four bedroom dwellings make up the majority of owned households; four bedroom households experienced the most significant increase between 1996 and 2006, up 41.6%. Two and three bedroom dwellings make up the vast majority of rented households, both increasing 11.8% and 41.1% respectively between 1996 and 2006; and
- As at 2006 the overwhelming majority of owner households occupied standalone dwellings (83.1%), whilst renter households were more evenly split between standalone (52.4%) and multi unit dwellings (44.0%).

Figure A3.9 presents the number of households by tenure and dwelling type for the Auckland South West HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.9: Households by Tenure and Dwelling Type – Auckland South West HMA



Source: Statistics New Zealand

Owner households dominate overall household numbers in the Auckland South West HMA. Standalone dwellings make up the largest portion of the owner occupier market, whilst the renter market is more evenly split between standalone and multi unit dwellings.

3.2.10 Manukau North HMA

Over the ten year period between 1996 and 2006, the total number of households in the Manukau North HMA increased by 11,130, or 42.3%. The number of owner occupier households increased by 4,878, or 23.6%, whilst the number of households renting their dwellings increased by 4,452, or 119.6%.

Over this same ten year period the overall level of home ownership declined from 84.8% to 75.8%, a fall of 9 percentage points.

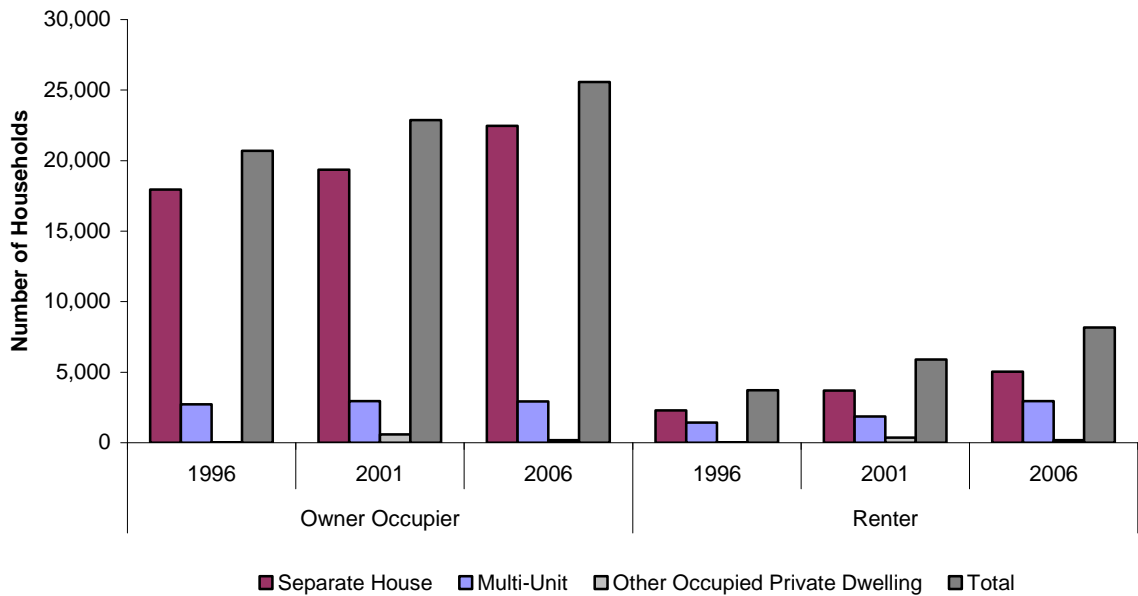
The key demographic trends seen in the Manukau North HMA between the 1996 and 2006 censuses were:

- Owner occupier households continue to dominate the market, albeit at a decreasing rate. As at 2006, the majority (70.1%) of households are aged between 30 and 64 years. Home ownership rates declined across all age groups, with households aged less than 20 years of age most affected, down 20.5 percentage points;
- Couple with Child(ren) and Couple Only households make up the greatest proportion of households in this HMA, overall and across both owner and renter tenure categories. The most significant growth has been in the number of One Parent with Child(ren) and One-Person households, up 69.8% and 41.4% respectively, reflected across both the owner occupier and renter tenure categories. Home ownership rates declined across all household types, with One Parent with Child(ren) households rate falling by the most, down 14.5 percentage points;
- Households with an income in excess of \$100,000 make up the greatest proportion of total households in this market (28.1%), largely attributed to the owner occupier tenure category. The total number of households increased most significantly in the \$70,001 to \$100,000 and \$100,001 or more income groups, this trend was reflected across both the owner occupier and renter tenure categories. Home ownership rates fell for households across all income groups, with those earning \$30,001 to \$50,000 and \$50,001 to \$70,000 the most adversely affected, down 13.7 and 13.3 percentage points respectively;
- Households with a reference person of European or Asian descent dominate both owner occupier and renter households; however, the proportion of total households identifying as European has fallen significantly since 1996, from 81% to 67.2%. The number of Asian households has experienced the largest growth since 1996, up 176.3%, reflected across both the owner occupier and renter tenure categories. Followed by Pacific people households, up 162.2%, largely attributed to households in the renter tenure category. Home ownership rates fell across all ethnic groups, with those of Pacific people ethnicity most affected, down 33.5 percentage points;

- Households employed in the Property and Business Services sector experienced the greatest absolute increase across all tenure types; this trend was reflected across both owner occupier and renter households. As at 2006 households employed in the Property and Business Services, Manufacturing, Retail Trade and Wholesale Trade sectors collectively accounted for 52.7% of all households;
- Three and four bedroom dwellings make up the vast majority of owned households; four bedroom households experienced the most significant increase between 1996 and 2006, up 70.3%. Three bedroom dwellings make up the greatest proportion of rented households, however, similarly four bedroom households experienced the most significant increase between 1996 and 2006, up 209.1%; and
- As at 2006 the vast majority of both owner and renter households occupied standalone dwellings, 87.9% and 61.8% respectively.

Figure A3.10 presents the number of households by tenure and dwelling type for the Manukau North HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.10: Households by Tenure and Dwelling Type – Manukau North HMA



Source: Statistics New Zealand

Owner households dominate overall household numbers within the Manukau North HMA, albeit only slightly. Standalone dwellings house the largest portion of both owner occupier and renter households.

3.2.11 Manukau North West HMA

Over the ten year period between 1996 and 2006, the total number of households in the Manukau North West HMA increased by 4,083, or 13.2%. The number of owner occupier households fell by 1,842, or 10.8%, whilst the number of households renting their dwellings increased by 3,111, or 30.7%.

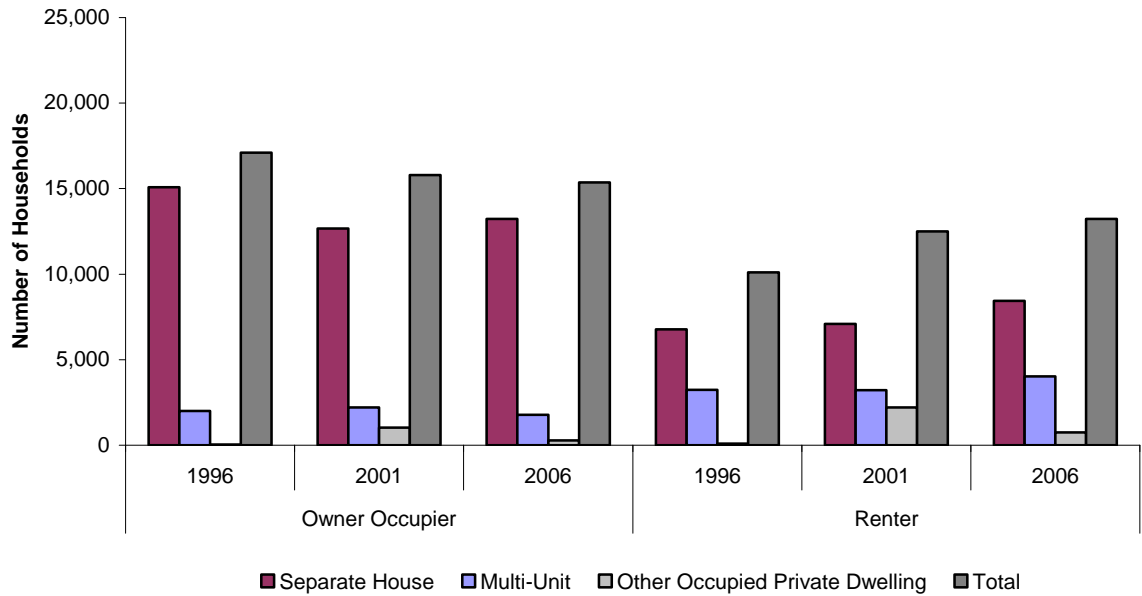
Over this same ten year period the overall level of home ownership fell from 62.9% to 53.6%, a fall of 9.3 percentage points.

The key demographic trends seen in the Manukau North West HMA between the 1996 and 2006 censuses were:

- Owner occupier households continue to dominate the market, albeit at a decreasing rate. As at 2006, the majority (70.1%) of households were aged between 30 and 64 years. Home ownership rates declined across all age groups, with the households aged 40 to 49 years and 30 to 39 years most affected, down 15.1 and 12.8 percentage points respectively;
- Couple with Child(ren) households make up the greatest proportion of households in this market, overall and across both owner and renter tenure categories. The most significant growth has been in the number of One Parent with Child(ren) and One-Person households, up 15% and 14.2% respectively, attributed largely to growth in the renter tenure category. Home ownership rates declined across all household types, with those of Couple with Child(ren) households falling by the most, down 11.8 percentage points;
- The number of households increased most significantly in the \$70,001 to \$100,000 and \$100,001 or more income groups, this trend was reflected across both the owner occupier and renter tenure categories. Home ownership rates fell for households across all income groups, with those earning \$30,001 to \$50,000 and \$50,001 to \$70,000 the most affected, down 18.8 and 17.4 percentage points respectively;
- Households with reference person of European or Pacific people ethnicity dominate both owner occupier and renter households; however, the proportion of European households has fallen significantly since 1996, from 46.5% to 31.8%. The number of Asian households has experienced the largest growth since 1996, up 149.5%. Home ownership rates fell for all ethnic groups, with those who identified as Maori most affected, down 8.1 percentage points;
- Households employed in the Property and Business Services sector experienced the greatest absolute increase across all tenure types, whilst those employed in the Manufacturing sector experienced the greatest absolute decrease across all tenure types these trends were reflected across both owner occupier and renter households. As at 2006 households employed in the Manufacturing and Property and Business Services sectors collectively accounted for 28.6% of all households;
- Three and four bedroom dwellings make up the majority of owned households; four bedroom households experienced the most significant increase between 1996 and 2006, up 25.4%. Two and three bedroom dwellings make up the vast majority of rented households, however, similarly four bedroom households experienced the most significant increase between 1996 and 2006, up 60.7%; and
- As at 2006 the overwhelming majority of both owner and renter households occupied standalone dwellings, 86.0% and 63.8% respectively.

Figure A3.11 presents the number of households by tenure and dwelling type for the Manukau North West HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.11: Households by Tenure and Dwelling Type – Manukau North West HMA



Source: Statistics New Zealand

Owner households dominate overall household numbers in the Manukau North West HMA, albeit only slightly. Standalone dwellings make up the largest portion of both the owner occupier and renter markets.

3.2.12 Manurewa and Papakura HMA

Over the ten year period between 1996 and 2006, the total number of households in the Manurewa and Papakura HMA increased by 6,063, or 23.6%. The number of owner occupier households increased by just 78, or 0.5%, whilst the number of households renting their dwellings increased by 3,936, or 59.3%.

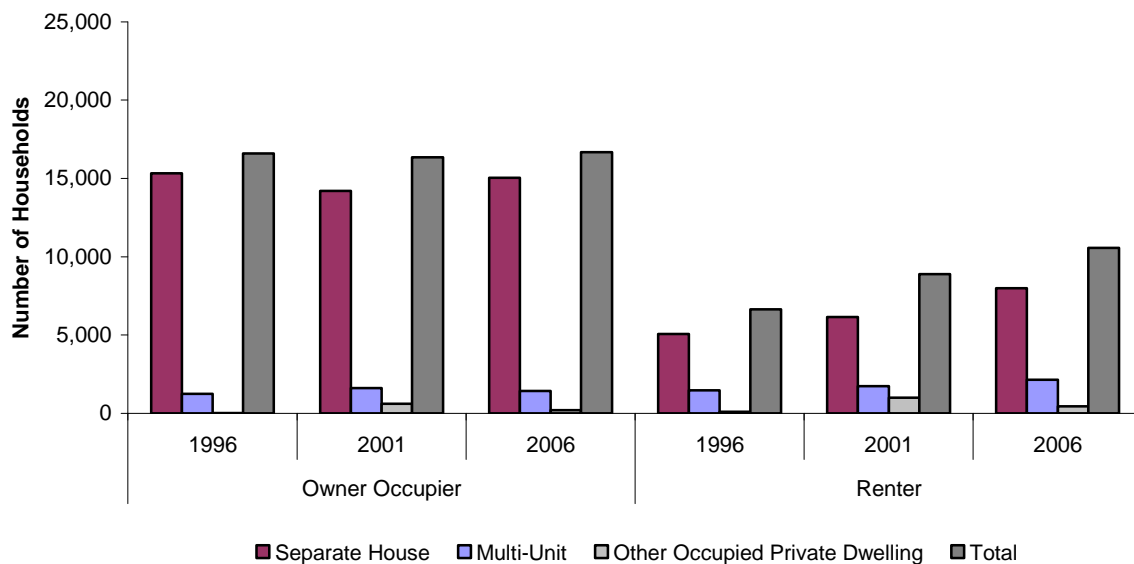
Over this same ten year period the overall level of home ownership declined from 71.4% to 61.2%, a fall of 10.2 percentage points.

The key demographic trends seen in the Manurewa and Papakura HMA between the 1996 and 2006 censuses were:

- Owner occupier households continue to dominate the market; however, this dominance reduced significantly over the ten years to 2006. As at 2006, the majority (68.2%) of households are aged between 30 and 64 years. Home ownership rates declined across all age groups, with the rates of those aged 30 to 39 years and 40 to 49 years most affected, down 16.1 and 14.7 percentage points respectively;
- Couple with Child(ren) households make up the greatest proportion of households in this HMA, overall and across both owner and renter tenure categories. The most significant growth has been in the number of One-Person households, up 48.5%, reflected across both the owner occupier and renter tenure categories, followed by One Parent with Child(ren) households, up 32%, mostly attributed to growth in the renter tenure category. Home ownership rates declined across all household types, with One Parent with Child(ren) households falling by the most, down 13.3 percentage points;
- The total number of households increased most significantly in the \$70,001 to \$100,000 and \$100,001 or more income groups, this trend was reflected across both the owner occupier and renter tenure categories. Home ownership rates fell for households across all income groups, with those earning \$30,001 to \$50,000 and \$50,001 to \$70,000 the most affected, down 16.6 and 15.8 percentage points respectively;
- Households with a reference person of European ethnicity dominate both owner occupier and renter households, followed by those households who identified as Maori. However, the number of Asian households has increased significantly since 1996, up 164.7%. Home ownership rates fell across all ethnic groups, with those who identified as Maori most affected, their home ownership rate down 14.3 percentage points;
- Households employed in the Property and Business Services sector experienced the greatest absolute increase across all tenure types; this trend was reflected across both owner occupier and renter households. As at 2006 households employed in the Manufacturing and Property and Business Services sectors collectively accounted for 29% of all households;
- Three and four bedroom dwellings make up the majority of owned households; four bedroom households experienced the most significant increase between 1996 and 2006, up 35.9%. Two and three bedroom dwellings make up the vast majority of rented households, however, similarly four bedroom households experienced the most significant increase between 1996 and 2006, up 125.1%; and
- As at 2006 the overwhelming majority of both owner and renter households occupied standalone dwellings, 90.2% and 75.5% respectively.

Figure A3.12 presents the number of households by tenure and dwelling type for the Manurewa and Papakura HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.12: Households by Tenure and Dwelling Type – Manurewa and Papakura HMA



Source: Statistics New Zealand

Owner households dominate overall household numbers within the Manurewa and Papakura HMA. Standalone dwellings make up the largest portion of both the owner occupier and renter market.

3.2.13 Pukekohe HMA

Over the ten year period between 1996 and 2006, the total number of households in the Pukekohe HMA increased by 1,692, or 39.9%. The number of owner occupier households increased by 675, or 24.4%, whilst the number of households renting their dwellings increased by 630, or 62.3%.

Over this same ten year period the overall level of home ownership declined from 73.2% to 67.7%, a fall of 5.5 percentage points.

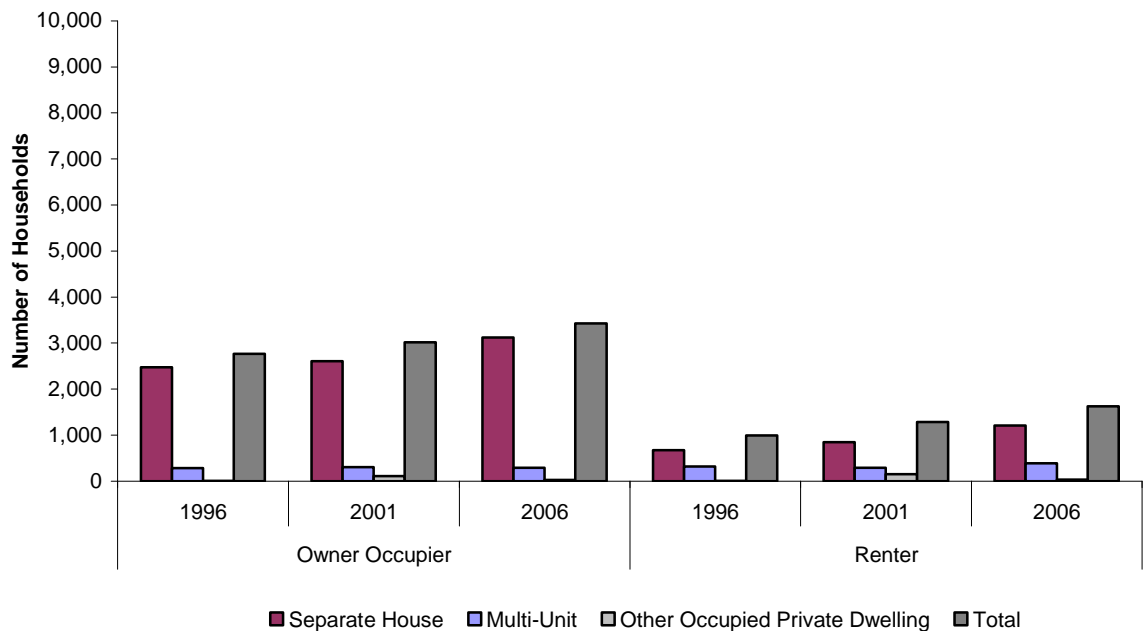
The key demographic trends seen in the Pukekohe HMA between the 1996 and 2006 censuses were:

- Owner occupier households continue to dominate the market, albeit at a decreasing rate. As at 2006, the proportion of total households by age were reasonably evenly split between the age cohorts 30 to 39 years (23.1%), 40 to 49 years (21.2%), 50 to 64 years (22.5%) and 65 years and over (21.6%). Home ownership rates declined across all age groups, with those aged under 20 years most adversely affected, down 16.3 percentage points;
- Couple Only, Couple with Child(ren) and One-Person households make up the greatest proportion of households in this HMA, largely attributed to the owner tenure category, this pattern has changed very little over the past 10 years. The most significant growth has been in the number of One-Person households, up 50.9%. Home ownership rates declined across all household types, with One Parent with Child(ren) households falling the most, down by 12.3 percentage points;
- The total number of households increased most significantly in the \$70,001 to \$100,000 and \$100,001 or more income groups, this trend was reflected across both the owner occupier and renter tenure categories. Home ownership rates fell for households across all income groups, with those earning \$30,001 to \$50,000 most affected, down 16.4 percentage points;
- Households with a reference person of European ethnicity dominate both owner occupier and renter households, followed by those who identified as Maori. The number of Pacific people households has experienced the largest growth since 1996, up 114.8%, largely attributed to the renter tenure category. Followed by Asian households, up 52.6%. Home ownership rates fell across all ethnic groups, with those who identified as Maori most affected, down 8.4 percentage points;

- Households employed in the Property and Business Services sector experienced the greatest absolute increase across all tenure types; this trend was reflected across both owner occupier and renter households. As at 2006 households employed in the Property and Business Services, Manufacturing and Retail Trade sectors collectively accounted for 34.2% of all households;
- Three and four bedroom dwellings make up the majority of owned households; four bedroom households experienced the most significant increase between 1996 and 2006, up 92.4%. Three and four bedroom dwellings also make up the greatest proportion of rented households and, similarly, four bedroom households experienced the most significant increase between 1996 and 2006, up 82.2%; and
- As at 2006 the vast majority of both owner and renter households occupied standalone dwellings, 90.9% and 74.2% respectively.

Figure A3.13 presents the number of households by tenure and dwelling type for the Pukekohe HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.13: Households by Tenure and Dwelling Type – Pukekohe HMA



Source: Statistics New Zealand

Owner households dominate overall household numbers within the Pukekohe HMA. Standalone dwellings make up the largest portion of both the owner occupier and renter market.

3.2.14 Rural South HMA

Over the ten year period between 1996 and 2006, the total number of households in the Rural South HMA increased by 2,538, or 23.3%. The number of owner occupier households increased by 1,380, or 17.5%, whilst the number of households renting their dwellings increased by 732, or 47.5%.

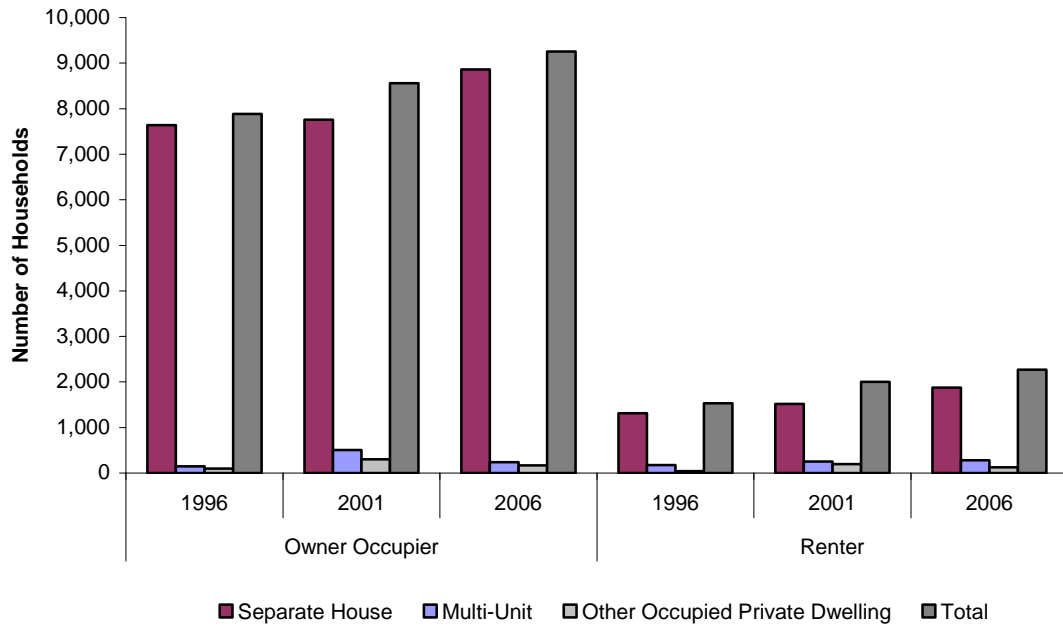
Over this same ten year period the overall level of home ownership declined from 83.6% to 80.3%, a fall of 3.3 percentage points.

The key demographic trends seen in the Rural South HMA between the 1996 and 2006 censuses were:

- Owner occupier households continue to dominate the market, albeit at a decreasing rate. As at 2006, the majority (76.5%) of households are aged between 30 and 64 years. Home ownership rates declined across all age groups, with the rates of those groups under 20 years and 30 to 39 years most affected, down 13.3 and 10.6 percentage points respectively;
- Couple with Child(ren) households make up the greatest proportion of households in this HMA, overall and across both owner and renter tenure categories. The most significant growth has been in the number of One-Person households and One Parent with Child(ren) households, up 39.6% and 36% respectively. Home ownership rates declined across all household types, with One Parent with Child(ren) households falling by the most, down 6.1 percentage points;
- The total number of households increased most significantly in the \$100,001 or more and \$70,001 to \$100,000 income groups, this trend was reflected across both the owner occupier and renter tenure categories. Home ownership rates fell for households across all income groups, with those earning \$50,001 to \$70,000 and \$70,001 to \$100,000 the most affected, down 9.3 and 8.1 percentage points respectively;
- Households with a reference person of European ethnicity dominate both owner occupier and renter households. The number of European households experienced the largest absolute growth since 1996, up 21.7%. Home ownership rates fell across all ethnic groups, except those of Asian ethnicity, with those who identified as Pacific people most affected, down 13.3 percentage points;
- Households employed in the Property and Business Services sector experienced the greatest absolute increase across all tenure types, whilst those employed in the Agricultural, Forestry and Fishing sector experienced the greatest absolute decrease across all tenure types these trends were reflected across both owner occupied and renter households. As at 2006 households employed in the Agricultural, Forestry and Fishing and Property and Business Services sectors collectively accounted for 23.7% of all households;
- Three and four bedroom dwellings make up the majority of owned households; four bedroom households experienced the most significant increase between 1996 and 2006, up 59.0%. Three bedroom dwellings make up the vast majority of rented households, and three bedroom dwellings also experienced the most significant absolute increase between 1996 and 2006; and
- As at 2006 the overwhelming majority of both owner and renter households occupied standalone dwellings, 95.8% and 82.7% respectively.

Figure A3.14 presents the number of households by tenure and dwelling type for the Rural South HMA as at the 1996, 2001 and 2006 censuses.

Figure A3.14: Households by Tenure and Dwelling Type – Rural South HMA



Source: Statistics New Zealand

Owner households dominate overall household numbers within the Rural South HMA and standalone dwellings make up the largest portion of the market.

4.0 Appendix 4 – Work Place Geography

4.1 Introduction

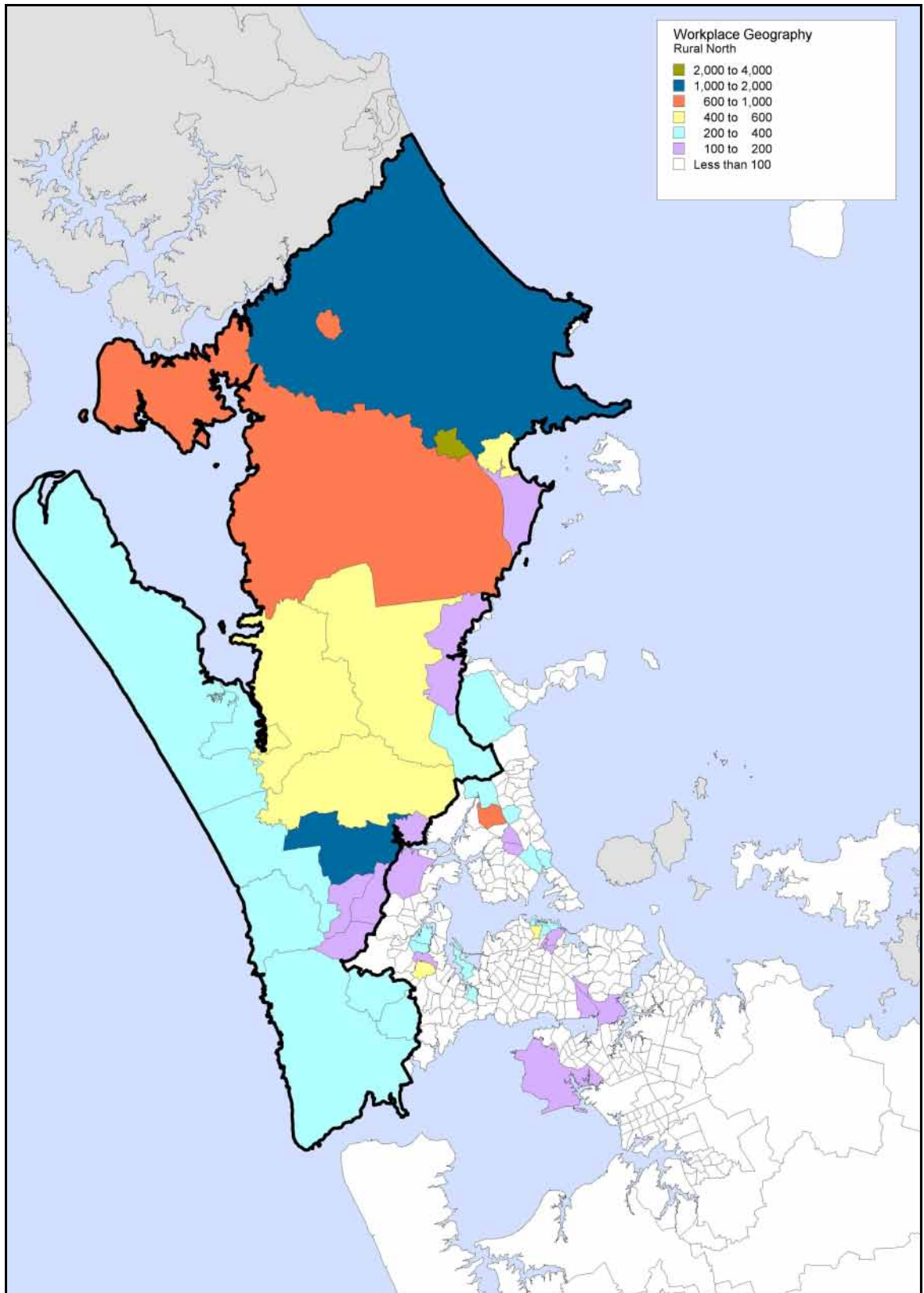
This appendix presents 14 workplace employment maps, one for each of the 14 housing market areas. Each map shows for a specific HMA where the people who live in that HMA work. This appendix should be read in conjunction with Section 5.5 – Work Place Geography Patterns in Chapter 5 of the Main Report. The objective of Section 5.5 was to provide an overview of the work place geography associated with the 14 housing market areas.

4.2 Work Place Geography Maps

Figures A4.1 to A4.14 show for each HMA where the people who live in that HMA work.

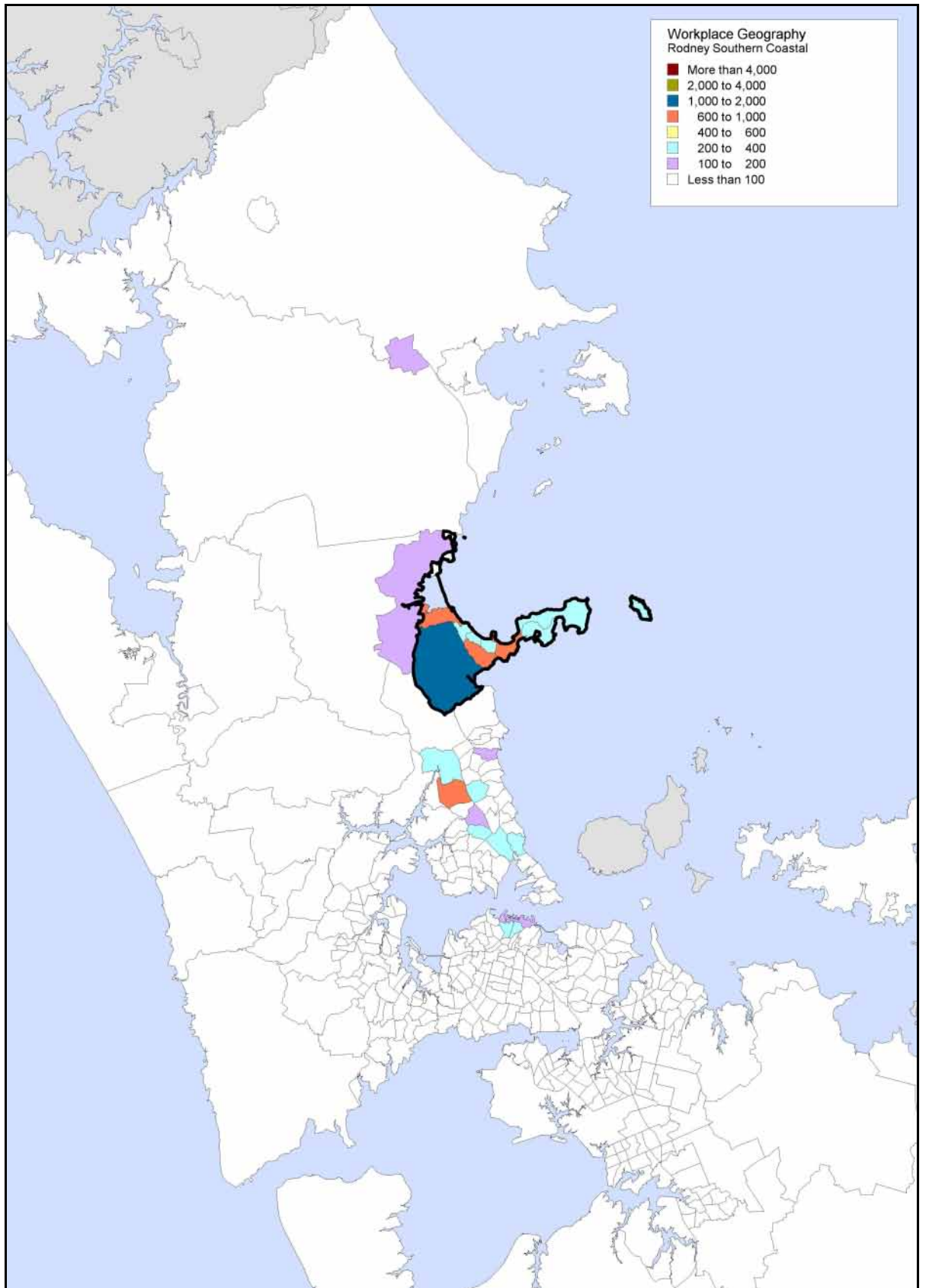
In summary it will be the HMA that a resident lives in that they are most likely to work in. However, a significant proportion of people do travel significant distances for their employment. The three most notable examples of this are the North Shore (Figure A4.3), Waitakere (Figure A4.4) and Manukau North (Figure A4.10) HMAs which can be characterised as ‘commuter’ HMAs with strong employment links to the Auckland isthmus HMAs.

Figure A4.1: Work Place Geography – Rural North HMA



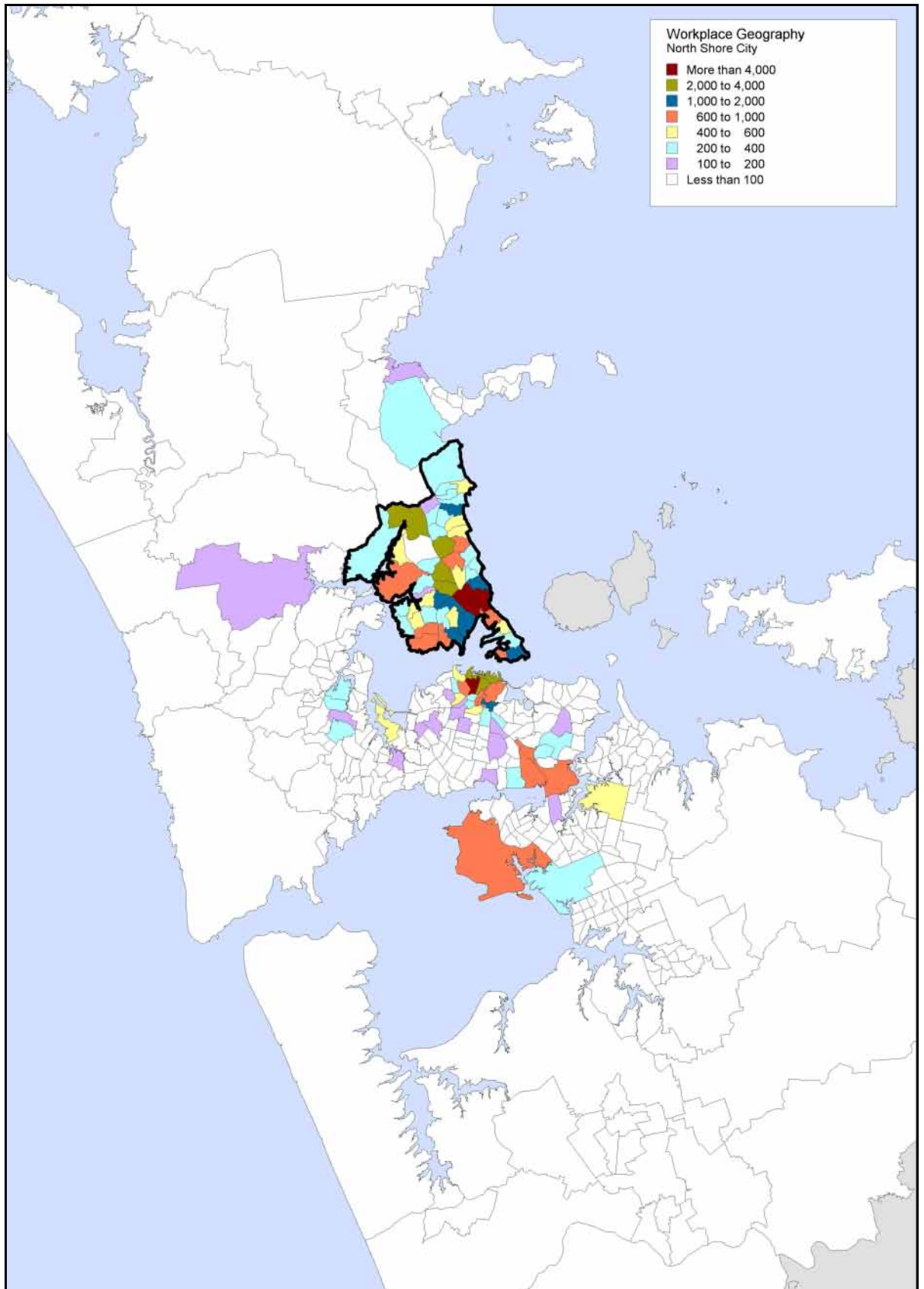
Source: Darroch

Figure A4.2: Work Place Geography – Rodney Southern Coastal HMA



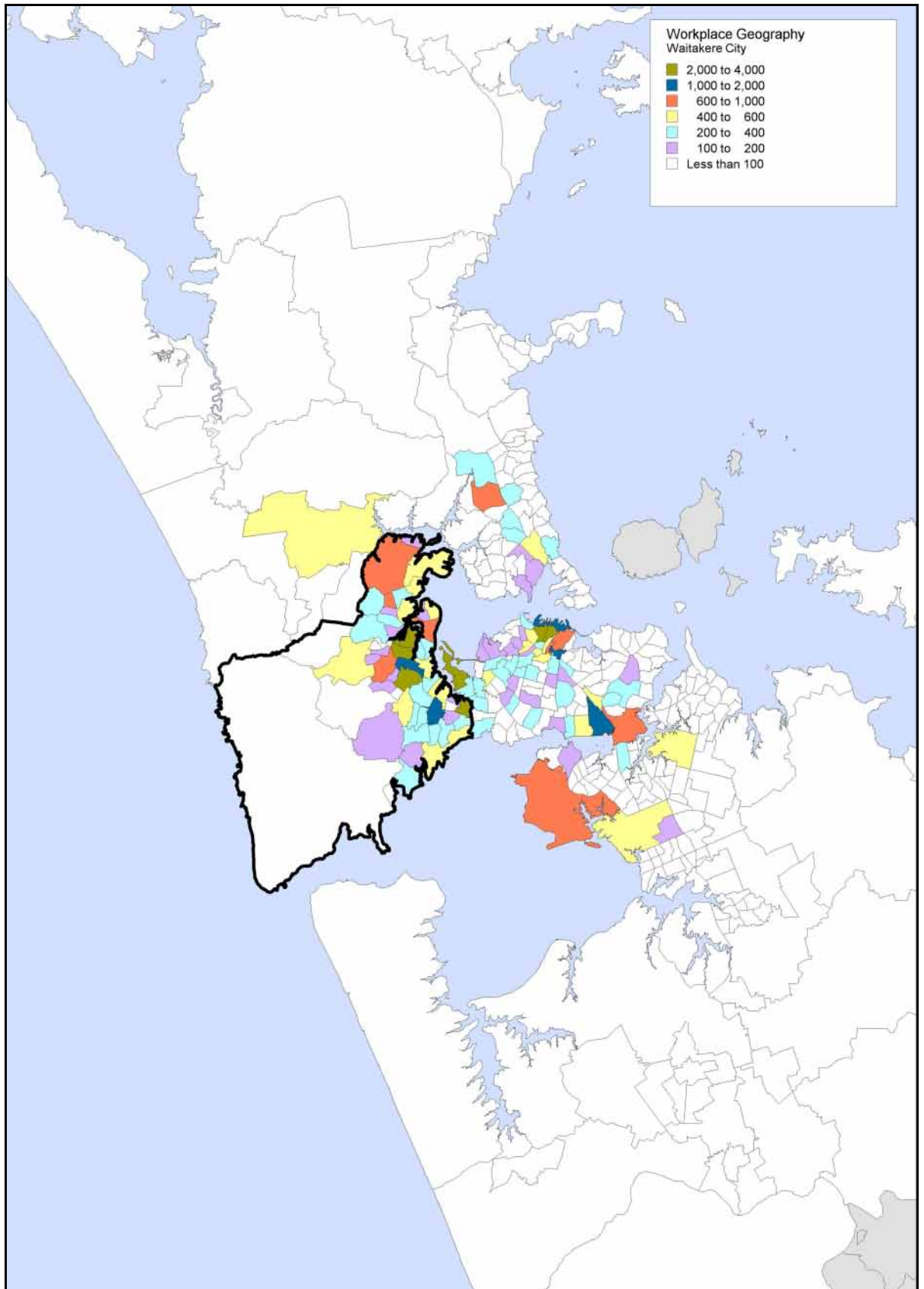
Source: Darroch

Figure A4.3: Work Place Geography – North Shore HMA



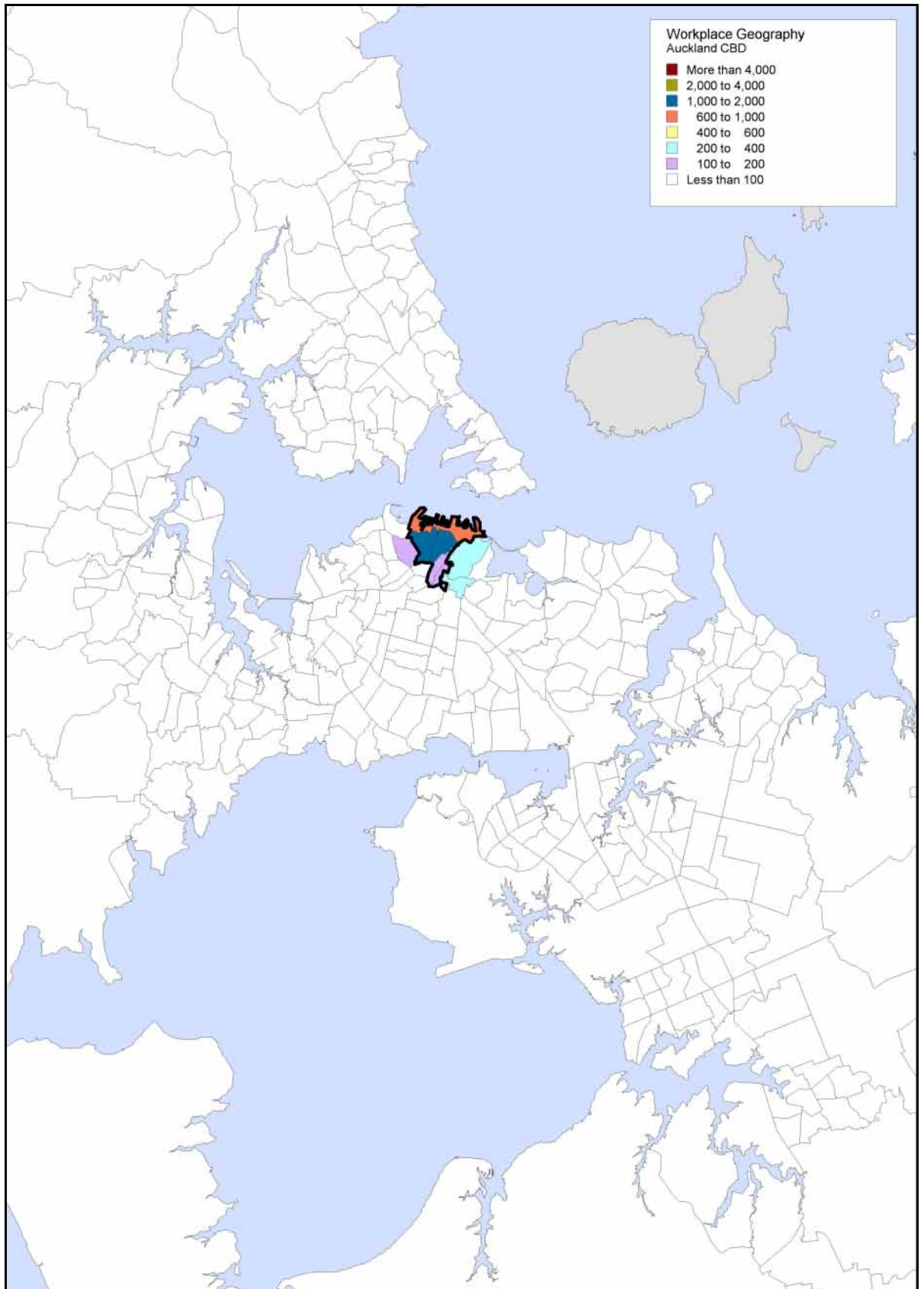
Source: Darroch

Figure A4.4: Work Place Geography – Waitakere HMA



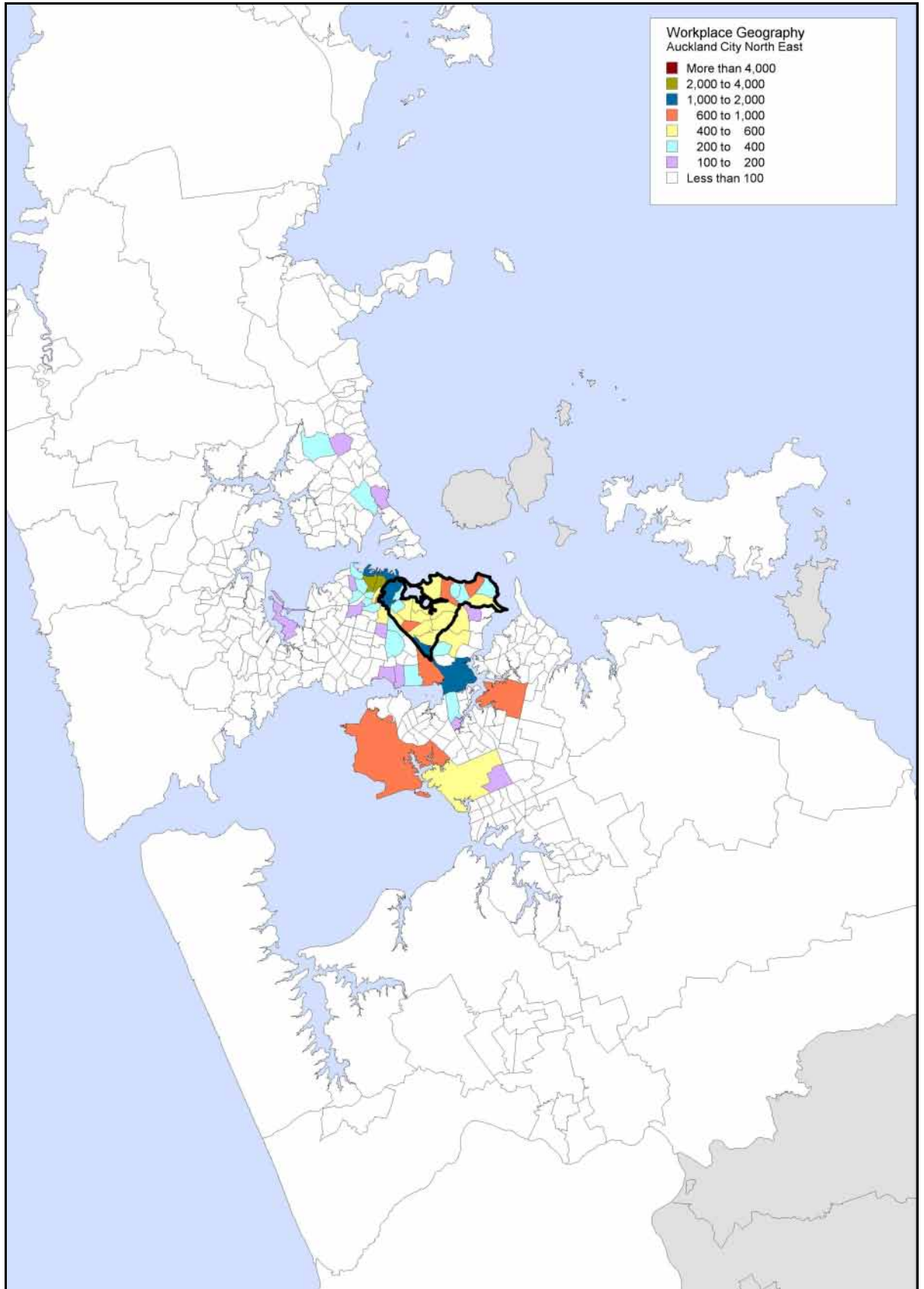
Source: Darroch

Figure A4.5: Work Place Geography – Auckland CBD HMA



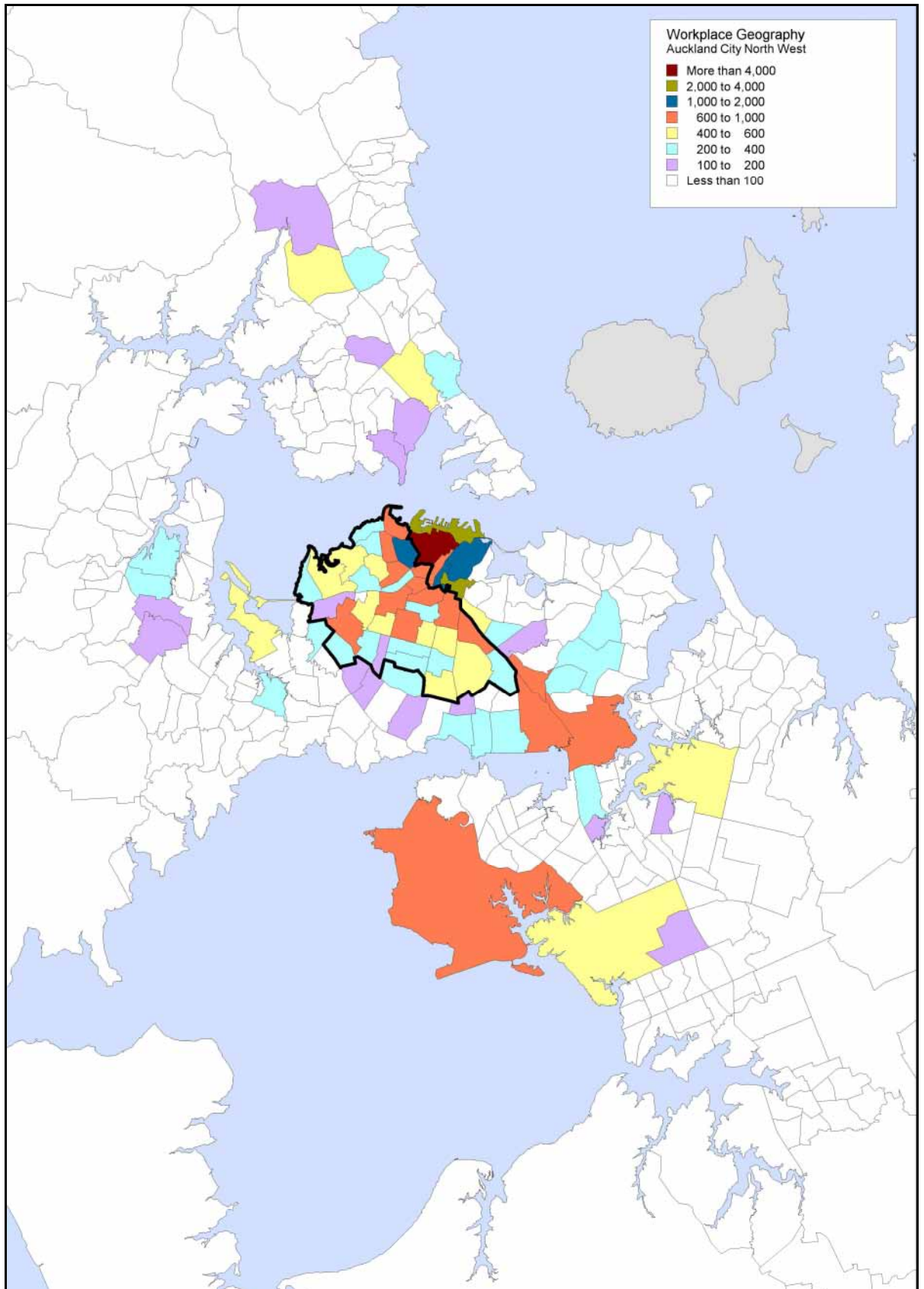
Source: Darroch

Figure A4.6: Work Place Geography – Auckland North East HMA



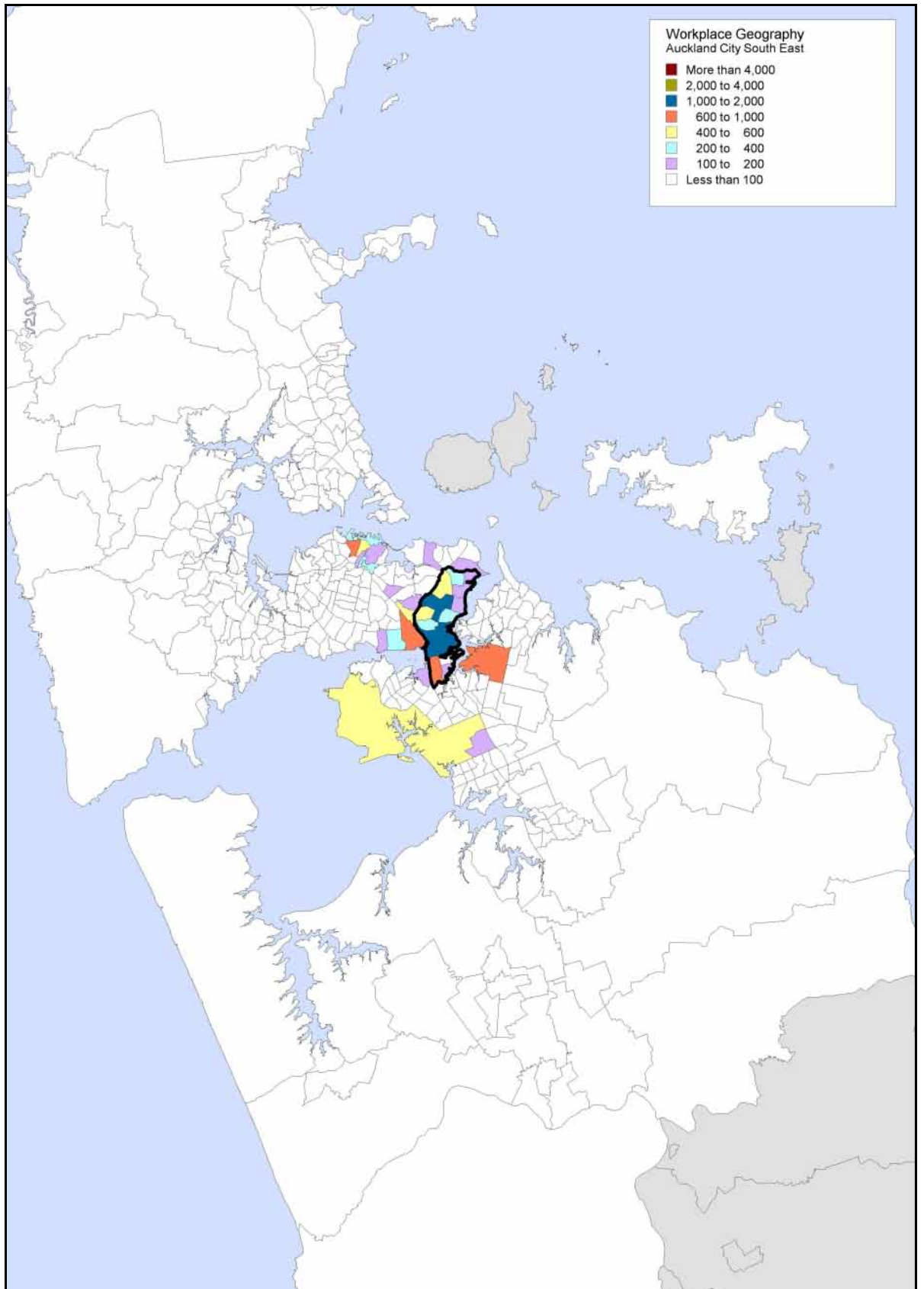
Source: Darroch

Figure A4.7: Work Place Geography – Auckland North West HMA



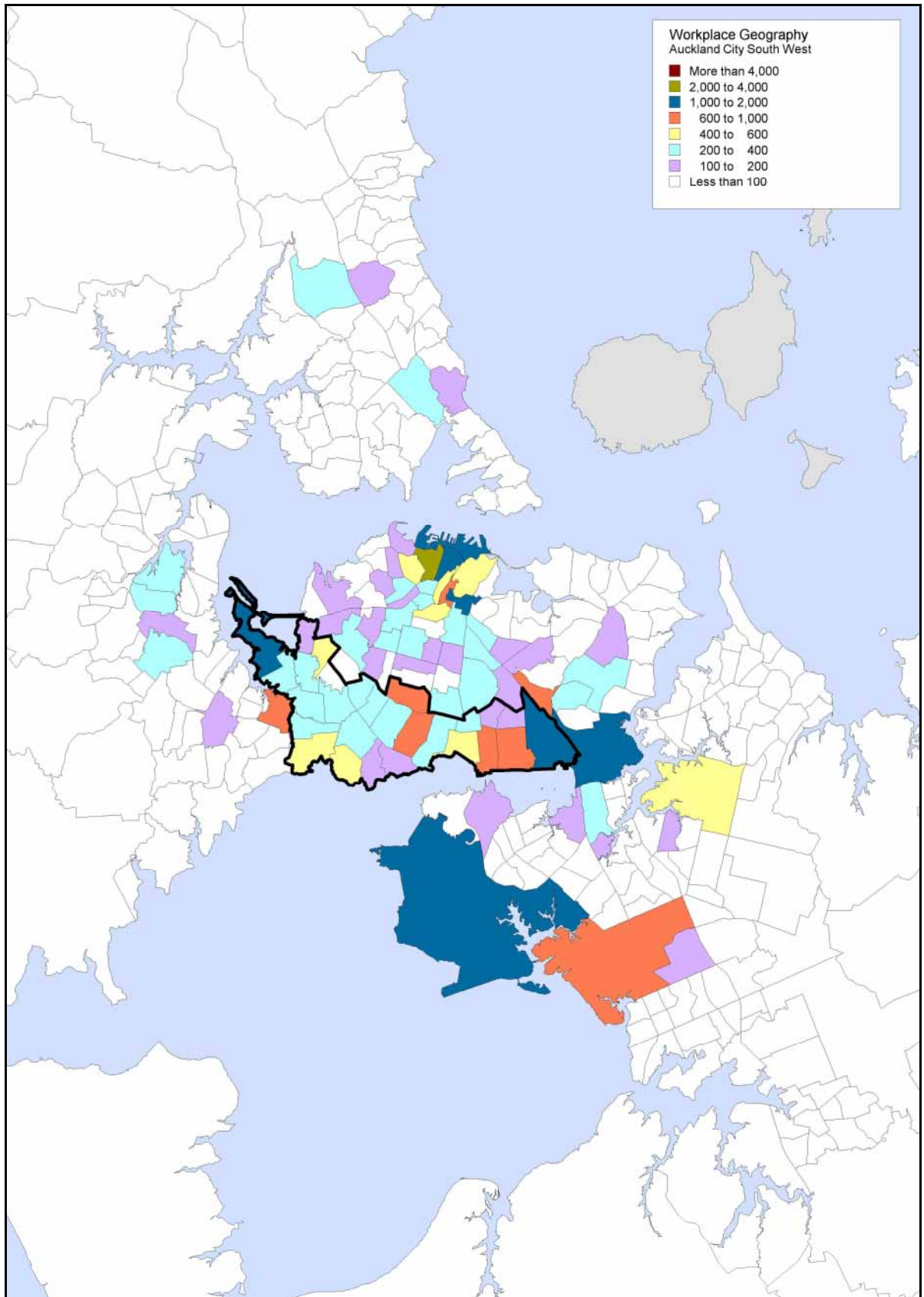
Source: Darroch

Figure A4.8: Work Place Geography – Auckland South East HMA



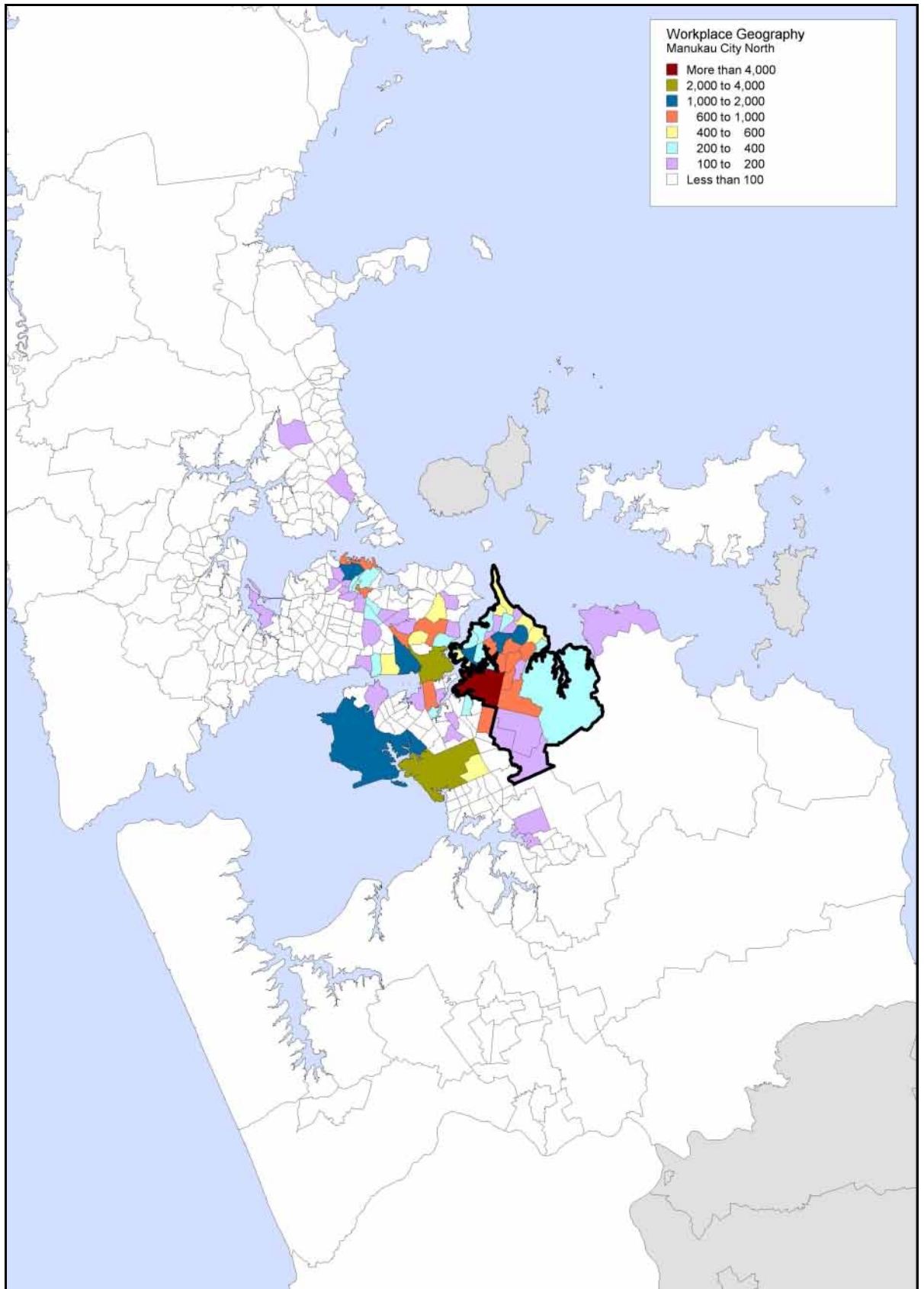
Source: Darroch

Figure A4.9: Work Place Geography – Auckland South West HMA



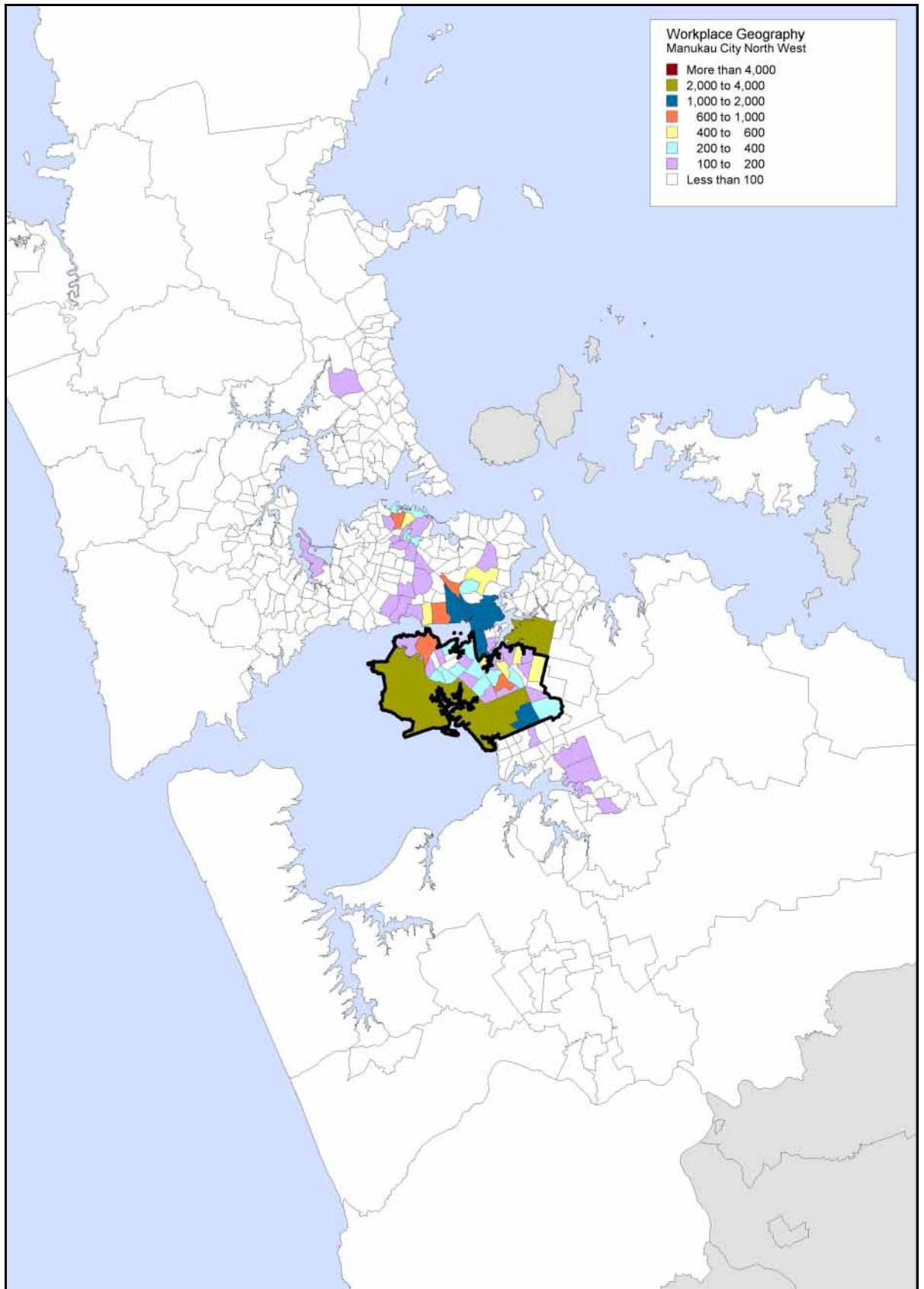
Source: Darroch

Figure A4.10: Work Place Geography – Manukau North HMA



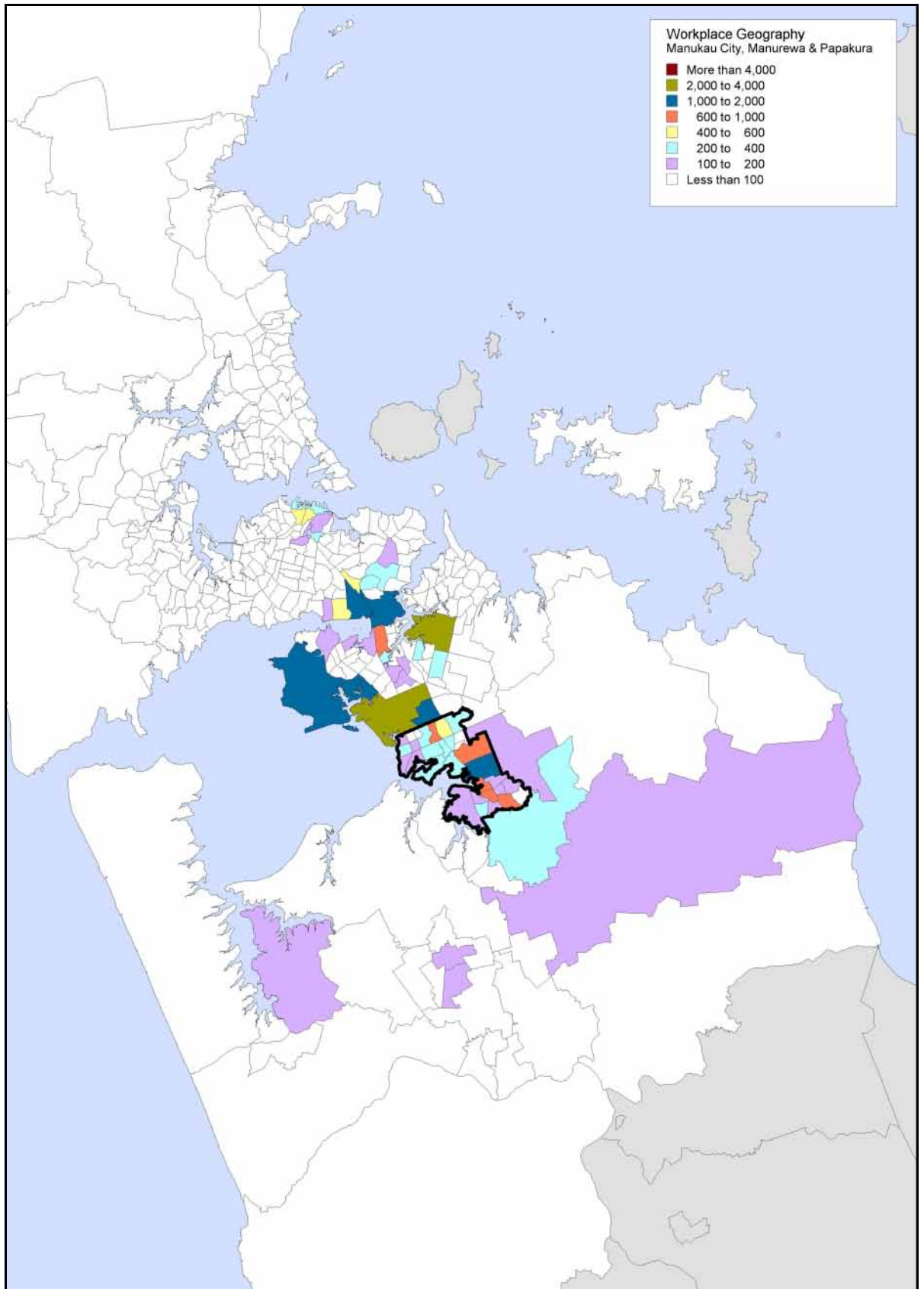
Source: Darroch

Figure A4.11: Work Place Geography – Manukau North West HMA



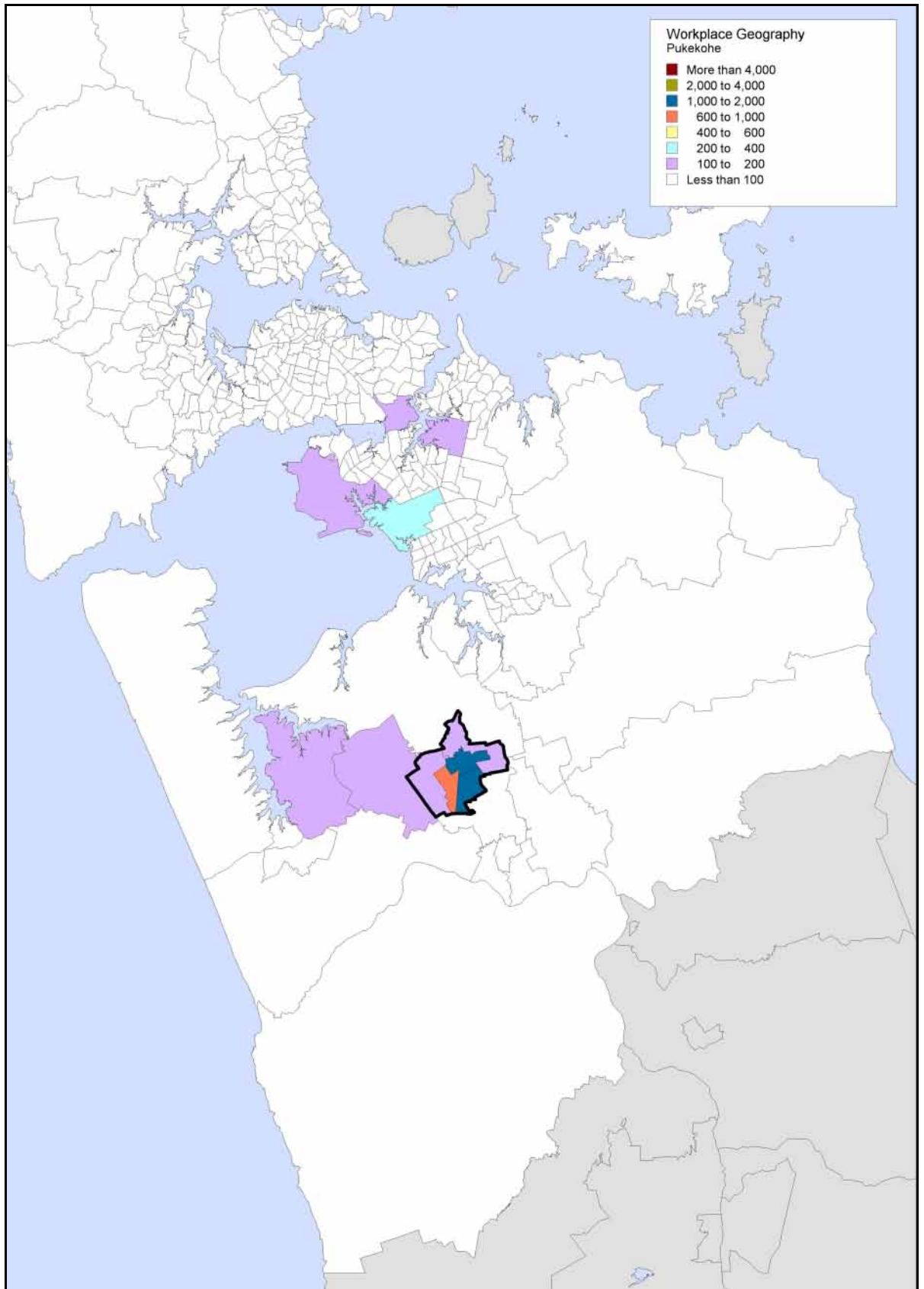
Source: Darroch

Figure A4.12: Work Place Geography – Manurewa and Papakura HMA



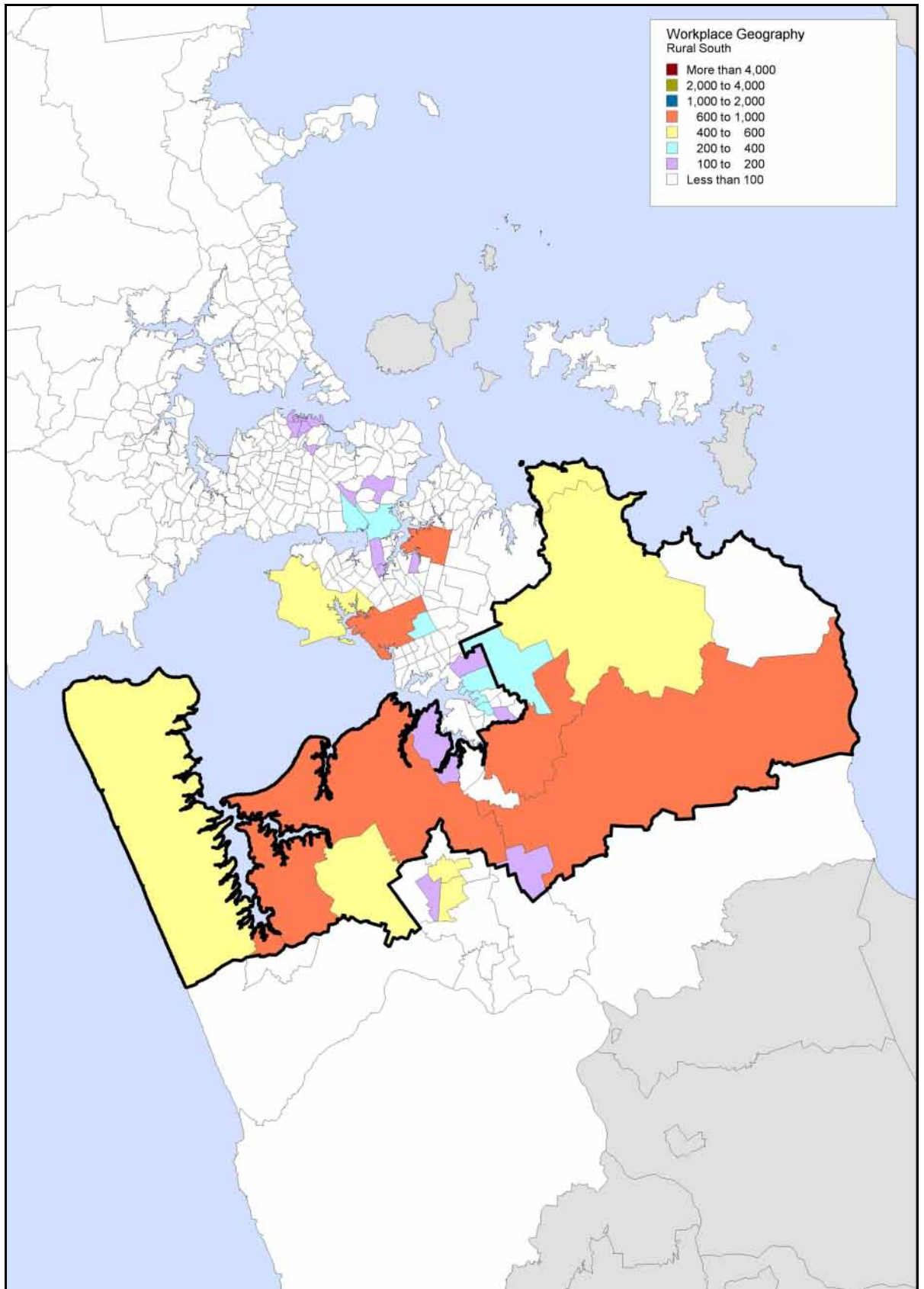
Source: Darroch

Figure A4.13: Work Place Geography – Pukekohe HMA



Source: Darroch

Figure A4.14: Work Place Geography – Rural South HMA



Source: Darroch

5.0 Appendix 5 – Residential Land Use Management

5.1 Introduction

This appendix provides supporting information on residential land use management in the Auckland region. It should be read in conjunction with Section 6.2 – Land Use Management in Chapter 6 of the Main Report. The objective of Section 6.2 was firstly, to provide a brief overview of the region’s residential land use management regime and secondly, to consider some of the implications of that management regime for housing in the region. This appendix focuses on:

- The Auckland Regional Growth Strategy; and
- The existing land use management regime in each of the seven territorial local authorities in existence in the Auckland region in late 2009.

For each territorial local authority the appendix provides supporting information on:

- Background to the existing District Plan;
- Residential zones;
- Future development and structure plan areas; and
- Plan changes.

This appendix incorporates information available up to November 2009.

5.2 Auckland Regional Growth Strategy

The Auckland Regional Growth Strategy (RGS) was produced in 1999 by the Auckland Regional Growth Forum. It provides a broad framework for the future direction of growth and development within the region. The Growth Forum is made up of 10 political members – three from the Auckland Regional Council and one each from the seven local authorities.

There are two fundamental elements to the Auckland Regional Growth Strategy:

- A policy of making the region a compact city; and
- Intensifying development around growth nodes (multi-nodal) and transport corridors.

Before this strategy was implemented – change and development was largely developer led. The RGS leads Auckland away from a purely effects based approach to managing growth and development to a holistic and sustainable approach. A key component of this longer term view of growth management issues is the identification of the infrastructure requirements needed to accommodate growth.

The desired outcome of the RGS means future regional growth, whether in new urban areas or through redevelopment or intensification of existing urban areas, should promote:

- Safe, healthy communities;
- Diversity of employment and business opportunities;
- Housing choice;
- High amenity of urban environments;
- The protection and the maintenance of the character of the region’s natural environment;
- Sustainable use and protection of the region’s natural and physical resources (including infrastructure); and
- Efficient access to activities and appropriate social infrastructure for all.

The RGS provides a vision for what Auckland could look like in the future with a potential population of two million people, often referred to as the Growth Concept. The vision is to sustain:

- Strong supportive communities;
- A high-quality living environment;
- A region that is easy to get around; and
- Protection of the coast and surrounding natural environment.

The growth concept is based on compact urban environments with greater emphasis on intensification than expansion, to avoid spreading the effects of urbanisation over a greater area, resulting in more compact growth and integrated communities.

The key features of the growth concept, as outlined in the Strategy, are as follows:

- Growth will be managed by promoting quality, compact urban environments;
- Most growth will occur within the existing metropolitan area with development outside current metropolitan urban limits (MUL) only where environmental, accessibility and community principles can be met;
- Most urban growth will be focused around town centres and major transport routes to create higher density communities, with a variety of housing, jobs, service, recreational and other activities (mixed use); and
- There will be much less emphasis on infill throughout suburban areas.

Development is to be avoided in the most highly valued and sensitive natural areas and catchments. The Strategy sees a shift in land-use patterns towards a more compact urban form which focuses growth in more intensive mixed use centres along the northern, western and southern passenger transit corridors, as well as near main arterial roads. More intensive development can support a greater range of local services.

Whilst intensification or 'building a compact city' is the central theme running through the Regional Growth Strategy, the Growth Forum accepts that some expansion to the current metropolitan urban limits in new greenfield areas is necessary to provide sufficient land and location choice for dwellings and businesses. If all proposed greenfield development proceeds, the Auckland region's metropolitan area will increase by approximately 10% or 5,000 hectares.

The RGS aims to ensure that the Auckland region will continue to be an attractive place to live and invest. It provides a framework to reduce uncertainty, create partnerships and opportunities between local government and private organisations and improve longer term planning for business – the Strategy identifies that maintaining and improving access to jobs and between businesses is vital.

The growth concept provides for a greater range of location choice for business through increased opportunities for mixed uses in more areas and by ensuring sufficient business land is available in specific employment zones for larger industrial and commercial development. Significant employment development is likely to occur in a range of areas including, Albany, Silverdale, Westgate, East Tamaki, Penrose to Onehunga, Sylvia Park, Mt Wellington and the central CBD area. The use of and demand for business land will change over time and will need to be monitored as intensification and redevelopment of these and other areas will influence employment capacity and density.

The Strategy emphasises an integrated approach to the long term management of the Auckland region. Other sector (e.g. Transit) and local growth plans and strategies (e.g. District Plans) have and will continue to be developed to give effect to the overall strategy at a more detailed, action oriented level.

The Strategy provides guidance and a framework for all the district and city councils to ensure a consistent approach to managing the social, economic and environmental effects of future growth across the region. It is intended that councils work together to manage growth and coordinate work on transport and economic infrastructure, so that the region can cope with the growing numbers of people. For real changes to take place 'on the ground', the region's local councils will need to continue to make changes to their district plans and other strategies.

The Strategy emphasises a sector based planning approach for implementation at a local level, this sector based planning can take a variety of forms and does not replace territorial authorities responsibilities for preparing and administering their district plans, long term community, financial and annual plans or other duties. Sector based strategies and plans include such issues as; what type and form of growth will be accommodated, sequencing and timing of growth and infrastructure, etc. Sector strategies / plans are constantly refined as local councils plan for growth in their communities. The Auckland Regional Growth Strategy is also designed to respond to changing needs and environments with annual monitoring and full reviews every five years.

In 2007 the Auckland Regional Council undertook a comprehensive evaluation of the Regional Growth Strategy, the evaluation showed that the Regional Growth Strategy has correctly anticipated a market shift towards medium and higher density living, however, much of the development has occurred outside identified growth centres and has been located in business zones or in attractive areas of high amenity (with views or proximity to open space or water). Whilst this shows an increasing acceptance of higher density living options, different approaches will be needed to encourage higher density in growth centres and improve amenity in these areas. The evaluation also showed that 14% of residential development has occurred outside of the MUL and the MUL has been extended by 2,000 hectares since 1999.

5.3 Rodney District – Land Use Management

5.3.1 Introduction

In 1989 the Rodney District Council was formed by the amalgamation of the Borough of Helensville and Rodney District. Each of these former Councils had their own District Plan. Collectively, these plans are known as the 'Transitional Plan'. In November 2000 the Rodney District Council released its Proposed District Plan which was publicly notified. This Plan covers the entire Rodney District.

Unlike the District Plans of the other six territorial authorities in the Auckland region the Rodney District Plan has not yet been made operative. Whilst in the proposed stage, Rodney District Council is permitted to initiate variations and amendments to the Proposed Plan without going through the usual formal plan change process. Although many variations and amendments have been made to the Proposed Plan, they are generally changes to wording, layout and / or terminology that have had little effect on the actual provisions regarding residential development.

The Council prepared a number of significant Plan Changes in the late 1990's, most notable being the significant changes to Residential Provisions (Plan Change 26 - Notified 1994). This plan change deletes the entire existing residential section of the District Plan and replaces it with new provisions – the existing thirteen residential zones are replaced with three new 'residential activity areas'; high intensity, medium intensity and low intensity and future urban development areas are each allocated a unique 'special zone'.

By simplifying the zoning within the District Plan developers can clearly and easily identify which areas are designated for growth, now and in the future, and determine what type of residential development is likely to be permitted on the land e.g. standalone single lot subdivisions in low intensity zones versus multi unit apartment buildings in high intensity zones.

The Proposed District Plan is a review of the operative Rodney District Plan. It encompasses matters addressed in Plan Changes not yet made operative. The Proposed Plan has legal effect from the date of notification. The existing Operative Transitional Plan also continues to have legal effect until the Proposed Plan becomes fully operative. This will happen once all submissions and appeals have been settled. In the interim it is necessary to comply with both the Operative and the Proposed Plan.

The objective of this section of the appendix is to provide an overview of the Proposed Rodney District Plan in relation to residential land use activities.

More specifically it will provide an overview of:

- The District Plan residential zoning regulations;
- The community structure plans that have been adopted and proposed; and
- The controls and constraints related to residential activities in these zones.

5.3.2 Rodney District Council District Plan – Residential Zoning Regulations

Rodney District is a large territorial unit; its 2,474 square kilometres comprise 45% of the Auckland Region. It lies immediately to the north of Waitakere and North Shore Cities. The largest urban concentration within the District is the Hibiscus Coast, located on the eastern coast about 35 kilometres from the Auckland Central Business District, and 13 kilometres from the Albany Centre.

The District's size and geographic location contribute to a wide variety of topographical forms and landscapes and have influenced the type of land use activities undertaken in the District. Rodney has essentially been an area devoted to primary production in its inland areas, and seaside resort development along its coastal margins. Its current functions are considerably more varied, including activities based on tourism, but primary production is still the major land use.

The District is increasing its share of the regional population; at current rates of growth Rodney is projected to have in excess of 100,000 people permanently resident by 2016. Much of the District's recent growth has been from in-migration as people choose to relocate from elsewhere to Rodney District. This substantial in-migration has been occurring in a District which is relatively undeveloped in terms of housing supply and associated infrastructure and services.

The key objective in terms of residential development is to maintain and enhance amenity values of neighbourhoods and residential areas and within individual sites. This is achieved through a multi-zone approach. This approach is intended to provide some certainty for residents about the level and nature of effects they may experience in a particular area. The approach establishes a clear distinction between high, medium and low intensity zones.

In medium and low intensity zones traditional intensity of development is likely to continue and the particular amenity values of these areas will be protected from the adverse effects of high intensity neighbourhoods. The high intensity zones will enable concentrations of development and provide an opportunity for those wishing to live in that environment.

Generally higher intensity areas are provided for in parts of Orewa and Whangaparaoa. The other major areas such as Helensville, Warkworth and Wellsford, have a mixture of medium and low intensity zones. In areas where ground conditions or other physical circumstances dictate, the physical limitations zone is applied, in order to recognise the physical constraints of the land.

Another key objective is to recognise the different situations in which residential growth will occur. Growth will generally occur as either:

- Greenfield development;
- Integrated residential development; or
- Infill development.

Greenfield development will occur where the area has been identified in a structure planning process, or is otherwise within the metropolitan urban limits. A variety of zones can be applied in accordance with a structure plan.

Integrated residential development is controlled so that it will only occur on sites of a size and shape able to accommodate more intensive development without adverse effect.

Infill development will occur throughout the District in instances where the ability to subdivide additional sites, or establish additional household units in existing residential areas exists.

Protecting the character, ecological, landscape and open spaces qualities of the environment, especially the natural character of the coast and landscapes of high value from being adversely affected by inappropriate subdivision and development is achieved through the application of appropriate zones to land. Residential zones are not applied where the intensity of development detracts from existing natural character, or areas of high landscape quality, or where the natural character of coastal areas would be adversely affected by such development.

Residential activity takes up a large proportion of the urban land in Rodney District. There are three distinct types of residential areas in the district. These are:

- The Hibiscus Coast;
- The Rural Service Towns; and
- The Coastal Settlements.

The multiple zone approach applied within the Rodney District Plan establishes a clear distinction between high, medium and low intensity zones.

5.3.3 Low Intensity Residential Zone

The Low Intensity Zone aims to allow living at low intensity levels so as to protect natural features, to recognise the physical constraints of some sites in the District and to recognize community expectations for large lot development in some parts of the District. It is intended that buildings do not dominate the environment in these areas and that a quiet and pleasant environment is maintained for residents. These objectives and policies are aimed at ensuring that such an environment is maintained in areas zoned Low Intensity Residential.

This Zone applies to areas where low intensity residential development is considered to be appropriate because of one or more of the following factors:

- Low intensity development is compatible with and sensitive to high quality landscape areas;
- Low intensity development is sensitive to the natural environment of bush areas and coastal margins within urban settlements; or
- Low intensity residential living is appropriate close to or within urban settlements on land not suited to conventional residential subdivision because of topography or ground conditions.

Landscape Protection Residential Zone

The Landscape Protection Zone aims to protect significant natural features while allowing living at low intensity levels. It is intended that the environment in these areas be dominated by the natural environment or landscapes rather than buildings and that a quiet and pleasant environment is maintained for residents. These objectives and policies are aimed at ensuring that such an environment is maintained in areas zoned Landscape Protection Zone.

This Zone applies to areas similar to the low intensity residential area but which contain areas of greater significance in terms of native bush, sensitive ridgelines or other areas of visual significance.

The Zone provides for low residential densities and limits are placed on the type and intensity of non-residential development that may be permitted in the Zone. In addition the Zone provisions encourage the clustering of development so that large areas remain without buildings.

5.3.4 Medium Intensity Residential Zone

The Medium Intensity Zone aims to protect the traditional medium intensity living environment that is predominant throughout the urban areas of the District and to recognise community expectations that such environments will be protected from activities that could reduce amenity values in the Zone. It is intended that the environment in these areas while being built up retains significant open spaces and a spacious character and that a quiet and pleasant environment is maintained for residents.

This Zone applies to the majority of residential areas in the District, and provides for the continuation of traditional medium intensity development based on one house per site. This type of development is the dominant living environment throughout the District. The key characteristics of the Zone are:

- A spacious quality of development both in the larger urban settlements and in the smaller residential settlements;
- A predominance of sites with only one house;
- A significant area of open space exists on sites;
- Only a limited range of non-residential support activities exist; and
- Because of the provision of on site open space; there are a significant number of trees on sites.

It is intended that the Zone should provide a living environment that is reasonably spacious and that allows room for trees and vegetation to continue to be an important part of the landscape. The Zone is also intended to provide an environment that allows people to live without experiencing significant adverse effects from their neighbours and others nearby.

Eastern Peninsula Residential Zone

The Eastern Peninsula Residential Zone shares similar objectives and policies to the Medium Intensity Residential Zone, but recognises the constraints to intensive development in the eastern part of the Whangaparaoa Peninsula. To this end policies strengthening the need for a maximum one household unit per site applies to this zone.

The Eastern Peninsula Residential Zone applies to those residential areas generally to the east of the Whangaparaoa Town Centre in order to limit intensive development that would place undue pressure on existing service infrastructure in this area. The Zone does not apply to the Gulf Harbour area which is covered by the Special 18 Zone.

Physical Limitations Residential Zone

In parts of the District land has stability problems or development may have adverse effects (including cumulative effects) on the natural environment. These effects can include siltation of waterways and the sea, the drainage of wetlands and erosion. This zone is designed to limit development on such land so that adverse effects are avoided.

The Physical Limitations Zone applies in areas of the District where physical limitations, such as instability, have been identified or where development may cause or exacerbate adverse effects on the natural environment. In order to manage adverse effects, larger than standard site sizes are required and building coverage is restricted.

5.3.5 High Intensity Residential Zone

The provision of higher intensity development concentrated in defined areas limits the adverse effects on lower and medium intensity areas and assists in achieving some of the benefits of higher densities such as localised services and employment opportunities. The concentration of higher intensity living may also allow the development of mixed-use precincts where the above benefits can be achieved by locating services and employment generating uses together with residential activity.

It is appropriate that high intensity areas be located within easy walking distance of major public transport routes. This provides a greater pool of customers for bus services thus making them more viable. It may also increase the number of bus services provided which will make them more attractive to users. Other areas where such development may be appropriate, are near significant community focal points such as town centres or major recreation facilities.

It is considered that allowing for the concentration of high intensity development promotes the sustainable provision of services and infrastructure, supports alternative modes of transport including walking and cycling, and assists in limiting the adverse effects of the spread of urban areas.

The High Intensity Residential Zone applies to areas where higher intensity residential living and mixed uses are appropriate. The Zone encourages concentrations of compact residential development to:

- Provide ease of access and viability of infrastructure including public transport;
- Provide certainty as to where the effects of high intensity development are located;
- Provide for the benefits of concentration such as local services; and
- Enable public works to be located so as to mitigate some adverse effects of high intensity development.

5.3.6 Special Zones

Over and above the residential zones outlined above, the Rodney District Plan also identifies a number of 'Special Zones'. The following outlines the three special zones where residential activity is likely to be a key land use component.

Special 8 (Weiti Forest Park) Zone

The land in this Zone is predominantly poor gumland and, except for patches of native bush, is mostly planted in exotic forest. There is a flat area in pasture adjoining Karepiro Bay. The purpose of the Zone is to maintain an exotic forest open space between Okura to the south and Hibiscus Coast to the north, and to permit a limited form of residential development within this Zone.

The range of activities able to occur is focused on those which directly serve either farming and forestry activities, or the limited residential development. The Zoning will permit up to 150 households to own an undivided share of the forest land, as well as an individual residential site on part of the property. Recreational activities may also occur. Industrial and commercial activities will be prohibited, except where they are part of a permitted home occupation. The residential aspect of the property will be developed in a comprehensive rather than a piecemeal manner.

Special 16 (Omaha South Development) Zone

This Zone applies to land south of Broadlands Drive, Omaha, which is to be developed for residential purposes. The land is located in a sensitive coastal environmental and the Zone provisions enable comprehensive residential development to occur in a manner that is sustainable and complimentary to the coastal location.

Special 18 (Gulf Harbour) Zone

This Zone applies to the Gulf Harbour area near the eastern end of Whangaparaoa Peninsula. The Zone includes a number of policy areas which set out Objectives, Policies and Rules for the various parts of the Gulf Harbour area.

Development as a comprehensively designed marine suburb, focused on a major marina and linked by a Golf Course of world competition standard, has made Gulf Harbour unique in New Zealand, and the overall pattern for the Gulf Harbour Zone is now well established.

A range of types and intensities of housing have been developed in the Gulf Harbour Zone, including waterway related housing at high density (up to six levels), and medium intensity residential development which includes courtyard housing. The Zone also includes lower intensity development - both traditional suburban housing and large lot low intensity housing.

The Gulf Harbour Zone includes a Town Centre which is central to the area and wraps around the head of the northern waterway.

The Gulf Harbour Zone includes the following areas:

- Marine Village Town Centre - situated around the inland end of the northern waterway, the area is partly developed for retail and commercial service activities, and includes some visitor accommodation;
- Eastern Boat Harbour – situated on the eastern side of the marina. The area will be developed for berthage, commercial and service activities that will cater for the convenience, amenity and comfort of visitors by boat and land, as well as being accessible and available to residents;
- Marine Village - high intensity residential development established around much of the northern waterway and medium intensity housing that is currently being developed on the land which rises to the east of that waterway. The remaining land in the Marine Village will be developed mainly for residential activities at medium intensity;
- Golf Residential - residential land generally bounded by or adjoining the Golf Course. The majority of the land in this Policy Area has yet to be developed;
- Medium Intensity Residential - land in the northwest which has now been subdivided and is partially developed;
- Low Intensity Residential - an area lying toward Hobbs Bay, to the southwest, which is yet to be developed, and two small areas lying toward the southeast and east which have been subdivided;
- Golf Course - the land on which the Golf Course is situated; and
- Recreation - an area of land adjoining the north side of Gulf Harbour Drive. Although it was envisaged that the area would be developed for local recreation – it has since been developed as a private school and it is unlikely that further development for recreational purposes will occur.

5.3.7 Future Development and Structure Plans

The strategy adopted by this Plan is one of enabling future urban development within the metropolitan urban limits and within the existing rural and coastal settlements, by ensuring that sufficient land is available on which sustainable growth can occur. The total area of land zoned Future Urban is 1,379 hectares. Of this approximately 55 hectares is likely to be zoned for business activity. This is combined with the Residential Zoned area of 3,385 hectares and the Business Zoned area of 367 hectares, throughout the District.

Two main methods are used in this Plan to manage the effects of future growth. These are Future Development Zones and Structure Plans. The Structure Plan Areas generally relate to the undeveloped greenfield parts of the urban areas.

There are two future urban zones, one to cover the new growth 'greenfield' areas, the Future Urban Zone, and a second, the Orewa Future Business Zone, which applies to what was a deferred residential zone in central Orewa to enable expansion of the Orewa Business area.

Additional land for urban development should only be rezoned from Future Urban to, for example, residential or business, when the adverse effects of development can be avoided, remedied or mitigated. The release of land has to be staged to match the Council's ability to fund such infrastructure and maintain levels of service for existing residents. To protect the land for future urban development and to manage the provision of infrastructure, development should not occur ahead of rezoning for urban activities. For this reason most residential and business activities are non-complying activities in the Future Urban Zone. Once these matters are satisfactorily addressed the transition from a Future Urban Zone to a Residential or Business Zone can occur either through a Council initiated change to the Plan or in some instances, by way of private plan change.

Of the two Future Development Zones, the Future Urban Zone is the most significant with regard to residential activity.

Future Urban Zone

The objective of this Zone is to ensure that the future development of land within the Future Urban Zone is not adversely affected by activities occurring prior to such development.

Land with a future urban zoning has been identified from the metropolitan and urban growth policies formulated at a regional level and through the process of preparing Structure Plans. The land has been identified as generally suitable and likely to be used for urban development, including residential, and in some instances business activity.

This Zone applies to land at various locations throughout the District which is primarily to be used for residential purposes.

Structure Plans have been prepared for areas of land which have not yet been developed for urban purposes. Structure Plans for Silverdale North, Warkworth, Helensville-Parakai, Kumeu-Huapai Central, Silverdale South, Sandspit - Snells Beach - Algies Bay and Wellsford are included in the Plan. Others will be added by plan change or variation as they are completed.

Silverdale North Structure Plan Area

Low Intensity Residential Development - Physical Policy Area

A Low Intensity development area comprising approximately 57.7 hectares is intended to recognise the stability limitations of this area.

High Intensity Residential Development

The total area of land identified for High Intensity development is approximately 65.5 hectares.

Medium Intensity Residential Development

The largest part of the Structure Plan Area is identified as Medium Intensity residential development and comprises approximately 149 hectares.

The total area could accommodate a population of approximately 9,000 people.

Warkworth Structure Plan Area

The spatial development strategy adopted for Warkworth is to concentrate and contain residential expansion to the south-east, as much as possible, and limit residential growth to the west of State Highway 1 over the foreseeable future.

The area is proposed to be Medium Intensity residential development with approximately 535 household units.

Helensville-Parakai Structure Plan Area

The spatial development strategy for Helensville proposes to concentrate conventional residential expansion in two new residential areas, one of which is the Helensville South Structure Plan Area. This area can easily accommodate the projected residential demand for the next 20 years. Most of the area is proposed to be Medium Intensity Residential, but there is some countryside living in steeper areas in the west. The area could accommodate approximately 1,000 household units.

Kumeu-Huapai Central Structure Plan Area

The spatial development strategy for Huapai concentrates residential expansion in Huapai with residential development for the next 10 to 15 years to be developed to the north of State Highway 16 (Huapai North), and thereafter to the south of the state highway.

The Huapai North area can accommodate the projected residential demand for the next 10 to 15 years, having a capacity for about 800 additional conventional sites and has a further 31 hectares available for future urban expansion to the immediate west of Huapai North. This could accommodate in the order of 200 additional conventional urban residential sites.

A residential area is proposed for Huapai north and a business area is proposed for Huapai south to be either purely commercial or to be a combination of business activities and countryside living.

Sandspit-Snells Beach-Algies Bay Structure Plan Area

New residential areas which could accommodate approximately 2,400 additional residential units are planned.

High Intensity

Four high density residential areas are identified.

Medium and Low Intensity Residential

A total of about 1,000 mixed residential sites, of which some 80% will be conventional 600m² sites, and the remainder, larger 2,000m² sites, have been identified.

Countryside Living

About 60 additional lifestyle blocks are also identified.

Silverdale South Structure Plan Area

Rural Residential

The proposal is to allow subdivisions to a minimum of 4,000m² in the rural residential area on the outskirts of the study area. This will form a transition from rural to urban uses and cater for a growing market for lifestyle accommodation close to town.

Medium Density

350m² to 700m² per unit, single standing dwelling units.

High Density

150m² to 350m² per unit, apartments and / or townhouses.

Densities should generally increase towards the centre, where amenity is provided by the river views and the attractiveness of the retail core. The high density residential development along the river will provide the opportunity to utilise the river banks as a scenic asset. The proposal is to develop apartments with a maximum height of three storeys, and to integrate with commercial activities. The 'village character' of Silverdale should be maintained with the development of the high density residential units.

Wellsford Structure Plan Area

The residential development proposed for this structure plan area is a mixture of approximately 350 medium and medium-low intensity residential sites (ranging between 600m² and 2,000m²). An additional area of 53 hectares has been identified for future urban development to the north of the town, between the railway line and State Highway 1. This land will largely be developed for residential uses and will only be released for development once the bypass is constructed.

Over and above the seven community structure plans identified above, that are included in the Proposed Rodney District Plan, there are another five community structure plans that have been adopted by Council and are in the process of finalising rules for inclusion in the District Plan, these include; Muriwai Community Plan, Riverhead Structure Plan, Matakana and Omaha Flats & Pt Wells Plan, Orewa East Structure Plan and Whangaparaoa Structure Plan.

Muriwai Community Plan

The Muriwai Community Plan proposes that demand for conventional residential sites will be focused in the Muriwai township and lifestyle blocks will be focused in the Oaia-Taiapa Valley. There are 109 vacant sites within the Muriwai Beach township, with an additional 51 sites that could be created through subdivision. Of the potential subdivisible sites approximately half of these are classified as falling inside a 'significant natural area' (SNA) and on unstable land.

Riverhead Structure Plan

The structure plan for Riverhead involves expanding residential development zoning to the north and south of the existing township. A total expansion of 77 hectares; 60 hectares to the south and 17 hectares to the north, this is to add to the 95 hectares of existing residential zoned land currently in Riverhead.

Matakana and Omaha Flats & Pt Wells Plan

The structure plan for Matakana, Omaha Flats and Point Wells has been established to leave the area as unchanged as possible with limited subdivision to the north of each town. Some lifestyle expansion south of Matakana is to be expected.

Orewa East Structure Plan

The basic zoning strategy for Orewa East will see existing residential areas be rezoned for a mixture of high intensity and medium intensity development, land to the north and north-west of the town centre to be zoned mixed business and the land to the west to be zoned 'future business'.

Whangaparaoa Structure Plan

The adopted structure plan for Whangaparaoa recommends that two large blocks of land to the west be rezoned from industrial to medium intensity residential.

There are also a further five structure plans that are currently in the development process, but have not yet been adopted, including; Kaukapakapa Structure Plan, Waimauku Structure Plan, Waitoki Structure Plan, Wellsford Town Centre Plan and Silverdale West Structure Plan.

Kaukapakapa Structure Plan

The Kaukapakapa structure plan process was recently reactivated by the community; to date they have nearly completed the visioning process and development options. The draft report is expected to be completed mid 2010.

Waimauku Structure Plan

At the end of 2008 the Rodney District Council underwent a structure planning exercise for Waimauku to address growth pressures in the area. Formal consultation on the draft plan including submissions and hearings was completed in March 2009 and the structure plan is expected to be adopted during May / June 2009, following which it will be implemented into the Rodney District Plan.

The structure plan essentially suggests that over the short to medium term (10 years) Waimauku will remain largely similar to what it is today. Any growth will be through the infill of large lot sites where possible, and the uptake of vacant lots in the new urban areas around Gavinike Place, Solan Drive, and Freshfields Road.

Future urban expansion will build on the existing structure of the township and focus growth in areas within walking distance of the commercial shopping centre, to the southwest, reinforcing it as the focal point of the township. Growth will also be in proximity to the (potentially relocated) railway station and the bus 'park and ride' to enable and encourage use of the public transport system.

The urban footprint of Waimauku will increase from approximately 110 hectares to approximately 150 hectares once all the new urban area is built on.

Waitoki Structure Plan

A draft structure plan is currently being developed by Rodney District Council for Waitoki. The council and community group are currently working together to review submissions on the draft vision, this plan is in the very early stages.

Wellsford Town Centre Plan

Wellsford is located at the intersection of State Highway 1 and State Highway 16 and as such sees a significant volume of traffic travelling between Auckland and Northland. There is a need to enhance the appearance of the town. The plan identifies key sites for new commercial development and retail investment and also the need for a new public library. The preferred development plan is currently being agreed upon and redefined.

Silverdale West Structure Plan

Rodney District Council is currently preparing stage one of the Silverdale West Structure Plan which identifies constraints and opportunities for development and the effects that development would have on the local environment. The Silverdale West structure plan aims to investigate the feasibility of the provision of land for future business development, primarily 'group one' activities which are generally those activities that require a large floor plate.

5.3.8 Plan Changes

Plan Change 26 – Introduction of New Provisions for Residential Development

This plan change deletes the entire existing residential section of the District Plan and replaces it with new provisions – the existing thirteen residential zones are replaced with three new ‘residential activity areas’; high intensity, medium intensity and low intensity and future urban development areas are each allocated a unique ‘special zone’.

By simplifying the zoning within the District Plan developers can clearly and easily identify which areas are designated for growth, now and in the future, and determine what type of residential development is likely to be permitted on the land e.g. standalone single lot subdivisions in low intensity zones versus multi unit apartment buildings in high intensity zones.

5.4 North Shore City – Land Use Management

5.4.1 Introduction

The North Shore City Council's District Plan became 'operative in part' on 28 June 2002, this is the status given to the District Plan by the Environment Court and the Council to indicate that the majority of it has been finalised with a few outstanding issues still to be resolved. The plan replaced the five former District Schemes which collectively formed the Transitional District Plan in 1989. The Transitional District Plan is now only referred to very rarely for those outstanding parts of the 2002 District Plan that are yet to become operative.

The objective of this section of the appendix is to provide an overview of the North Shore City District Plan in relation to residential land use activities.

5.4.2 North Shore City Council District Plan – Residential Zoning Regulations

North Shore City constitutes an area of 12,979 hectares with an extensive coastal boundary to the Hauraki Gulf and Waitemata Harbour. The city is connected to Auckland City by the Auckland Harbour Bridge. Its northern boundary abuts Rodney District and only the Waitemata Harbour separates North Shore from Waitakere City.

The present settlement pattern on the North Shore reflects four main historic influences:

- The North Shore's location as part of wider metropolitan Auckland;
- The evolution of urban transportation;
- The pattern of local government; and
- The availability of land to accommodate the preference of New Zealanders for single dwelling units on sections of a sufficient size to provide for open space, a garden and privacy.

The major resource management issues which affect the residential area and which must be addressed in the objectives and policies of the District Plan are:

- How to achieve an efficient form of urban development both within existing and new developing areas which will maximise convenience for residents and reduce the cost associated with transport, energy use and the provision of services and infrastructure;
- How to accommodate new housing developments in both the developed and undeveloped parts of the city without compromising the environmental values of these areas;
- How to ensure that the high standard of amenity which characterises the existing residential area is maintained and, in newly developing areas, is created;
- How best to protect those parts of the residential area which have a special character arising from either the built or natural environment, while providing residents of those areas with reasonable development opportunities;
- How to ensure that environmental and landscape values are protected, especially from the impacts of new development;
- How to provide opportunities for innovation and flexibility to meet the demand for new and different housing solutions while ensuring that residential amenities and environmental values are protected;
- The extent to which non-residential activities such as business and community activities should be able to establish within residential areas; and
- How to ensure that the limited capacity of existing infrastructure such as roads and sewers to accommodate additional growth is recognised in development controls.

Residential activities are North Shore City's largest land use and are continuing to grow along with the increasing population. The city is bounded by extensive coastline, enjoys high standards of amenity and incorporates significant areas of natural and built heritage, all of which have given rise to suburbs of markedly different character.

The North Shore City District Plan uses the zoning technique which involves the identification of land of similar characteristics, including environmental and amenity values, and the application of appropriate objectives, policies and rules relating to development.

Seven key residential zones and their objectives are outlined in the residential section of the North Shore City District Plan.

Residential 1 Zone - Small Semi-Rural Communities or Localities

Objective is to protect the special amenity of small semi-rural settlements which are characterised by an open, spacious form of development interspaced with mature trees.

Residential 2 Zone - Natural Heritage Protection

Residential 2A and 2A1 - Native Bush Areas

Good quality bush in large relatively undisturbed tracts with significant botanical, ecological and visual values. Objective is to protect the special character of large areas of native bush, including associated landforms and watercourses, in recognition of their contribution to the amenity and environmental quality of the city.

Residential 2A – Chelsea Special Zone

Objective is to enable the use, development and protection of areas adjacent to the Chelsea Sugar Refinery in a way that protects or enhances the special natural and physical resource values and historic heritage, integrates well with the residential character of the locality and recognises the district and regional significance of this land.

Residential 2B – Amenity Areas

Objective is to ensure that those areas which enjoy a particular natural character and amenity, due to factors such as larger site sizes, significant numbers of mature trees and small pockets of bush or coastal setting, retain these values.

Residential 2C – Eadys Bush

Objective is to protect the environmental values of Eadys Bush while providing for residential development on existing cleared areas.

Residential 3 Zone – Built Heritage

Objective is to ensure that the historical and architectural character of certain distinctive areas of North Shore City is retained, i.e. Devonport, Northcote and Birkenhead. There are three sub zones; 3A is applied to areas of smaller lot sizes, compact street patterns and houses near the street, 3C applies to some of the land along the coastal edge around the volcanic cones and 3B is introduced where a transition is needed between 3A and 3C, such as Northcote Point.

Residential 4 Zone - Main Residential Area

Consist of areas of conventional urban character. Objective is to protect the character and amenity of the main residential area while providing opportunities for growth and development. There are two separate sub-zones with different density controls in order to recognise and protect existing character, amenity and historical variations which have arisen in response to residential preferences and housing styles.

Residential 4A

Those parts of Glenfield, Takapuna and Northcote and a small part of Devonport which had a development density of 300m² - 325m² per unit in the Transitional District Plan.

Residential 4B

Those parts of Birkenhead, East Coast Bays and a small part of Devonport characterised by more spacious styles of development.

Residential 5 Zone – New Development

Applies to undeveloped residential land situated either on the periphery of the urban area or within the established urban area. Objective is to control the development of new residential areas and manage existing residential areas in order to ensure that the resulting neighbourhoods have a sense of identity and space, respect and reflect the existing natural environment and are safe, convenient and pleasant places to live.

Residential 6 Zone - Intensive Housing

The provision of a node, based around an existing activity centre with access to public transport and the existence of existing higher density housing and infrastructure capacity. The nodes will provide a choice in housing opportunities as well as catering to the needs of the community for higher density living, in particular, apartments. Objective is to provide opportunities for higher density housing in close proximity to selected commercial centres.

There are six sub-zones which differ in respect of the permitted density of the development and type of resource consent required – the residential 6 zone is similar to an overlay zone, where the intensive housing option is not taken up the conventional density rules apply.

Residential 7 Zone - Office Residential

This zone provides for residential scale office development, often applied to residential land situated adjacent to existing business areas. Objective is to provide for small scale business activities; which provide a buffer between residential areas and the more intensive aspects of business activities or are situated on selected sites with particular characteristics which make them less suitable for residential activities.

Over and above the residential zones identified in the residential section of the District Plan, residential land use is also addressed in the urban expansion section. The urban expansion section deals with land which is intended to accommodate future urban expansion, it identifies two key zones; land which will accommodate future residential growth called the Residential Expansion Zone and a small area adjacent to the proposed Albany Centre called the Albany Centre Expansion Zone.

Residential Expansion Zone

The objective of this zone is to enable the extension of the urban area to occur in a manner that responds to the environmental constraints and opportunities associated with the land; and enable the efficient use of natural and physical resources.

Land included in this zone, whilst quite varied, has been identified as being suitable for future urban development in terms of both environmental effects and the ability adequately service the surrounding areas.

This zone acts as an intermediate stage prior to full urban zonings (similar to those outlined above). Prior to urbanisation the council is required to prepare a Structure Plan which will coordinate development for the next two to twenty years for each distinct area with the Residential Expansion Zone, i.e. Albany, Greenhithe / Schnapper Rock and Okura / Long Bay.

Structure Plans are required to identify environmental constraints and opportunities and utilise these to provide a broad framework for development within an area undergoing urbanisation. The Structure Plan identifies key components such as major roads, reserves, local shops, the density of development, and how provision is to be made for major services, and may also identify school sites and other community facilities.

Consultation with landowners and existing communities in order to ensure that their needs and concerns are considered and that appropriate provisions are in place to enable communities to meet their needs is vital. The process of preparing the Structure Plan also enables the relevant agencies to be involved in the process of urbanisation at an early stage, providing opportunity for those agencies to acquire land for the provision of services and facilities required by the community. The process also provides an opportunity to ensure that existing environmental, landscape, cultural and amenity values are recognised and protected as appropriate.

One of the primary outcomes sought in the newly urbanised areas is the creation of residential neighbourhoods that are convenient, attractive, distinct and safe. Activities which serve the residential area such as schools, shops, sports areas and community facilities may be provided for and linked by a safe and convenient network of roads, cycle and pedestrian routes. The process also seeks to avoid development that results in the loss of existing features and values associated with an area and consequently new areas lacking identity or having a 'sameness' about them.

Albany Centre Expansion Zone

The objective of this zone is to retain options for the future development of land which is strategically located adjacent to the Albany Centre and the Albany Village.

This zone applies to a 34 hectare area of land in the north-eastern quadrant of the Albany Centre. It is referred to as a deferred development zone, to ensure its availability to meet future needs for expansion within the Albany Centre. The provision of the deferred development zoning on this land provides the necessary flexibility to respond to future needs.

This zone is also applied to a small area of land near Albany Village for similar future need requirements.

5.4.3 Plan Changes

From time to time the council will initiate changes to the District Plan in order to best manage the growing needs of the district and address any issues that may arise from the existing plan structure and content. People can also request private plan changes. Both types of plan changes follow the same procedure in terms of notification, submissions, hearings and appeals, however, the difference between the two is that private plan changes do not have any effect until they have been upheld following the formal decision making process.

Several key changes to the North Shore City District Plan have had an effect on residential land use.

Plan Change 1 – Improving the Design and Location of Intensive Residential Developments

Probably the most significant plan change to have come into effect over the last 10 years, plan change 1 was initiated by council in recognition of the growing need within North Shore City for more intensive housing development, in order to meet the demand of the growing population and prevent further urban sprawl.

The plan change clearly identifies the council's policies and objectives with regard to intensive housing development and has a flow on effect throughout the plan with regard to controls and assessment criteria, making it easier for land owners and developers wishing to build intensive housing to understand the associated controls and constraints they are likely to face. The decision was adopted by full Council on 24 July 2003.

This plan change is designed to facilitate residential intensification, making it easier to develop residential units by identifying specific areas where intensive residential development can occur, previously not allowed for in the District Plan. However, whilst increased controls for intensive development are seen as necessary, they often hinder residential development by making the planning process more detailed, time consuming and expensive.

Structure Plans have been put in place and are now operational for Albany and Greenhithe with development and urbanisation activities underway in these areas; the vast majority of this development is for residential use. The Long Bay Structure Plan is currently the subject of much public consultation and debate and is yet to be finalised.

Plan Change 6 (Variation 66) – Long Bay Structure Plan

The Long Bay Structure Plan was prepared after an Environment Court decision determined that Metropolitan Urban Limits (MUL), set by the Auckland Regional Policy Statement, would include an area from Glenvar Road to the boundary between Long Bay and the Okura catchment as being within the MUL. The Environment Court determined that the Okura area would remain rural and that in principle the Long Bay area was suitable for urban development.

Variation 66 sets out the resource management issues, objectives, policies, rules and methods of implementation for subdivision and development in the Long Bay area. Plan Change 6 deals with the changes to the operative parts of the District Plan that affect the Long Bay area. The Structure Plan, as ratified, contains a detailed framework for managing future development in the area reflecting a number of important environmental factors and constraints and social, cultural and economic considerations. Variation 66 and Plan change 6 were adopted by North Shore City council in April 2006 following 5 years of submissions and hearings, and will be incorporated into the District Plan following the outcome of an Environment Court appeal in 2010.

This plan change makes residential development possible in the Long Bay area, currently a greenfields development site, and increases the supply of suitably zoned land for residential development in the region. The structure plan makes it clear to developers what subdivision and housing densities will be permitted for development.

The development company which owns most of the land, Todd Property Group Limited, has filed an appeal against North Shore City Council's Long Bay structure plan, particularly with regard to the limited density provision allowed. This is currently before the Environment Court with an outcome expected in 2010.

Proposed Plan Change 17 – Effects of Infill Housing

Plan Change 17 is the most recent council initiated change that will have some bearing on residential land use. Notified on 6 April 2006 and incorporated into the District Plan in November 2009, this plan change seeks to address the effects of infill housing on the character of residential areas.

Whilst designed to protect the special character / amenity of neighbourhoods, this plan change is also likely, through additional constraints and more controls, to make development of residential units more difficult. In particular, infill housing development in older areas of North Shore City such as; Northcote Point and Devonport, where there are many older properties on traditional large lots capable of subdivision, is likely to be more difficult.

5.5 Waitakere City District – Land Use Management

5.5.1 Introduction

The Waitakere City Council's District Plan became 'operative in part' on 27 March 2003, this is the status given to the District Plan by the Environment Court and the council to indicate that the majority of it has been finalised with a few outstanding issues still to be resolved.

Whilst following an almost identical process to the other territorial authorities with regard to developing the Waitakere City District Plan, the council introduced new and innovative structure and layout to the final document, opting for an effects-based rather than the more traditional activities based approach.

The objective of this section of the appendix is to provide an overview of the Waitakere City District Plan in relation to residential land use activities.

5.5.2 Waitakere City Council District Plan – Residential Zoning Regulations

Within the residential parts of the urban area, the differences and distinguishing characteristics arise from two factors:

- Section size; and
- Housing style.

There are definite differences between the eastern / southern suburbs and the suburbs to the west and north. The older suburbs of New Lynn, Green Bay and Glen Eden tend to have larger section sizes – 800m² to 1,000m², more trees and a more established "traditional" suburban character. Within these areas, some infill has taken place, although there are a number of streets which still retain a distinctive and open character.

The suburbs of Kelston, Te Atatu South and Te Atatu Peninsula are dominated by houses built between 1945 and the 1960's. Section sizes are a little smaller, generally ranging between 600m² and 800m².

To the west and north the younger suburbs built since the 1970's have tended to include smaller sections (down to 350m²). Correspondingly these areas often have fewer trees and are less open than the older suburbs.

The style of housing varies across the City, with bungalows and some villas mainly within New Lynn and Glen Eden and scattered through Kelston and Te Atatu South. Te Atatu South and Te Atatu Peninsula are dominated by the 'group' housing styles of the 1950's and 1960's, with a large amount of brick housing with their characteristic low angle hipped roofs. In the west, houses tend to be smaller, often rectangular, with a simple gable roof.

In West Harbour, which has developed substantially since the 1980's, the style is of large, often two storey houses, with garages incorporated into the main building. The houses are often built of masonry with tiled roofs. There are relatively few large trees in these newer areas. There is however, little infill housing or cross-leasing.

Within the coastal villages, the differences between them are derived from their relative size in relation to the surrounding natural landscape.

The differences in the rural villages relate either to their function as an airbase village, their island character or again their place in the surrounding landscape.

The various foothills catchments derive their character from the mix of activities and vegetation that is found within them, for example, vineyards, orchards, pasture and forests.

Two layers of management areas form the basis for applying policies and methods. The first layer lies across the whole City and is concerned with the management of effects of activities on natural and physical resources (other than structures). These management areas (called Natural Areas) are defined around certain key resources, around their relative significance or importance, and the level of protection required to ensure their continued health and survival.

The second management layer also lies over the whole city and is collectively known as the Human Environments. These Human Environments are defined around the City's landscapes and local areas and form the basis for managing the effects of activities on landscape, amenity values, neighbourhood character and heritage, including residential land use.

The Human Environments within the urban area reflect the variations in both the types of buildings, and the character derived from the dominant activities that take place in different areas, similar to the 'zones' identified in other District Plans. The Human Environments that relate to residential land use are summarised below.

Waitakere Ranges

Includes the bush-covered areas of the Waitakere Ranges, and the west coast and Manukau coast, where natural elements and wilderness character dominate. It incorporates the outstanding coastal and Waitakere Ranges landscapes identified.

Bush Living

Includes those intensively settled areas within the Waitakere Ranges, where natural features dominate, but settlement has substantially fragmented the bush. A partly residential but, nonetheless, 'non-urban' character predominates as a result. It incorporates the bush living local area.

Coastal Villages

Includes the small settlements that lie along the Manukau coast and the west coast, these are; Parau, Cornwallis, Huia and Little Huia, Karekare, Piha and Bethells / Te Henga.

Foothills

Includes the mixed landscape of the eastern foothills catchments of Oratia, Opanuku, Swanson and upper Kumeu streams, excluding the relatively continuous bush cover of the upper catchments and ridges. The Foothills Environment incorporates the foothills landscape.

Countryside

Includes those areas to the north of the urban area which form the rural / pastoral landscape.

Rural Villages

Includes the small settlements found within the Countryside Environment: Whenuapai, Hobsonville, Whenuapai Airbase, Waitakere Township and the Herald Island Villages.

Living

Includes all areas within the intensively settled urban area that are primarily residential in character.

The consolidation strategy adopted by the council in their District Plan has a significant effect with regard to residential land use, in particular, increased pressure on the existing urban area to accommodate future population growth.

Intensification has already begun within the urban area with a shift from the larger 1,000m² and 800m² sections in the older suburbs, to the smaller sections ranging down to 350m² in the newer parts of the City. This shift in section size has occurred since the 1970's and, in many cases, was a response to the need to reduce housing costs for moderate and low income households. In other cases, the reduction in area was a clear life-style choice.

Over the last decade, there has also been a shift to subdividing and cross-leasing older, larger sections for 'infill housing'. More recently, there has been a trend towards total redevelopment of a site, including the removal of the existing house and the construction of town houses and units.

There is some concern about the impacts of infill housing, for example; loss of trees, dominance of adjacent sites and increase in noise and traffic. In effect, the amenity associated with traditional suburbs is undergoing change. The District Plan has responded to these intensification pressures by managing the degree and quality of change in residential areas. In doing so, it seeks to balance the advantages of consolidation within the existing urban area with the need to have regard for impacts on amenity values.

The Plan has adopted rules that provide for intensification down to a minimum net unit site size of 450m² as of right. Extra 'minor household units' can be placed on 600m² sites. This allows households to provide separate but linked accommodation for possible dependants, but does not allow for another full size dwelling on the site. Any proposal for a development on sites less than 400m² must pass through a resource consent process, which may be notified, this recognises that in some parts of the city relatively small lots are the norm, and that there should be no restrictions on achieving this smaller lot size so long as amenity, neighbourhood character, adjacent sites and vegetation are protected.

Medium Density Housing

Medium density housing is an important tool in the District Plan's overall consolidation and City form strategies. The Plan concentrates medium density housing around town centres, railway stations and main transport routes. This is part of the strategy centralising key activities around central nodes and points, as a way of improving the viability of passenger transport. It also promotes a high quality urban environment to counter pressures for outward spread of the urban area.

Medium density housing also addresses the problem of lack of housing choice. Waitakere City has a limited range of housing types, particularly for 1 to 2 person households, and limited choices in terms of the location and style of housing. Most housing is detached, on moderate size sections. The District Plan removes restrictions on the provision of alternative housing forms and sees the production of medium density housing as essential to accommodating an ageing population and changing household structure. Design advice, and a resource consent process that makes it possible for any project to proceed with a good level of certainty, encourages developers to take up the challenge.

5.5.3 Plan Changes

The Waitakere City Council has a statutory duty to monitor the suitability and effectiveness of its District Plan; as such it has the ability to initiate changes. Private individual may also initiate plan changes. All plan changes, whether initiated by the council or privately, must be publicly notified and are subject to a rigorous decision making process.

A number of key changes made to the Waitakere City District Plan since being made operative in 2003 have had or will have an effect on residential land use.

Proposed Plan Change 13 – Hobsonville Airbase

Proposed plan change 13 seeks to rezone land that is currently occupied by the Hobsonville Airbase from 'Countryside Environment' into four separate 'Special Areas' – the 'Hobsonville Base Village Special Area', 'Hobsonville Marine Industry Special Area', 'Hobsonville Landing Special Area' and 'Hobsonville Future Urban Special Area' - each with its own set of specific rules and supporting policies to manage development.

This proposed plan change includes the introduction of a 'Hobsonville Airbase Concept Plan' to guide development across all of the Special Areas, and identify features that should be retained and enhanced as development occurs and establish a relatively prescriptive regime, with the introduction of specific rules for each precinct to control the location and mix of activities, the built form and design quality of development, and to set the required minimum density of development.

Proposed Plan change 13 was publicly notified in March 2005, with submissions closing in December 2005, the plan change together with the comprehensive development plan was approved by hearing commissioners in February 2009; however, it remains subject to Environment Court Appeals.

This plan change makes residential development possible on the land currently occupied by Hobsonville Airbase and increase the supply of suitably zoned land for residential development in the region; this is a brownfields development site. The concept plan makes it clear to developers what subdivision and housing densities will be permitted for development. This plan change also required the MUL to be shifted as the site was outside the original MUL boundaries, this has been completed.

Proposed Plan Change 17 – New Lynn

Proposed plan change 17 seeks to introduce specific rules and supporting policies intended to facilitate and encourage the intensification of development in and around the New Lynn town centre. The plan change establishes new Living 5 and Living 6 Environments to provide for intensive residential development in selected locations around the New Lynn town centre, rezone land from Working Environment to Community Environment, to provide for an expanded retail and mixed use core town centre and introduce a 'New Lynn Concept Plan' to guide development in and around the New Lynn town centre, and identify features that should be retained and enhanced as development occurs.

The changes are intended to give a clearer framework within which further development and redevelopment of New Lynn as a mixed use town centre can occur. Proposed plan change 17 was publicly notified in March 2005, with submissions closing in December 2005, and was approved by hearing commissioners in June 2007; however, it remains subject to Environment Court Appeals.

This plan change is designed to facilitate residential intensification, making it easier to develop residential units by identifying specific areas where intensive residential development can occur and increasing the supply of suitably zoned land.

Proposed Plan Change 18 – City Wide Urban Design Rule

Proposed plan change 18 sought to introduce a suite of City-wide rules and supporting policies intended to ensure that intensification occurs only after careful consideration of amenity and urban design issues and create specific rules addressing apartment design, site analysis, building design in relation to street frontages, noise mitigation in mixed use development, and building design for mixed use development.

Proposed plan change 18 was publicly notified in March 2005, with submissions closing in December 2005, and was approved by hearing commissioners in June 2007; however, it remains subject to Environment Court Appeals.

Whilst increased controls for intensive development are seen as necessary, they often hinder residential development by making the planning process more detailed, time consuming and expensive, for example; the increased time and cost associated with the growing need to bring specialist consultants (e.g. traffic engineers) into the development process much earlier and requiring the design / plans to be almost at a final drawings stage in order to gain resource consent.

Plan Change 4 – Birdwood Urban Concept Plan

Publicly notified in February 2004, the Concept Plan provides for an appropriate level and nature of development in view of identified environmental constraints. A key feature of the concept plan includes provision for standard (minimum 450m²) and larger lot (minimum average 2000m², minimum 1250m²) residential areas. A decision notice for plan change 4 was issued in 2004, however, an appeal lodged against the decision provided a significant delay, and the plan change was finally made operative in September 2008.

This plan change makes residential development possible in the Birdwood Area, currently a greenfields development site, and increases the supply of suitably zoned land for residential development in the region. The structure plan makes it clear to developers what subdivision and housing densities will be permitted for development. Refer to Waitakere City District Plan Human Environments Maps D7 and D8 to define this area.

5.6 Auckland City – Land Use Management

5.6.1 Introduction

The Auckland City Council's District Plan is divided into 3 distinct sections, Central Area, Auckland Isthmus and Hauraki Gulf Islands. The Hauraki Gulf Islands section was the first part of the plan to become operative in July 1996, followed by the Auckland Isthmus section which became operative in November 1999 and finally the Central Area section which became 'operative in part in January 2005', this is the status given to the District Plan by the Environment Court and the council to indicate that the majority of it has been finalised with a few outstanding issues still to be resolved.

The objective of this section of the appendix is to provide an overview of the Auckland Isthmus and Central Area sections Auckland City District Plan in relation to residential land use activities.

5.6.2 Auckland City Council District Plan – Residential Zoning Regulations, Auckland Isthmus

Auckland city, suburbs and gulf islands cover an area of 637km². Auckland is built on a narrow isthmus between two harbours, and is surrounded by extinct volcanoes and picturesque islands. Approximately 401,500 people live within the city boundary.

Residential activity is the major land use occurring on the Auckland Isthmus; residential areas are collectively made up of a broad range of communities and neighbourhoods, reflecting different lifestyles, aspirations and built environments.

Residential activity comprises a range of elements that contribute to the environmental qualities of the various residential areas and require particular controls and constraints to be adopted that manage residential areas in a way which maintains and enhances their amenity values while ensuring the efficient use and development of the natural and physical resources concerned.

Auckland's population will continue to gradually increase. Since the Isthmus is substantially built up, there are few vacant sites available for further subdivision. Provision for additional housing will largely be made through infill and new development in existing residential areas. The Plan recognises and addresses the need for residential growth and the constraints placed on it in terms of:

- Infrastructure limitation; and
- The concern of the community to maintain and enhance the particularly appreciated existing character of residential areas.

The Auckland City District Plan (Auckland Isthmus section) identifies 5 key objectives with regard to residential activity:

- To provide opportunities for residential growth in Auckland by encouraging suitable intensification of housing in appropriate locations;
- To identify, maintain and enhance the recognised character and amenity of residential environments;
- To provide for a broad and flexible range of residential development while offering reasonable protection to the amenities of neighbouring properties and the local environment;

- To recognise that certain non-residential activities can be located in residential areas in a way which maintains and enhances the amenities of the area and enables people to provide for their social, economic and cultural well being, and for their health and safety; and
- To promote high quality distinctively Auckland urban design within specified residential areas of the city.

Zoning is used as the primary tool for determining and managing the future distribution of residential activities on the Isthmus. The different zones are based on the actual physical characteristics and functions of activities and their effects on the local environment. This approach ensures that the level of development permitted in each zone is compatible with the ability of the area to cope with additional development.

The Plan seeks to achieve a balance between maintaining the established residential character of areas while providing sufficient flexibility to allow further development. More compact urban residential living will be promoted within specified growth areas through a process of consultation with the community and through the application of the Residential 8 zone. The community consultation process will develop a planning framework for managing future growth which facilitates the development of quality urban environments where people live within walking distance to work, schools, civic facilities, shops and parks and have easy access to public transport. The technique of grouping areas of similar character into residential zones is retained in the Plan. Within the zones there is flexibility which allows for the location of activities which can be serviced by the infrastructure in an area and which are compatible with its character and amenities.

The Plan's residential zoning pattern is designed to reflect the ability of the district to accommodate the additional residential development required to house Auckland's growing population.

The zoning provisions are orientated towards providing greater flexibility for developers appropriate to the local environment, while attempting to maintain and enhance the amenity values experienced by the local community.

There are 2 types of zones identified in the District Plan – special character zones (zones 1 to 4) and standard residential zones (zones 5 to 8). This differentiation reflects the council's recognition that the Isthmus is largely developed and it is no longer solely the natural features, such as landform, coastline and vegetation, which contribute to the special character of environments. Some environments are special as a consequence of the presence of recognisable man-made features that form or create a cohesive character. Other environments reflect a special character as a consequence of the presence of a mix of both natural and man-made features.

The District Plan identifies eight key residential zones, these are outlined below.

Residential 1 (Built)

The Residential 1 zone's environment is an essential element of Auckland's heritage. In this zone the houses are largely Victorian-Edwardian but some modification has occurred with later infill such as the very plain 'transitional'-style bungalow of the 1910's. The houses generally stand close to the street, and each other, on narrow small sites. Built form predominates in this zone.

In light of the heritage and amenity character of the areas encompassed within the Residential 1 zone, new building construction requires a resource consent in order that compliance with the relevant objectives, policies and rules can be assessed.

The objective of this zone is to promote the survival of the historic form and pattern of subdivision, buildings and streetscape in Auckland's early-established residential neighbourhoods.

Residential 2 (Built / Flora)

The Residential 2 zone is characterised by generously sized lots, wide roads and low densities. Dwellings in the zone are generally set well back from the road, and there is an abundance of trees both on private and public land. House design and street character are typically that of the Edwardian villa suburb, English cottage revival and garden suburb movement.

The zone is separated into three sub-zones, reflecting shades of difference in the spaciousness of existing character and the relevant controls.

Residential 2a and 2c

Characterised by lower housing densities, generally combined with period housing and an abundance of planting. A higher height limit is permitted in the Residential 2a zone, where the area is characterised by taller buildings.

Residential 2b

These areas have higher housing densities and building coverage than the Residential 2a and 2c zones, generally involving period homes. The zone has also been applied to protect significant bush clad areas, in the Isthmus.

The objective of this zone is to conserve the landscape qualities of those residential areas which display a special blend of built and natural features, generally involving period housing, coupled with the presence of trees.

Residential 3 (Built / Landform)

Areas within the Residential 3 zone have a significant relationship with the natural landform of the volcanic cones. The volcanic cones are one of the most significant natural features of the Isthmus, and the Council is concerned to ensure that the form of the cones is protected. Appropriate controls are applied to promote compatibility of building form and texture with the character of the cones.

The zone is separated into two sub-zones.

Residential 3a

Comprises steep narrow cul-de-sacs, set out in late Victorian times. Lot sizes are mostly small, the period houses are tightly packed and the built character is similar to the Residential 1 zone.

Residential 3b

Have qualities similar to the Residential 2 zone.

The objective of this zone is to maintain visual harmony and coherence between the residential areas which occupy parts of the volcanic cones, and the cones themselves, and particular coastal cliffs on the Isthmus.

Residential 4 (Flora Dominant)

The Residential 4 zone applies to 1.0 hectare of mixed coastal forest at Granny's Bay which includes part of a larger stand of pohutukawa forest extending from the adjacent Council land, the area is botanically significant and is also a wildlife habitat.

The objective of this section is to protect and maintain the primacy, cohesiveness, continuity and botanical health of existing areas of mature or regenerating forest, particularly native forest, in association with limited housing development.

Residential 5 (Low Intensity)

The Residential 5 zone has been applied generally to areas characterised by detached homes, mainly low rise (1 to 2 storeys), at lower densities (1 to 2 units per site) on sites with relatively generous areas of open space to accommodate landscaping and leisure activities.

The objective of this zone is to protect and maintain the low intensity character of certain areas:

- In order to secure their generally appreciated pleasantness and coherence;
- To assist in preserving the overall integrity of the special character zones by ensuring developments occurring in adjacent residential neighbourhoods are sympathetic; and
- In order to reflect the limited capacity of the existing environment to sustain additional development.

Residential 6 (Medium Intensity)

The Residential 6 zone tends to be less spacious and often more diverse in form than the Residential 5 zone. These areas have aesthetic conditions which set them apart from higher intensity areas and are often characterised by favourable aspect, principally orientated to the northern slopes. It is also the most significant residential zone on the Isthmus because, in its application, it covers the largest area of residential land.

The zone is divided into two sub-zones; Residential 6a and 6b zones that vary only in density and height.

The objective of this zone is to provide for medium intensity residential neighbourhoods in appropriate locations.

Residential 7 (High Intensity)

The Residential 7 zone is characterised by a range of building types and includes relatively high rise, high density development. Three and four storey multi-unit developments can be found in the Residential 7a and 7b sub-zones, while development at a greater scale can be found in the Residential 7c sub-zone.

The zone is often located in areas with favourable aspect and slope and is applied to areas with good access to local open space and leisure opportunities, business centres, community services and public transport. Areas within the zone are generally found adjacent to the regional and district arterial roads of the Isthmus.

The objective of this zone is to maximise design flexibility and allow residential activities to establish at a relatively high intensity, while protecting the surrounding environment from adverse effects of development.

Residential 8 (Strategic Growth Management Areas)

The Residential 8 zone is applied to residential land close to the Central Area, adjacent to existing centres, or main transport nodes, which is located within specified growth areas. The purpose of the zone is to facilitate the outcomes of council's adopted growth management strategy through the provision of more liberal densities than found in the other residential areas of the City. The zone allows for a range of housing choice and lifestyles including apartment, terrace house and townhouse living.

The Residential 8 zone is applied to parcels of land with an area of one hectare or more and will usually comprise a number of sites held either in individual or multiple ownership.

The zone is separated into three sub-zones.

Residential 8a

Usually applied to parcels of residential land within a ten minute walking distance of town centres or major transport nodes. Two to three storey multi unit developments, including townhouses and terrace housing, can be found in the Residential 8a zone.

Residential 8b

Usually applied to parcels of residential land that are within a five minutes or less walking distance of the town centre or major transport node. Multi unit development in this zone can reach 3 to 4 storeys high, consistent with existing town centre commercial buildings.

Residential 8c

Applied to parcels of residential land within a 2 km radius of the Central Area. The development controls are consequently more flexible and provide for greater height, bulk and density.

Within all the Residential 8 zones, developments are required to be sensitive to the amenity of the existing residential neighbourhoods. Development Controls are applied to avoid overshadowing, over looking, visual domination and loss of privacy.

The Residential Design Guide is also applied to these Residential 8 zoned areas in order to achieve quality medium to high density residential developments, which display vitality and interest while integrating into the local neighbourhood.

The objective of this zone is to provide opportunities for a more compact lifestyle, in appropriate locations, while catering for future population growth within the Auckland Isthmus.

5.6.3 Plan Changes

The Council is committed to a plan which is current and relevant and which addresses issues and concerns as they arise. Therefore, the provisions of the Plan may be varied as necessary.

As the development of the Isthmus takes place, the Plan will be subject to continuous review by the Council so that the ongoing and evolving resource management requirements of the community may be acknowledged and provided for.

Plan changes may be initiated by council or privately – both of which are required to go through a comprehensive public consultation and decision making process. The following outlines the five key plan changes that have been made to the Auckland City District Plan (Auckland Isthmus section) over the past 10 years that have an effect on residential land use.

Plan Change 58 – Residential 8 Zone

In 1995, recognising the pressures of growth facing the Auckland region, the Regional Council and seven City and District Councils joined together to form a Regional Growth Forum and produce a Regional Growth Strategy. This document provides a vision of what Auckland could look like in 50 years time with a population of 2 million. As a result Auckland City developed the 'Growing our City through Liveable Communities 2050 strategy' as a framework to accommodate this expected growth on the Isthmus over the next 50 years.

The council concluded, with the population of Auckland City expected to increase by 68% (over 200,000 people), that there was only capacity for approximately 30,000 additional people, under the existing District Plan. Due to its location in the middle of urban Auckland, with no rural land to expand onto Auckland City needed to cater for this additional population growth through intensification.

The creation of the Residential 8 zone was initiated by council as a solution to this increased demand for urban intensification, it allows specifically for intensive housing development within the Auckland Isthmus area. The plan change was made operative in August 2003. The residential 8 zone appears predominately in Mt Wellington, Glen Innes, Newton, Parnell and Grafton.

This plan change is designed to facilitate residential intensification, making it easier to develop residential units by identifying specific areas where intensive residential development can occur, previously not allowed for in the District Plan. Development of residential units is made easier by the increase in the supply of suitably zoned land; land supply is one of the greatest constraints to residential intensification in the Auckland City Isthmus area.

Plan Change 153 – Incorporation of Urban Design Provisions for Developments of 4 or more Residential units in the Residential 6 and 7 Zones

Auckland City Council initiated this public plan change in September 2004, which proposed to apply urban design criteria, vary the private open space requirements and add a maximum front fence height rule to the development of 4 or more residential units on a site in the Residential 6 and 7 zones.

The previous rules within the plan did not require urban design criteria to be applied to any residential units within the Residential 6 or 7 zones. Development controls restricted the bulk and location of residential buildings, but compliance with these controls meant that residential units could be established as a permitted activity (requiring only building consent approval).

The plan change was approved and made operative in July 2005; however, there is currently an appeal lodged against this decision.

Whilst increased controls for intensive development are seen as necessary, they often hinder residential development by making the planning process more detailed, time consuming and expensive. This is particularly so for smaller residential development projects, often undertaken by owner occupiers or small building companies, where the ability to meet all the planning requirements, from a financial and human resource point of view, often makes the development to hard.

Plan Change 163 – Residential 1 and 2 Zones

Proposed plan change 163 has been drafted to amend the Auckland City District Plan - Isthmus Section to incorporate revised provisions for the Residential 1 & 2 zones.

The plan change has been developed in response to concern from the public that the current provisions do not provide the degree of protection of special character in these zones that was intended.

The Residential 1 and 2 zones are special character zones introduced when the Isthmus section of the plan was notified in 1993, and are intended to reflect areas that contain certain character environments. The plan change proposed seeks to ensure that building and development is designed in a manner that protects the special character of the zones. For the Residential 1 zone, the focus is on maintaining built character, and for the Residential 2 zone, the focus is on maintaining the blend of built character and landscape qualities.

Amongst several other activity and control changes, the proposed plan change seeks to make removal or demolition a restricted discretionary activity for all pre-1940 buildings in the Residential 1 and 2 zones, and subject to assessment for notification. This will allow an additional layer of protection for the city's built heritage. Overall, it is expected that the proposed plan change will lead to better protection of Auckland's built heritage and special character through avoiding inappropriate use and development.

The plan change was publicly notified in May 2005 and a decision approving the plan change made by council in December 2006; however, there is currently an appeal lodged against this decision.

Plan Change 192 – Residential 3 Zone Review

The council is looking to introduce changes to the rules covering the Residential 3 zone found on some of the city's volcanic cones and coastal cliffs.

The proposed modification introduces a range of new rules, which will affect what property owners can and cannot do with their homes and sections in this zone. The council is aware that as the city grows there will be increasing pressure for new and larger development in the Residential 3 zone. The aim is to ensure that the physical and visual integrity of volcanic features and coastal cliffs remains in tact and that these landforms are not dominated by inappropriate development.

In summary the plan change would see changes to:

- Controls on the demolition of pre-1940s buildings;
- Controls on external additions and alterations for existing homes and for new development;
- New assessment criteria for the design of new buildings to exert some control over the size, type, landscape and character of new developments;
- Controls on the height of new buildings;
- Requirements for landscaping assessments to show the impact of new development on the surrounding landform, trees and vegetation;
- Restrictions on earthworks to five cubic metres so that they do not harm the form and texture of volcanic landscapes;
- Controls on the size of fences; and
- Stronger resource management policies for subdivision in the residential 3 zone so that no subdivision is permitted if it would result in a new home higher up the slope of a volcanic cone than existing development.

The plan change was publicly notified in May 2006 and a decision approving the plan change made by council in 2007; however, there are currently a number of appeals lodged against this decision.

Both plan changes 163 and 192, whilst designed to protect the special character / amenity of neighbourhoods, will mean additional constraints and more controls making development of residential units more difficult. Particularly when it comes to infill housing projects in older areas of Auckland City such as; Remuera, Parnell, St Mary's Bay and Mt Eden, which have some of the greatest capacity for infill residential development where older properties are located on traditional large lots capable of subdivision.

5.6.4 Auckland City Council District Plan – Residential Regulations, Central Area

The Central Area covers the part of downtown Auckland bounded by the motorway network, Stanley Street in Parnell and the waterfront.

The Auckland Central Area has unique attributes which combine to give the inner city a diverse and special character. These attributes are assets that require careful management to be of continuing benefit to the City and the Region. The Council anticipates that people in the future will have a need for the locality that constitutes the Central Area. There is likely to be an ongoing need for a range of activities including office, service, accommodation, retail, cultural, entertainment and port activities and supporting infrastructure.

The Central Area also plays a key role in the sustainable management of the wider Auckland region. The concentration and intensification of activities within the Central Area helps with regional urban consolidation goals and the promotion of passenger transport. The quality and variety of development within the Central Area also helps provide a sense of identity to the wider regional community.

Traditionally a number of people have chosen to live in the Central Area and in earlier years much of its periphery was residential in nature. Since that time the residential population declined until recently, with the conversion of office and warehousing buildings to apartments and the construction of purpose-built apartments and other residential buildings.

The establishment of a permanent residential population is an important component in maintaining the vitality and interest of the Inner City and to achieve this end, the Plan permits the establishment of residential accommodation throughout most of the Central Area. However, although the general strategy of the Plan is to provide for a wide range of activities to enable reuse of buildings over time, in the case of Residential Precincts the Council considers that the range of activities should be restricted to those which are compatible with residential accommodation, thus ensuring the amenity in these areas is not undermined.

The location and extent of the identified precincts applies to areas where there are clearly definable enclaves of existing residential accommodation, where there is a strong sense of residential amenity imparted by streetscape, aspect, topography and outlook or where there are location benefits, for example:

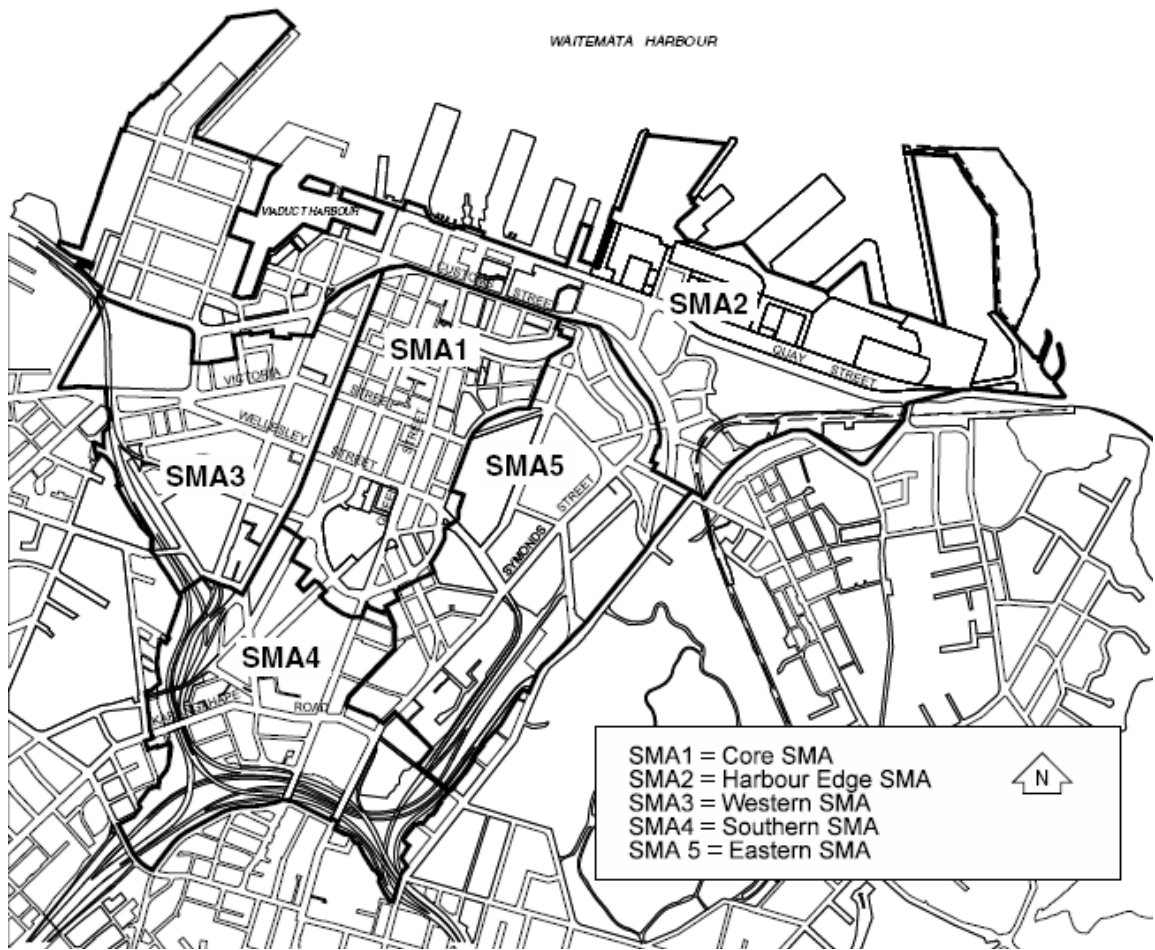
- Myers Park / Greys Avenue;
- Whitaker Place;
- Eden Crescent / Emily Place;
- Day Street;
- Lower Federal Street / St Patrick's Square;
- Lower Hobson Street / Nelson Street; and
- Upper Hobson Street / Nelson Street.

The Central Area section of the Auckland City District Plan differs significantly in structure from the Auckland Isthmus section outlined above. The Central section does not use a simple zoning technique to identify areas for specific land uses, as this single management tool is not suitable for the complexity and number of resource management issues facing the Central Area. Instead, the Central Area is divided into Strategic Management Areas (SMA's).

The Strategic Management Area system forms the basis for establishing and implementing those environmental protection and enhancement measures that apply to the Central Area in general or to the Strategic Management Area in particular. The SMA's permit the identification of significant physical, social and development characteristics within the Central Area and identifies the issues affecting each.

Five SMA's are identified within the Central Area, all of which allow for some level of residential activity; Figure A5.1 illustrates the location of the Strategic Management Areas within the Central Area.

Figure A5.1: Strategic Management Areas



Core Strategic Management Area

The Core Strategic Management Area contains the most intensive concentration of commerce, entertainment and retailing activities and development in the region. The development in this SMA represents considerable private and public investment in terms of buildings, infrastructure, community facilities, public spaces, services and street and landscape improvements.

The Core SMA is situated in a strategic position at the centre of the urban area of Auckland and contains the country’s largest concentration of high rise buildings, it is a prime location for a range of activities, including residential. Although it forms a physically compact environment, the character and function of various parts of the Core SMA are quite diverse. This has led to the emergence of identifiable precincts which require particular protection measures to be applied within the Core SMA.

The Core SMA identifies four key objectives:

- To maintain the highest intensity of activity in the Central Area emphasising commercial, entertainment, recreational, cultural, educational, retail, residential and tourist activities, in order to ensure the continuation of the Central Area as the principal business and commercial centre of the Auckland region and to achieve vitality, while managing the adverse effects of activities on each other, on public spaces and on the environment;
- To maintain an urban form and scale that focuses the most intensive development in a core area and mitigates its significant adverse effects;
- To ensure that the character elements that exist in the Core SMA are retained and enhanced; and
- To maintain and improve accessibility to, from and within the Core SMA, particularly for public passenger transport and pedestrian movement and cycling.

Harbour Edge Strategic Management Area

The Harbour Edge Strategic Management Area forms the part of the Central Area fronting the Waitemata Harbour. The area is diverse in both function and the extent of development contained within it. The entire area is reclaimed land and is flat.

The Harbour Edge SMA is distinguished by the significant development potential of the Viaduct Harbour, Britomart Place and the Quay Park Precinct. These areas have unique and limited resources because of their location and function. They require particular resource management measures and justify a high degree of public intervention and investment because of the considerable potential for public use. It is the Council's intention to plan for the redevelopment of these areas to blend visitor, business, residential, and recreational activities in a way that will promote the waterfront's natural advantages and enhance opportunities for public enjoyment. In light of this, new development containing public elements and linkages will be encouraged.

The Harbour Edge SMA identifies four key objectives:

- To provide for a wide range of activities in the Harbour Edge SMA with particular emphasis on maritime, entertainment, cultural, recreational, retail, tourist, office and residential activities, while continuing to provide for those specialist activities which require a harbour location;
- To provide for an urban form that reflects the location, character, function and amenity of the Harbour Edge SMA's individual precincts and encourages a transition in height and scale between the Harbour Edge and the Core; and
- To retain and reinforce the character elements located within the Harbour Edge SMA and to mitigate against significant adverse effects that may result from developments within the precincts;
- To maintain and improve accessibility to, from and within the Harbour Edge SMA and particularly to the port and the proposed Britomart Transport Centre.

Western Strategic Management Area

The Western Strategic Management Area slopes westward from Hobson Ridge towards Freemans Bay and the harbour. It accommodates a variety of low and medium intensity activities requiring good road access and deriving benefit from close proximity to the Core SMA.

The Western SMA contains Victoria Park which is the only area for active recreation in the Central Area. Light industrial, residential and commercial activities are established in the Western SMA, taking advantage of rentals that are comparatively lower than those in the City core. Its flexibility to accommodate a variety of activities enhances the possibilities for both commercial and residential redevelopment. A significant portion of vacant and underutilised land exists in the Western SMA and it is the least developed of the three peripheral Strategic Management Areas.

The Western SMA identifies three key objectives:

- To provide for an environment that emphasises commercial, entertainment, recreational, tourist, cultural, and residential activities in order to achieve vitality while managing the significant adverse effects of activities on each other, on public spaces in the Western SMA and on the sustainability of the Central Area;
- To provide for an urban form which maintains a transition in scale of development and accentuates views across the Western SMA between Hobson Street Ridge and the harbour edge; and
- To maintain and improve accessibility to, from and within the SMA, the motorway and key arterial routes and to improve the gateway status of the Western SMA.

Southern Strategic Management Area

The Southern Strategic Management Area occupies much of the topographically dominant southern ridge of the Central Area. Myers Park, the predominant open space in the Southern SMA, creates a pedestrian link between the linear commercial axis of Karangahape Road and the core of the Central Area.

The area benefits from the established linkages with the central Core through Queen Street, Greys Avenue and Vincent Street and there is an increasing trend to locate corporate offices and residential units in this area. Established residential pockets are located along portions of Greys Avenue and on the edges of Myers Park.

The Southern SMA identifies four key objectives:

- To allow for mixed-use development in the Southern SMA while managing the adverse effects of activities on each other, on public spaces and the sustainability of the Central Area;
- To provide an urban form and scale of development which respects the topography and maximises the views towards the harbour without compromising the level of amenity in the Southern SMA;
- To retain the character elements that are located within the Southern SMA and to mitigate against significant adverse effects resulting from developments and activities; and
- To maintain and improve accessibility to, from and within the Southern SMA and from the motorway and key arterial routes.

Eastern Strategic Management Area

The Eastern Strategic Management Area is dominated by tertiary education facilities and related uses such as those for student accommodation and research facilities. The student population of the Eastern SMA comprises a substantial proportion of the people who come to the area on a daily basis. This population profile therefore has a profound impact not only in the Eastern SMA but also on other parts of the Central Area. The Eastern SMA is characterised by areas with significant heritage value, such as the High Court and Albert Park.

Two established residential enclaves are the Anzac Avenue ridge, a popular location for tourist accommodation, and the Symonds Street ridge. The generally high quality amenity of this SMA and its close proximity to the central City makes it a sought after environment, particularly for offices. There are good internal linkages within the area but connections with the Core SMA are less satisfactory.

The Eastern SMA identifies four key objectives:

- To provide for an environment in the Eastern SMA that accommodates a range of activities with an emphasis on education, residential accommodation, commercial, tourism, entertainment and culture while managing the adverse effects of activities on each other, on the public spaces and on the sustainability of the remainder of the Central Area;
- To provide an urban form and scale of development which retains the existing quality of the public spaces and pedestrian linkages in the Eastern SMA;
- To retain the Eastern SMA's heritage and character elements and to mitigate against the negative effects resulting from developments; and
- To maintain and improve accessibility to, from and within the Eastern SMA and from the motorway and key arterial routes while avoiding adverse effects on the environment.

5.6.5 Plan Changes

The Council is committed to a plan which is current and relevant and which addresses issues and concerns as they arise. Therefore, the provisions of the District Plan may be varied as necessary.

As the development within the Central Area continues, the District Plan will be subject to continuous review by the Council so that the ongoing and evolving resource management requirements of the community may be acknowledged and provided for.

Plan changes may be initiated by council or privately – both of which are required to go through a comprehensive public consultation and decision making process. The following outlines the key plan changes that have been made to the Auckland City District Plan (Auckland Isthmus section) over the past 10 years that have an effect on residential land use.

Plan Change 2 – Urban Design and Residential Amenity

The recent boom in CBD residential apartment building has revealed serious concerns about unit sizes, poor natural lighting, ventilation, noise and separation distances between high rise blocks, their outlooks and outdoor amenity areas.

Changes proposed for the Central Area District Plan were formally notified on 3 June 2005, and are still in the submission stages. The proposed plan changes would have a major impact and aim to rid the city of poor quality design. The changes impose both residential amenity controls and new design criteria.

These minimum standards impose a range of apartment design criteria including:

- Minimum gross floor area; studio 35m², one bed 45m², two bed 70m², three + bed 90m²;
- Minimum floor to ceiling height of 2.4m for habitable rooms and 2.3m for other rooms;
- Minimum widths of common circulation corridors of 1.5m;
- Minimum daylight standards, a total clear glazed area of exterior wall no less than 20 per cent of the floor area of that space;
- Minimum internal storage and wardrobe space;
- Secure storage space; and

- Apartment mix; in one residential apartment building containing in excess of 20 residential units, the combined number of one bedroom units and studios shall not exceed 70 per cent of the total number of apartments in the building;

These minimum standards will be applied in tandem with detailed urban design principles which say:

- Building design should be of the highest quality, showing creativity, innovation, responsiveness to the local context in a way that contributes to the identity of Auckland City at every scale including appearance of the CBD from outside the Central Area and the CBD skyline, streets, neighbourhoods and precincts;
- Buildings should address and align to the street boundary to a height appropriate to define and enclose the street;
- The rhythm and scale of architectural features, fenestration, finishes and colour should harmonise with and complement the streetscape;
- Where there is little or no established street pattern, sound building design precedents should be introduced to provide visual clues to the building's overall scale and size and to avoid flat planes or blank facades devoid of modulation, relief and surface detail; and
- Design at ground level must contribute to pedestrian vitality, interest and public safety. This includes architectural detail and maximising doors, window openings and balconies fronting streets and other public open spaces. Frontages entirely of glass must not be used at street level as they detract from the streetscape.

The new urban design control will be triggered by:

- Any new building; or
- The external alteration or addition to any existing building.

These developments will now require a restricted discretionary resource consent. This means the council will be able to accept or decline these proposals if it is not satisfied the new standards are being met.

This plan changes has been largely a reaction to address issues that have resulted from the substantial increase intensive residential development in the CBD, for example; the significant number of very small 'student' apartment buildings built within the CBD between 2002 and 2005 and the intensive townhouse development along the Strand in Parnell, which suffered severely from leaky building syndrome. Whilst increased controls for intensive development are seen as necessary, they can hinder residential development by making the planning process more detailed and time consuming, particularly if required to put designs before an Urban Design Panel, and expensive in terms of increased development contributions and the growing need to bring specialist consultants (e.g. traffic engineers) into the development process much earlier in the process in order to gain resource consent.

Plan Change 5 – Character Building Demolition Controls

At present, the Central Area Plan includes rules requiring the demolition of scheduled heritage buildings. For other buildings, resource consent is required, however only as a restricted controlled activity and council cannot decline such an application. For such applications, the Council's consideration is limited to controlling the environmental impacts of the demolition itself and post-demolition site amenity.

The contribution that buildings make to the amenity of the Central Area is recognised in certain precincts, with design controls on new buildings considering matters such as streetscape, pedestrian level interface, scale and proportion of facades and cohesiveness. Both the Queen Street Valley Precinct and the Karangahape Road Precinct are recognised as exhibiting a certain character and amenity, which derives from the built form of these areas. This character is recognised in both precincts with objectives, policies, rules and design criteria and guidelines, which seek to maintain and enhance the character of the precinct through controlling the design of new buildings. In both cases, this recognised character is largely defined by older buildings.

While the built character of these precincts is recognised, it is only currently done so through design controls on new buildings. Limited recognition is given to the contribution that existing older buildings make to the character of these precincts. An anomaly also exists, whereby while a restricted discretionary resource consent is required for new buildings in both precincts and for alteration of building facades, demolition can occur as a restricted controlled activity.

Plan change 5 proposes to introduce a requirement to obtain a resource consent for the demolition of pre-1940 buildings in both the Queen Street Valley and the Karangahape Road precincts. Under plan change 5, the demolition, partial demolition or removal of a building is a restricted discretionary activity. This status enables such an application to be approved, approved with conditions or declined. In considering such an application, the Council's discretion is limited to the criteria specified in the Plan. The Plan also states that restricted discretionary activity application shall not be notified, unless specifically stated. Plan change 5 proposes to apply this non-notified status to building demolition and removal.

The new assessment criteria require consideration of the following new criteria in assessing pre 1940 building demolition or removal:

- The contribution the existing building makes to the character of the precinct and the extent to which building demolition will detract from this character;
- The impact of demolition on the shared contribution a building makes to streetscape character, if the building is part of a cohesive group of buildings;
- Whether restoration is impractical because of structural reasons and whether retention would put an unreasonable financial burden on the building's owner; and
- Whether a new building maintains or enhances an existing building's contribution to character. Designs for new buildings will be assessed against this criterion and the usual design criteria at the time of lodgement of the application for demolition.

Whilst designed to protect heritage and special character in certain areas and / or buildings, this plan change places additional constraints and controls on residential development, particularly when it comes to demolition for brownfield development sites.

5.7 Manukau City – Land Use Management

5.7.1 Introduction

The Manukau City District Plan became 'operative in part' on 21 October 2002, this is the status given to the District Plan by the Environment Court and the council to indicate that the majority of it has been finalised with a few outstanding issues still to be resolved.

The objective of this section of the appendix is to provide an overview of the Manukau City District Plan in relation to residential land use activities.

5.7.2 Manukau City Council District Plan – Residential Zoning Regulations

The residentially zoned areas of Manukau City include approximately 12% of the City's total land area and support approximately 95% of the City's population. Based on the current uptake of vacant residential zoned land, there is capacity for this vacant land resource to accommodate residential growth for approximately the next 10 years.

However, the supply and demand for this land is not evenly distributed throughout the City. This means that some areas are likely to see a shortfall of vacant land available for residential development before the end of the District Planning period of 10 years.

Over and above the vacant residential land resource, there is capacity within established residential areas to utilise land around existing dwellings to accommodate further growth in the residential areas. The supply and demand for this resource, as is that for vacant residential land, is not evenly distributed throughout the City. It is difficult to determine the actual capacity of the residential infill resource, since it is dependent on factors such as the siting of existing dwellings and owners' preferences.

Nevertheless, it can be assumed from current information that infill capacity can make a significant contribution to accommodating residential growth in the City over the next 10 years.

The housing stock and its associated infrastructure in the established and newly developing residential areas of the City are significant physical resources. It is estimated that there are approximately 70,000 household units in the City's residential areas. Most of these household units are relatively new, as most of the housing development has occurred from the 1950's onwards. Census data indicates that the vacancy rates of existing housing stock are relatively low, indicating that the housing stock is well utilised.

All residential areas are generally well serviced with supporting infrastructure. However, there are limitations in existing infrastructure in some of the older parts of the City and rural coastal settlements. The roading pattern also varies throughout the City and this can affect the ease with which residential areas can be serviced by public transport.

Historical developments which have particularly influenced the existing pattern of residential settlement in Manukau City include:

- The development of rural service centres;
- The election of the Labour Government in the 1930s leading to the construction of State housing in pockets of Papatoetoe, Manurewa and Mangere in the late 1930s and 1940s, subsequent changes to these policies lead in the late 1950;s and 1960;s to include the development of large tracts of State housing in Otara and Mangere;
- Rapid population growth particularly in the 1950’s, 1960’s and 1970s’; and
- Social and cultural values, including aspirations for home and land ownership and holiday homes at coastal locations.

These developments are just a few examples of what have contributed to the creation of a City characterised by a number of suburban residential areas made up primarily of low-rise single dwelling-houses on individual lots.

The strategy for managing growth in the City’s residential areas is a precautionary one. The strategy recognises that:

- Manukau City has considerable capacity to absorb future population growth. Citywide, it has sufficient vacant residential land to absorb the projected uptake of residential land for approximately the next 10 years. However, the supply and demand for this land is not evenly distributed throughout the City, and some areas could experience a shortfall of vacant residential land within the 10 year planning period. There is also some capacity to absorb population increases via infill development within existing residential areas. Over and above this capacity the City has considerable amount of land earmarked for future urban development. Hence, on a citywide basis its options are not currently constrained by the supply of land;
- There is a degree of uncertainty about the effects of residential development on the environment. This includes impacts on the City’s natural resources and on amenity values, in particular, the cumulative effects of residential intensification;
- There are distinctive patterns of residential settlement within Manukau which need protection since they contribute to the City’s unique character and identity. These heritage areas help to distinguish Manukau City from all others. Heritage areas however are vulnerable to change and once lost cannot be replaced;
- Conservative controls are applied in these areas to ensure certainty of outcome and to reduce the risk of damaging residential heritage qualities;
- The management of the City’s infrastructure needs to be integrated with overall desired environmental outcomes. The Plan identifies current limitations in storm water infrastructure in particular parts of the City;
- Diversity in residential areas enhances opportunities for different lifestyle options over time, and is in keeping with the sustainable management of the City’s resources.

Residential zones have in part been determined by mapping local environmental conditions (e.g. presence of public open space, water quality, heritage qualities) and analysing the effects of residential growth and development on these conditions.

Four broad types of residential zones have been formulated to manage the different effects of residential development and growth on the City’s environment. These zones are:

- Main Residential;
- Residential Heritage;
- Integrated Intensive Housing; and
- Rural and Coastal Settlements

Main Residential Zone (MR)

The main residential zone allows consolidation and intensification of residential development while ensuring the maintenance and enhancement of residential amenity values by way of development and performance standards.

The zone applies to residential areas where there are no significant environmental constraints that suggest that intensified residential development should not occur. Residential development, not exceeding a density of one household unit per 400m² net site area, and for sites greater than 1000m² net site area not exceeding a density of one household unit per 300m² site area, is allowed in the main residential zone.

It is also possible to develop land for housing, at higher densities in this zone by way of a code for integrated intensive housing subject to locational criteria.

Four special policy areas are included within this zone. The additional provisions, which apply to these special policy areas, seek to mitigate the adverse effects of urban residential development on the existing rural residential amenity values in the neighbouring Rural 3 zone.

There are also two special front yard policy areas in parts of Howick and Papatoetoe. These special front yard policy areas have been applied in these two established residential areas to help protect existing garden and streetscape qualities, while still allowing opportunity for infill development.

Residential Heritage Zones (RH)

Three types of residential heritage have been identified in Manukau through a heritage assessment. These are:

- Residential (Built Form) Heritage;
- Residential (Flora) Heritage; and
- Residential (Traditional Suburban) Heritage.

Residential (Built Form) Heritage

Where a particular dwelling type and style and built form predominates and has heritage significance. Three Residential (Built Form) Heritage zones have been applied to three local residential streets.

RH 1 (Parts Rosella Road, Mangere)

This zone protects the group of Californian Bungalows, Transitional Bungalow Cottages, English Cottage, and English Cottage Revival (built around the 1920s and 1930s) that prevail in this street together with the original pattern in the built form. This includes protecting building spacing and orientation, setback, scale, height, roof forms and the extent of site coverage.

RH 2 (Teo and Tioro Lanes, Mangere)

This zone protects one of the first examples of cluster housing in New Zealand. This state housing built in 1978 and is significant because it represented a change in the government's housing policies relating to architectural and subdivision design.

RH 3 (Station Road, Papatoetoe)

This zone protects the row of Station Road railway houses in their original setting and context. The houses were designed by George Troup, a leading design engineer for New Zealand Railways. The cultural heritage value of the railway workers' houses is enhanced by the presence of the neighbouring station building also designed by George Troup.

Residential (Flora) Heritage

Where the vegetation or the natural features of a residential area predominate. There is one such zone.

RH 4 (Pohutukawa Ave / Mangemangeroa Creek escarpment, Howick)

This area has a unique cultural landscape typified by scenic native bush. Pohutukawa Avenue in particular, has “soft” edges of bush and bank and vegetation forming a tunnel over the road. This zone will ensure that development does not intrude a hard urban presence upon the scenic bush qualities of the area and the natural features of the escarpment.

Residential (Traditional Suburban) Heritage

Where the heritage is primarily defined by the overall pattern of traditional suburban development including single house on single large lot, street form, front setback, layout, status of the garden and natural heritage (e.g. landform). There may be dwellings in these areas which contribute to the heritage qualities but they are not the predominant feature. Instead, they work in combination with other settlement traditions to enhance the heritage quality of early suburban development. The residential (traditional suburban) zones will help to ensure that the housing density and layout respects the traditional suburban qualities, including the importance of open space and gardens in these areas. There are three residential (traditional suburban) heritage zones:

- RH 6 (Mangere Bridge);
- RH 7 (Eastern Howick); and
- RH 8 (Hill Road area, Manurewa).

All Residential (Traditional Suburban) Heritage Zones attempt to preserve qualities associated with the original pattern of subdivision and building layout. In particular, the 800m² - 1000m² site areas, and building setbacks are afforded some protection. However, the density controls differ slightly for each zone since they have been tailored to the particular pattern of development that currently exists in each traditional suburban area. In particular, each area has been assessed in terms of the amount of subdivision it could absorb without cumulatively undermining the overall qualities of traditional suburban development.

Integrated Intensive Housing Zone (IIH)

This is a special policy zone specifically for medium or high intensity residential development, where an overall average household density of 1:400m² net site area is required. The zone has been applied with the agreement of affected landowners on a very selective basis, to small pockets of land around the Botany Centre.

The requirement for housing to achieve a specified average density is deemed justified in this location in order to encourage more efficient use of land and different housing and neighbourhood types. It is anticipated that the integrated intensive housing zone will act as an example for alternative residential development options. Residential development in this zone is subject to a special design code to allow greater opportunity for site responsive design.

Rural & Coastal Settlement Zones

Two types of rural and coastal settlement zones have been identified.

Residential Settlement Serviced (RSS)

This zone applies to the settlements of Beachlands and Maraetai that have recently been connected to a reticulated sewerage scheme and treatment plant. This zone will protect the heritage and amenity values of the settlements, while maintaining some flexibility for increased development of larger sites.

Residential Settlement Unserviced (RSU)

This zone includes the settlements of Clevedon, Whitford, Kawakawa Bay and Orere Point. These settlements are not connected to the reticulated sewerage scheme. This zone will maintain large lot sizes so that effective and efficient sewerage disposal can be accommodated on-site, while avoiding adverse effects of potential water and land contamination.

Future Development Zone

The purpose of the zone is to protect the rural areas in the East Tamaki Corridor and Favona area until such time as they are required for the future expansion of existing urban areas. The areas zoned for future development are staged as either Stage 1 or Stage 2 which largely reflect current urban growth demand and the provision of services, and provides for the progressive development of the City.

Until the land is urbanised it is intended that the Future Development Zone will retain its predominantly rural character and that farm productivity will be maintained. The activities which are allowed in the zone, such as farming, will enable the existing resources of the area to be used until required for urban purposes. Other permitted activities are essentially in keeping with the rural character of the zone.

To ensure that the future pattern of urban development is not prejudiced and there can be a smooth transition to urban uses, subdivision and non-rural uses are restricted. No further subdivision will generally be allowed to avoid a sporadic pattern of lots with a high level of investment which could delay or jeopardise urban development.

Following the structure planning of areas presently zoned for future development some subdivision may be able to be permitted if done in accordance with that structure plan and where it can be demonstrated that it will not constrain or compromise future urban development or create a significant demand for services. This matter will be addressed at the time the structure plan is prepared. The structure plan will remain in place until the total area subject to that plan is largely developed. Flat Bush is the most substantial residentially based structure plan area within Manukau City; this is explained in more detail below.

5.7.3 Plan Changes

Variation 13: Flat Bush

The most significant plan change implemented by Manukau City Council since 2000 has been Variation 13, a comprehensive rezoning of approximately 1700 hectares of land in the Flat Bush area to facilitate the development of a new town. This became operative in January 2006.

The Flat Bush area provides an important opportunity for Manukau City Council to address intensification policies contained in the Proposed District Plan, the Auckland Regional Policy Statement and agreements reached under the Auckland Regional Growth Strategy.

Key principles of the Regional Policy Statement and the Regional Growth Strategy are to promote intensive and mixed-use development patterns at appropriate locations, and to give greater recognition to environmentally sound design principles. The development strategy for Flat Bush provides a framework of zonings and plan provisions which are consistent with the outcomes sought in these regional plans.

Development in Flat Bush is anticipated to be equivalent to that of a small to moderately sized city. A comprehensive management approach is proposed if the desired environmental outcomes for the area are to be achieved.

Based on population growth within the City it is expected that development of the area will be substantially complete within 20 years and will have reached a population of approximately 40,000. Staging of the release of land is proposed to accommodate growth in a way that ensures integration of infrastructure, protection and enhancement of the natural environment, provision of choice in lifestyle types and to minimise the disruption of having the catchment as one large extended construction site.

The strategy for Flat Bush recognises and gives effect to the issues, objectives and policies of Future Development Areas.

The Council recognises that the physical form of urban development contributes to the level of sustainability achieved. In the Flat Bush area there is a strong emphasis on sound urban design and sustainable management principles, which become increasingly important with smaller sites and greater residential density. A greenfields situation provides the opportunity to ensure that the overriding urban structure is supportive of higher density housing forms without creating the range of adverse effects and criticisms that are directed to infill housing or intensification of established communities.

The strategy for the Flat Bush area is to ensure that the underlying urban structure will enable a future community to provide for their social, economic, and cultural well being, in an integrated manner with the natural and physical environment. A key to this is the Structure Plan, which identifies the critical public open space networks, roading networks and locations for community focal points such as the Town Centre and the Neighbourhood Centres.

The structure plan and the associated activity status and rules for the various zones provide a degree of prescription which will ensure that the diverse range of environmental issues and objectives can be addressed through a relatively straightforward consent process. This approach provides a level of certainty and guidance as to what is required to obtain consent, while at the same time ensuring that environmental effects are appropriately managed. Alternatively it is possible to consider proposals that do not meet all of the detailed development and performance standards or which are substantial in their size, scale and intensity, and therefore require a more rigorous resource consent consideration. The structure plan identifies 3 key zones with regard to residential development.

Flat Bush Residential 1 Zone

The Flat Bush Residential 1 zone is located to the north and east of Barry Curtis Park and adjoins the Flat Bush Town Centre. The zone primarily has a residential emphasis although it is envisaged that home based and small scale business activities will form a part of the urban fabric. Within the Flat Bush Residential 1 zone there are six precincts; the Transition, General, Central, Arterial, Barry Curtis Park Edge, and Local Centre precinct.

The zone promotes a graduation of higher residential densities that is generally related to (and increases with) proximity to the Flat Bush Town Centre. The emphasis on higher residential densities in proximity to the Town Centre and Barry Curtis Park will ensure that there is a substantial number of people living in close proximity to the Town Centre and the park. That will not only enhance the long term viability of the Town Centre but will also encourage use of the Park and walking as a viable alternative to travel by car for local trips. It will also ensure accessibility to passenger transport facilities

Flat Bush Residential 2 Zone

The Flat Bush Residential 2 zone is generally located in the mid catchment foothills area and consists of an area of approximately 300 hectares.

This zone promotes lower residential densities than the Flat Bush Residential 1 zone because of its more distant location from the Town Centre and likely passenger transport routes. In addition this zone also acts as a transition between the Flat Bush Countryside Transition zone at the top of the catchment and the more intensive Flat Bush Residential 1 zone on the lower lying land.

Residential development achieving an overall average household density of at least 14 households per hectare is permitted within this zone to reflect the medium intensity nature of this zone, while encouraging an efficient use of land and choice of housing types. The range of housing types within this zone could be quite diverse, including 3 storey apartments / town houses locating in close proximity to public open space and main roads. However, it is anticipated that the majority of housing in the zone will consist of detached housing on lots in the range of 400m² to 600m².

The Flat Bush Countryside Transition Zone

The Flat Bush Countryside Transition zone is located within the upper part of the Flat Bush catchment and alongside the many streams and waterways that traverse the area.

The fundamental purpose of this zone within the Upper Catchment is to act as a transition between the urban and rural area. The zone further functions to protect and enhance the natural environmental qualities found within the zone, while providing for appropriate countryside living opportunities that are in close proximity to a range of employment and urban facilities located in the nearby urban area.

Development potential within the Flat Bush Countryside Transition zone is restricted because of the relatively steep and dissected landscape, instability of land, limited accessibility and because of the significance of the visual backdrop this area provides to the basin below. The zone therefore accommodates low-density developments (i.e. one household unit per 5000m²) in order to protect the natural and physical environment and the associated visual landscape features.

However, in the Gracechurch Heights area the average lot size is reduced to 4000m² to reflect a number of special characteristics in this area. In particular, the Gracechurch Heights area consists of an area that is generally lower lying than other parts of the zone and is immediately adjacent to the rapidly developing Flat Bush Residential 1 zone, where there is an opportunity to connect to wastewater services. Furthermore this area has potential to absorb a number of additional households, without compromising the generally spacious amenity existing in this area and is located inside the Metropolitan Urban Limit.

Subdivision of land within this zone is only permitted within each site where a suitable building platform is identified, taking into account natural landform, soil stability, storm water and the capacity of the site for the disposal of wastewater. Household units are also controlled so as to ensure that stability and wastewater disposal issues are adequately addressed on site.

It is recognised that “cluster housing” may be an appropriate form of development within the zone to achieve efficient use of the land resource, whilst maintaining the open space quality and natural features of the zone through considered design.

Variation 13 is one of the best examples within the Auckland region where re-zoning of a significant portion of land, accompanied by a clear structure plan and comprehensive development guidelines, has been implemented. The plan change makes the development of residential units and the subdivision of land for residential land use a much simpler and cohesive process. Currently a greenfields development site, the re-zoning of Flat Bush increases the supply of suitably zoned land for residential development in the region significantly. The variation makes it clear to developers what subdivision and housing densities will be permitted for development, enabling them to determine what type of residential development they should pursue e.g. standalone single lot subdivisions in low intensity zones versus multi unit apartment buildings in high intensity zones.

Plan Change 5 – Rural 3 to Main Residential, Point View Drive

Rezoning of land at Rural / Main Residential interface. This plan change became operative in April 2005.

Plan Change 6 – Rural 3 to Main Residential, Hill Road

Rezoning of land at Rural / Main Residential Interface. This plan change became operative in April 2005

Plan Change 8 – Whitford Rural

The development strategy for the Whitford Rural Area focuses on providing opportunities for countryside living development while retaining the landscape character, rural amenity values and environmental quality of the area.

The development strategy seeks to protect and enhance the ecological, heritage and landscape features within the area through the land subdivision and development process.

The Whitford Rural Area is divided into three zones, based on landscape type. The three zones have been defined according to their ability to visually absorb development without generating significant adverse effects on existing character or amenity values.

Each zone has a carrying capacity which specifies the maximum amount of “unmitigated” development that can occur within a landscape before the existing landscape character is altered beyond an acceptable level and / or amenity values associated with a particular type of landscape are lost.

The total carrying capacity of the Whitford Rural Area has been identified at 760 development units. Development units comprise the built structures located on a site. More specifically, a development unit consists of the buildings associated with typical use of a site, for example, household unit, garage, shed etc...

Whitford Rural A Zone

The carrying capacity for this zone has been defined as 1 household unit per 4 hectares of land. The average lot size for the zone is therefore 1 lot per 4 hectares of land.

Whitford Rural B Zone

The carrying capacity for this zone has been defined as 1 household unit per 5 hectares of land. The average lot size is therefore 1 lot per 5 hectares of land.

Whitford Rural C Zone

The carrying capacity for this zone has been defined as 1 household unit per 6 hectares of land. The average lot size for the zone is therefore 1 lot per 6 hectares of land.

Plan change 8 was originally notified in July 2005 with the council decision notified in December 2006; however, the plan change is pending several appeals and has yet to be made operative.

Plan changes 5, 6 and 8 all increase the ability to develop residential units by increasing the supply of suitably zoned land in available in Manukau City for residential development.

5.8 Papakura District – Land Use Management

5.8.1 Introduction

The Papakura District Plan became 'operative' on 16 June 1999. Following the re-organisation of local government in 1989, the area which was formerly administered by Papakura City was enlarged. Rural areas to the north of Papakura in Takanini, Alfriston, Ardmore and the Hunua foothills, which were formerly part of Manukau City, became part of the new Papakura District. Similarly, parts of Karaka, the Hingaia Peninsula, Drury and the parts of the Hunua foothills to the south and west of Papakura, which were formerly administered by Franklin County, also became part of Papakura District. The new District retained the name Papakura and is now administered by the Papakura District Council.

The Papakura District Plan replaces the former Papakura Transitional District Plan and also incorporates the Papakura District Scheme and parts of the former Manukau City and Franklin County District Schemes.

The objective of this section of the appendix is to provide an overview of the Papakura District Plan in relation to residential land use activities.

5.8.2 Papakura District Council District Plan – Residential Zoning Regulations

Papakura District covers an area of 12,000 hectares comprising suburban development and extensive rural areas. Politically, Papakura is bounded in the north and east by Manukau City and in the west, south and east by Franklin District. Papakura District forms part of the Auckland Regional Council area and is a focus of the region's rural / urban interface.

The District of Papakura extends over a much greater area than previously and encompasses rural and urban areas formerly under different territorial control. This amalgamation has brought with it a need to consider broad issues over a broad area. The social and economic links between rural and urban need to be made clear and precise strategies need to be developed to unify, within a resource management framework, a District which has already been unified in an administrative framework following local government re-organisation.

Papakura District contains significant areas of residential development including Papakura Central, Takanini, Conifer Grove and Drury. These areas display a variety of housing types ranging from single dwelling units on individual lots to multi-unit developments of up to six units per lot.

A characteristic of the residential areas of the District is the level of amenity and quality of the local environment. Quiet living environments, generally undisturbed by non-residential activity, are typical of the urban parts of the District. These qualities distinguish Urban Papakura and will be protected through the provisions of this Plan.

The range of housing types is also a particular feature of the District. This variety provides an attraction to future households and ensures a diverse and interesting environment. Provisions in the Plan are designed to offer variety without sacrificing amenity.

At the same time, some uses and buildings are unacceptable in residential areas. These activities are significantly different in character, intensity or scale from existing, and likely future, residential activities and have several adverse effects which cannot readily be avoided.

Because performance standards to manage these activities within residential zones would need to be so restrictive and rigorous, such activities will not be provided for in these zones.

Current projections are for an increase in the number of households in the District over the next five to ten years. This growth will occur throughout the District and there will continue to be demand for a variety of housing types to meet the needs of this growth. Further, the projected residential growth could be accommodated through consolidation or greenfield expansion.

Residential consolidation, based on the desire to maximise the use of existing facilities and resources, allows efficient future growth and avoids unnecessary duplication. At the same time, physical limits on storm water and sewerage systems, particularly in older parts of the District, are a real constraint on future, uncontrolled residential consolidation.

Greenfield expansion enables careful management of resource use. Unconstrained by any pre-existing development, residential environments may be carefully planned and development may be controlled in order to maximise the achievement of stated objectives. Such expansion can, however, be wasteful of resources without necessarily achieving all objectives.

The quality of residential living in Papakura is considered to be a special feature of the District and a matter which deserves protection. While the current trend has been for infill housing on larger lots, the council is concerned to retain the qualities and amenities of residential neighbourhoods.

The Papakura District contains significant areas of residential development including Papakura Central, Takanini, Conifer Grove and Drury, and typically comprises single / double storey detached dwelling-houses on individual titles. However, the historical drivers of residential development, areas of government supplied housing, the age of housing stock, and its particular location within the District provide points of differentiation amongst residential neighbourhoods.

The long-term trend is toward smaller households meaning that new dwellings, in a range of forms, are expected to increase at a higher rate than population growth generally. This pattern, and the demand for new and more diverse housing opportunities, including specialised accommodation, can have adverse effects on amenity values including incompatible scale, form and arrangement of buildings. Site development can have impacts on the special character, heritage values or environmental significance of an area. At a broader scale, the form of residential development can have effects on the efficiency of infrastructure, including transportation infrastructure, and energy use. As new areas are identified for urban expansion, or as redevelopment occurs in existing urban areas, residential amenity must be either provided for or enabled to be maintained and enhanced, while the efficient use of land and infrastructure is maximised.

The Papakura District Plan uses a zoning technique to identify land suitable for residential development. Nine residential zones and two rural residential zones are identified in the District Plan.

Residential 1

This is the standard residential zone incorporating much of the residential land in the District. The zone is comprised predominantly of single family homes although there is a mixture of housing types and building forms.

The principal objective of the provisions of these areas is to secure an environment for traditional residential development. To this end, the provisions are aimed at retaining the existing quality of amenities and securing attractive residential living environments. Further, the zone provisions are designed to enable a variety of dwelling types as well as a limited range of compatible, non-residential activities. The outcome of this strategy is expected to be the retention of high quality residential environments.

Residential 2

This zone enables the establishment of more intensive residential activities. It serves as a buffer zone surrounding the Central Business Area. The zone is comprised of single family homes and a range of medium-intensity residential activities such as multi-unit developments, travellers' accommodation, boarding houses and private hospitals. Extensive multi-unit development has occurred in recent years with many sites being re-developed.

The principal objective of the provisions for these areas is to retain the existing quality of amenities while enabling a limited range of non-residential activities. The outcome of this strategy is expected to be the retention of good quality residential environments which also include some non-residential activities.

Residential 3

This zone provides for residential activities in the Keri Hill area. Some parts of Keri Hill have problems of instability and further development will be subject to favourable geo-technical reports. The zone is intended to enable the development of traditional residential lots of sufficient size and shape to minimise the possibility of land slip or other results of intensive subdivision and development.

The principal objective of the provisions for these areas is to retain the existing quality of amenities while enabling a range of non-residential activities. The outcome of this strategy is expected to be the retention of high quality residential environments.

Residential 4

This zone covers areas in the District with high natural amenity values including Conifer Grove and parts of Central Papakura. The zone is designed to enable a wide range of residential activities subject to controls on environmental effects, to limit multiple household unit development, to limit non-residential activities and to protect views of the coastline.

The principal objective of the provisions for these areas is to retain and enhance the natural amenities of the zone and to secure attractive residential living environments. The outcome of this strategy is expected to be the development of quality residential environments based on the high levels of natural amenity.

Residential 5

This zone covers Papakura South and Longford Park. The zone enables the establishment of large-lot residential development based on on-site or community-based effluent disposal systems for Papakura South but Longford Park shall be connected to the metropolitan sewerage system. A limited range of non-residential activities is contemplated for the Zone. Structure plans for development will be required from developers of land zoned Residential 5.

The outcome of this strategy is expected to be the emergence of high quality residential environments which recognise limitations of landform and infrastructure and the nature of adjacent development.

Residential 6

This zone provides for low density residential activities on land to the north of Drury situated between the existing urban area of Drury and adjoining rural area. The land lies north of Great South Road and comprises an area of six hectares and is situated between the urban area of Drury and the adjoining rural areas of this part of the District.

Formerly zoned for traditional residential development on small lots, the land is, in part, subject to limited inundation. This characteristic of the locality requires study prior to development. Accordingly, the provisions of this zone provide for larger lots and reflect the periphery urban location of the land.

The expected outcome of this strategy is the emergence of a quality residential environment, in a periphery urban location, providing a high level of local amenity.

Residential 7

This zone covers the area previously occupied by the NZ Army. Special provisions are seen as appropriate in view of the nature and scale of the existing development and the potential of the land for a range of future development appropriate to its site and location.

The zone is designed:

- To enable low density residential activities subject to an approved structure plan including controls on effluent disposal, storm water reticulation and site development to ensure that adverse environmental effects are avoided;
- To provide an opportunity for future development proposals to be assessed against the resource management strategies by way of structure plans;
- To manage the use and development of the existing resource in order to provide continued benefit to the community;
- To enable the establishment of a range of activities of appropriate nature and scale; and
- To limit the adverse effects of activities on adjacent activities.

The objective of this strategy is expected to be the emergence of a high quality residential environment and the achievement of the future sustainable and responsible use of a valuable community resource. Activities will be subject to structure plans and rules on the nature and scope of the selected activities.

Residential 8

This zone, for the most part, covers Takanini Structure Plan Area 1B. In February 2000, Papakura District Council commenced a structure plan process for Takanini designed to identify the constraints and opportunities of the land, the objectives of the community and development sector in establishing an overall framework for the planned growth and development of the Takanini area. The structure plan was approved in draft form by Council in May 2000 and adopted in November 2000.

The land within the Residential 8 Zone is ideally located to take advantage of its close proximity to the railway line and the proposed mixed use node, and in doing so encourages development densities which are supportive of public transport use and non motor vehicle modes of transport consistent with Regional Growth and Land Transport Strategy objectives. Accordingly, significant medium density housing is envisaged.

The area of Residential 8 zone within Area 1b, subject to plan change No. 3, is approximately 82.25 hectares. At an anticipated overall density of 1 unit per 500m², in excess of 1,645 dwellings are envisaged, providing housing for approximately 5,000 people.

Residential 9

This zone, for the most part, covers Hingaia Structure Plan Area 1A. Provisions encouraging a Mixed Use Area and Neighbourhood Centre serving the whole of the Hingaia Structure Plan Area, centred on Hingaia Road close to this interchange are generally established through the provisions of the Mixed Use 1 Zone.

The land exhibits an existing rural character valued by the community and retaining elements of an open spacious character is envisaged throughout most of the zone to maintain and enhance this sense of place, and assist in maintaining a high standard of visual amenity. It is intended that this be achieved principally through the reserve and riparian network, street planting and yards.

The Regional Growth and Land Transport Strategies encourage development densities which are supportive of public transport use and non motor vehicle modes of transport at appropriate locations, such as along transport corridors and, at, or close to mixed use centres. Accordingly, significant higher density housing is envisaged.

Some of the land in the northern part of the zone is physically separated from the proposed Neighbourhood Centre by the intervening lifestyle block properties (Karakā Park). Provision of higher development densities in such locations is generally unlikely to be supportive of non motor vehicle modes of transport, so is not encouraged.

Extensive areas of multiple-unit housing have the potential to adversely affect the lower density and spacious character the zone seeks to retain. Accordingly, the objectives and policies for the zone support lower density development and enable more intensive permanent residential development to be located only on sites within walking distance of the Neighbourhood Centre, and in instances where through location and design the generally lower density character of the zone will not be compromised.

Even at low and moderate densities, it is important to ensure that subdivision and design deliver acceptable amenity outcomes. Accordingly, a range of amenity outcomes is specified, and the Plan includes rules which seek to ensure that these are achieved.

Rural Residential Zones 1 & 2

The Rural-Residential 1 Zone has been designed to provide for large lot development in those areas of Keri Hills and also the Hunua foothills which are situated to the east and south of the Papakura urban area. The Rural Residential 2 Zone is located adjacent and to the west of the North Island Main Trunk Railway in the Drury area. While it is within the Metropolitan Urban Limits the Council has no intention of providing urban services.

While a differentiation has been made between the Rural Residential 1 and 2 zones this relates simply to the different locations of the two zones. The same rules apply to both zones. The Council is concerned to ensure that development on the hilly land which comprises the Rural-Residential Zones does not result in flooding problems downstream in the Drury area.

Much of the land in the zones has been identified as having land stability problems. Consequently, Council will require geotechnical reports for all subdivisions within the zone and may require further engineering reports at the time an application for a building consent is made. Sites must be capable of being self sufficient in terms of water supply, sewage treatment and stormwater disposal.

The boundaries of the zone have been drawn having regard to existing uses, land use capability, geography and the existence of cultural features (such as roads) which form logical and practicable boundaries. Because this is a rural zone, in which rural activities may be carried out, there must be an expectation on the part of land owners that the effects of normal rural activities may be experienced. These effects may include noise from animals and farm equipment, smell from spillage, spray drift. The rules for the zone also provide for the fact that residential uses must be self sufficient in terms of services such as refuse disposal, water supply and sewerage.

5.8.3 Plan Changes

Changes may be made to the District Plan in accordance with the procedures and guidelines outlined within the first schedule of the Papakura District Plan. Plan changes may be initiated by the council, or on application by individuals.

The effectiveness of the plan will be continually monitored and the council will initiate plan changes which address evolving issues and community needs, improve environmental conditions and enable the council to better meet its obligations.

Takanini Structure Plan (Residential 8)

In February 2000, Papakura District Council commenced a structure plan process for Takanini designed to identify the constraints and opportunities of the land, the objectives of the community and development sector in establishing an overall framework for the planned growth and development of the Takanini area. The structure plan was approved in draft form by Council in May 2000 and adopted in November 2000.

For the purpose of implementation, the Takanini Structure Plan Area has been broken into sub areas. This section of the District Plan enables the staged implementation of the structure plan beginning with Area 1B (Glenora).

Area 1B comprises some 164 hectares of rural land including Bruce Pulman Park. This land is generally located between Airfield Road to the north, Walters Road to the south, the North Island Main Trunk rail line to the west and Mill Road to the east. Area 1A comprises rural land to the immediate east and urban land to the west of the railway line centred on a proposed new train station and transport interchange. A subsequent Plan Change(s) will facilitate the development of Area 1A as a mixed-use node. Together, Area 1A and Area 1B are referred to as the Glenora Structure Plan.

Hingaia Structure Plan (Residential 9)

In July 2000, Papakura District Council commenced a structure plan process for Hingaia designed to identify the constraints and opportunities of the land, the objectives of the community and development sector in establishing an overall framework for the planned growth and development of the Hingaia Peninsula.

These findings were embodied in the adopted "Draft Hingaia Structure Plan, October 2000". It sought to provide for a living environment with high amenity, character, access to public open space, a range of housing and lifestyle opportunities and business and employment provision. The Hingaia Structure Plan was further reviewed in 2001 to include additional technical information, in particular storm water catchment management plan provisions, and to accord with the Southern Sector Agreement requirements for greenfield development, as per the Auckland Regional Growth Strategy.

The establishment of the residential 8 and 9 zones in the Papakura District will make residential development possible in the Takanini and Hingaia areas, currently greenfield development sites, and increase the supply of suitably zoned land for residential development in the region. The structure plans make it clear to developers what subdivision and housing densities will be permitted for development.

Plan Change No.8b: Central Area (Residential)

Proposed plan change 8b adds policy to Residential Zones 1 & 2; to enable the establishment of higher density multiple household units (apartment buildings only) in the Town Centre.

This plan change is designed to facilitate residential intensification, making it easier to develop residential units by permitting high density residential apartment buildings within the Papakura Town Centre – a level of residential intensity has never been allowed in the Papakura District before.

5.9 Franklin District – Land Use Management

5.9.1 Introduction

The Franklin District Plan became operative on 29 February 2000. This single Plan replaces the five separate District Schemes inherited from the former Borough and County Councils. In doing so it seeks to provide a single new set of resource management provisions that apply consistently to all rural and urban areas in the District.

The objective of this section of the appendix is to provide an overview of the Franklin District Plan in relation to residential land use activities.

5.9.2 Franklin District Council District Plan – Residential Zoning Regulations

Franklin is largely a rural District. Good land, soil and water resources have made the District well known for farming and horticulture and most of the settlements and communities within Franklin were founded on these activities.

Franklin is close to Auckland - a major market and employment centre. Producer industries, residents and increasingly tourists want to take advantage of this closeness.

There has been a significant population increase in the District in recent years. Much of the recent increase has been in the rural areas and the traditional population mix of Franklin is changing. There is a growing conflict between the expectations of these new rural residents and traditional farming activities.

Growth in the main urban areas of Pukekohe, Tuakau, and Waiuku has been steady in recent years. Other urban centres such as Patumahoe and Clarks Beach have seen greater percentage increases. The urban areas provide a full range of services and facilities, and in general the public infrastructure can accommodate the immediate growth expectations. However, the extension of the Southern motorway has made some parts of Franklin even more accessible, and this coupled with the positive effects of economic growth gives rise to a need for well defined urban growth strategies.

Pukekohe has the greatest potential to grow, and the motorway extension and upgrading of Mill Road has further enhanced this potential by making it more accessible to Manukau and Auckland. Pukekohe has a number of constraints to residential growth which are not so evident or critical in Tuakau or Waiuku.

To counter the effects of 'rural sprawl', the strategy is to provide for rural residential activities in specified areas rather than generally throughout rural areas. This strategy is supported by providing for rural residential subdivision in and around urban areas, as appropriate to each locality. The most extensive areas of rural-residential development currently are to the south of Tuakau, and to the south and east of Waiuku. The identified growth areas approach to small urban settlements will also contribute to meeting the demands of the 'lifestyle' component of the residential property market.

The District's residential areas offer a wide range of locations and lifestyles. But all areas display a low intensity of development indicating an ongoing preference for the 'quarter acre' section. Apart from established rural residential areas, there is not considered to be any residential area of such character or distinctiveness that the Plan should have a special Zone or set of controls applying only to that area. Therefore a single set of Rules for the District i.e. one Residential Zone, is justifiable.

The key objectives of the residential and rural-residential zones are identified below.

Residential Choice

To provide for a range of residential lifestyle choices in and adjacent to Franklin's existing urban areas.

The Plan should provide scope for people to exercise choice when satisfying their residential requirements. Lifestyle choice can be maximised by allowing residential development in a range of locations, on differing terrains and lot sizes, and with different levels of servicing.

Rural-Residential Character

To safeguard the overall character of rural-residential areas.

The Plan should ensure that these areas remain attractive for people wanting properties near urban areas but of a rural character. This is consistent with the Plan's strategy of providing for 'lifestyle' opportunities in specific areas. Generally these areas are not fully serviced, and again this is usually the preference of the people who occupy them.

Residential Amenities

To safeguard the amenity values of the Residential Zone while recognising the need to use urban land efficiently.

The main Residential Zone covers areas which are well established in residential activities. There is significant individual and community investment in these areas. The Plan should acknowledge this and ensure the continued pleasantness, convenience, and safety of these areas and of individual properties within them. In this way it will help to maintain the value of their natural and physical resources for future generations.

Generally residential areas appear open with vegetated space between buildings, and a consistent building size and height. Houses are set back from road boundaries, and signs are not common. Residential areas will also have a range of non residential activities of both a community and a business type.

Improve Residential Amenities

To improve or enhance the amenities and infrastructural resources of the residential areas of the District in consultation with affected communities.

There is always scope for improving living environments and making roads more pleasant and safe to use or live by. Invariably this requires capital allocations, and the community's ability to pay or contribute will always be a key factor.

The Franklin District Plan identifies three zones pertinent to residential land use, the rural zone, residential zone and rural residential zone. The following outlines the residential activities provided for in each of these zones.

Rural Zone

Permitted Activities

- One dwelling house per rural lot except for the following situations:
 - Where a restrictive covenant or a resource consent prevents the erection of a dwelling;
 - Where there is a restriction on the title which precludes the use of the site for any Permitted, Controlled, Discretionary or Restricted Discretionary activity in this Zone; or
 - Where the site is within the Pukekohe Hill Special Policy Area of this Zone.
- One dwelling house on a lot within the 'Growth Areas' identified on the Planning Maps; and
- A second dwelling house on any property greater than 40 hectares and accessory buildings for any of the foregoing activities.

Residential Zone

Permitted Activities

- One dwelling house on a site;
- Multi unit housing, but not involving more than three attached units on a site, except in the Patumahoe Structure Plan Area;
- Accessory buildings for dwelling houses or multi-unit housing; and
- Accessory buildings or ancillary facilities for any lawfully established activity except dwelling houses or multi unit housing, not exceeding 75m² in gross floor Area.

Controlled Activities

- Multi unit housing where the development includes more than one set of three attached units on the site, except in the Patumahoe Structure Plan Area.

Rural Residential Zone

Permitted Activities

- Accessory buildings for lawfully established dwelling houses;
- Accessory buildings or ancillary facilities not exceeding 75m² in gross floor area for any lawfully established activity except dwelling houses; and
- One dwelling house per site, except for sites in the Tuakau Rural Residential zone which existed prior to 31 May 1994.

Controlled Activities

- One dwelling house per site in the Tuakau Rural Residential zone provided that for sites that existed prior to 31 May 1994, a land area of at least 3,000m² must be available, such area to be made up of one or more contiguous land titles with no part thereof separated by road.

Over and above the zones outlined above, the Franklin District Plan also provides structure plans for those areas identified for future urban growth, in particular, residential land use activities.

Pukekohe North East Structure Plan Area

The Pukekohe North East Structure Plan Area comprises a total area of approximately 185ha, of which, approximately 110ha is within the urban catchment and the remaining land is in a 'peri-urban buffer' surrounding the urban catchment. Residential zoned land lies to the west and rural zoned land to the north, east and south.

The land within the North East area is mainly in pastoral holdings, although there are some existing 'lifestyle' blocks near the ridgelines which have been subdivided from the original farms.

The following average densities shall apply for all residential activities in the Pukekohe North East Structure Plan Area:

- Medium Density Residential – an average density of 12 households per hectare (gross) will be achieved and maintained;
- Low Density Residential – an average density of 3 households per hectare (gross) will be achieved and maintained;
- Special Rural Residential – an average density of 1 household per 2 hectares (gross) will be achieved and maintained.

Patumahoe Structure Plan Area

The Patumahoe Structure Plan Area, comprising approximately 25 hectares, is located on the north-eastern periphery of the Patumahoe settlement, bounded predominately by existing residential development, some commercial / industrial development and some horticultural and pastoral activity.

Patumahoe is a small urban settlement within Franklin's rural area. The settlement has high amenity value because of its rural setting, compact urban form and 'village' scale. If not sustainably managed, peripheral urban growth will detract from Patumahoe's amenity value.

The key objectives of the Patumahoe Structure Plan Area are that a suitable transition or buffer is achieved between urban and rural at the northern boundary, so as to reinforce the integration of the area with the village in a visual sense, and provide a measure of protection from the effects of typical rural land uses on the adjacent rural land (such as dust and sprays), and optimising the number of dwelling houses able to be developed within the area, thereby making efficient use of the land and infrastructural resources, while achieving an overall pattern and intensity of development compatible with Patumahoe's rural character and 'identity'.

Multi unit housing is a discretionary activity in all zones contained within the Franklin District Plan and as such is subject to the following key assessment criteria:

- Roading;
- Storm water Management;
- Urban / Rural Buffer;
- Public Open Spaces;
- Financial Contributions;
- Wastewater Disposal;
- Water Supply; and
- Reserve Development Plans.

North Pukekohe Hill Structure Plan Area

The North Pukekohe Hill Structure Plan Area comprises approximately 196 hectares and is located at the southern residential edge of the Pukekohe township. The structure plan area consists of 2 distinctly different parts:

- The top part of the Hill is a Rural zone area that comprises a 'Special Policy Area' overlay; and
- The rest of the structure plan area comprises a combination of Rural, Special Residential and Special Rural-Residential 1 zonings.

The development of the North Pukekohe Hill Structure Plan primarily seeks to resolve the key resource management issues, with regard to the soil erosion, siltation and flooding effects on Pukekohe township, through a reduction in tilled land area on the hill and the development of residential and rural-residential zoned land with on-site stormwater detention and soakage systems.

5.9.3 Plan Changes

The Franklin District Plan once operative is not required to be reviewed under the Resource Management Act for a further 10 years, however, given the rapid pace of change in society today it is unrealistic to expect a document conceived and written in 2000 to accurately reflect the concerns of the future. The council continually reviews the plan, and initiates changes where necessary for the benefit of the community and to meet changing needs. At the same time any person may request a change to the District Plan, such a request will be subject to the same rigorous decision making process as council initiated changes.

Since becoming operative Franklin District Council has progressed a number of Plan Changes. The most significant plan change initiated that has had a potential effect on residential land use activities is summarised below.

Plan Change 14 – Rural Plan Change

The Rural Plan Change, formally known as Plan Change 14, is a comprehensive replacement of the existing sections relating to rural areas in the Operative District Plan. The management of growth and its impact on the rural and coastal environments in Franklin will now be governed by the Rural Plan Change. The Rural Plan Change provides opportunities for limited countryside living in the rural and coastal areas, encourages the protection of our unique environments and directs growth to particular villages.

The Rural Plan Change seeks to:

- Provide for limited countryside living in the rural and coastal areas by rewarding those who enhance and/or protect environmental features on their land with some potential for subdivision;
- Direct growth to particular villages and away from areas where valued environmental features could be jeopardized;
- Provide incentives for latent development potential to be transferred away from already subdivided sites into areas where the environmental effects could be better managed; and
- Better define the diverse environments within the district so that their character could be taken into account for consent decisions.

The Rural Plan Change approval decision was notified in August 2006; however, it is currently subject to an appeal.

Whilst this plan change increases the opportunity for residential development in Franklin's largely rural areas, intensification is not a priority as the Franklin District sits outside the current MUL. Therefore, residential development is restricted to, comparatively, very low intensity, standalone single large lot housing, such as; lifestyle sections.

6.0 Appendix 6 – Infrastructure

6.1 Introduction

This Appendix provides supporting information on infrastructure provision in the Auckland region. It should be read in conjunction with Chapter 6 of the Main Report and in particular Section 6.1 – Introduction, Section 6.3 - Transport Strategy and Infrastructure and Section 6.4 – Wastewater, Storm Water and Water Services Infrastructure. The objective of Section 6.3 was twofold. Firstly, to provide an overview of transport strategy and transport infrastructure issues in the Auckland region. Secondly, to consider at a HMA scale, the housing market implications of the key transport infrastructure changes and improvements planned. The objective of Section 6.4 was to provide a brief overview of key issues around wastewater, storm water and water services infrastructure provision and its impact on new dwelling supply in the region. This Appendix begins by providing an overview of the Auckland Regional Land Transport Strategy 2010-2040. The Appendix then focuses, more specifically, for each of the seven territorial local authorities in existence in the region as at late 2009 on:

- Infrastructure issues overview;
- Long term Council Community Plan;
- Roading infrastructure planned and proposed;
- Public transport infrastructure planned and proposed;
- Electricity services infrastructure;
- Wastewater and storm water infrastructure;
- Water services;
- Schools; and
- Hospitals.

This appendix incorporates information available up to November 2009.

6.2 Auckland Regional Land Transport Strategy 2010-2040

6.2.1 Introduction

The current regional transport strategy, Auckland Regional Land Transport Strategy 2010-2040, was finalised in mid 2010 and is shaped by the need for improvements to the region's transport infrastructure that will 'catch up' with the effects of past growth while catering for the expected future growth⁶. The aim of the strategy is to develop a transport system which provides balanced levels of access, high reliability and safety, and where people and businesses have realistic choices about how and where they travel⁷.

A number of projects are critical to the success of the strategy (refer to Figure A6.1 to Figure A6.3). These projects are region-wide. They have been singled out in the preferred option for their significant strategic benefit to Auckland's transport network.

⁶ The Auckland Regional Transport Strategy 2010-2040 notes that freight volume trips are projected to double by 2020 (Auckland Regional Council, 2010:7).

⁷ Auckland Regional Council, 2010: 8.

6.2.2 Priority Rail Projects

Rail electrification with 10 minute peak services and connection of the rail system to Manukau City Centre and Onehunga

These projects have been agreed for some time and are in the process of being delivered. Auckland has great potential to move more people and freight on its under-utilised rail corridors. The efficiency of an electrified system helps maximise use of the infrastructure already in place. Electric trains are not only faster and cleaner, they are quieter and cheaper to run than diesel ones. Additional trains will enable services to run every 10 minutes in peak hours, rather than every 15 minutes. In March 2009 KiwiRail took over responsibility for implementing this \$1 billion project. KiwiRail is responsible for electrification of the network. In March 2009 the government agreed to provide funding for the purchase of new electric trains.

These projects are critical to growing rail patronage in Auckland and allowing passenger rail to fulfil its role (along with the Northern Busway) as the Rapid Transit Network (RTN). The RTN forms the backbone of the public transport system.

Target dates: Construction of the Manukau link and Onehunga branch line are under way along with the first steps in electrification of the network. The Onehunga Line and Manukau Link are expected to open in mid 2010, and the first electric trains are targeted to commence service in 2013.

Construct the CBD rail loop

The CBD rail loop is projected to run underground from Britomart under Albert Street, Pitt Street and Upper Queen Street and to join the Western Line. The 3.5km of electrified rail has capacity for three new stations, around Wellesley Street, Karangahape Rd and Newton.

Greater coverage of the CBD will mean more than 200,000 additional people living and working within 30 minutes' rail travel of the CBD. Britomart can operate as a through station rather than as a terminal, bringing a range of benefits:

- Higher frequency of trains than the planned 10 minutes;
- Faster journeys from the west of Auckland to the CBD; and
- New services to the CBD, including an airport link and the Avondale-Southdown link.

In the absence of a CBD rail loop the growth of the CBD will be constrained by lack of access. Roads will become increasingly congested and bus numbers will become harder to manage.

Target dates: Construction 2021. Study complete by December 2010 on route, station locations and costs.

Construct the Auckland Airport rail loop

The airport rail loop consists of connections to the airport from the north via Onehunga and from the east via Puhinui Station.

As well as serving air passengers, the line will provide better accessibility to the fast-growing employment area surrounding the airport. It will also increase services to the growing centre of Onehunga.

More investigations are required to detail the route of the rail connections, determine how its introduction would be staged and what bus services are required in the meantime.

Plan for rail to the North Shore

The Northern Busway is expected to operate effectively during the next 30 years but reach its capacity towards 2040. Future growth in the north of the region makes it necessary to investigate introducing rail services and protecting the ability to make this connection across the harbour.

The best route across the Waitemata Harbour was identified in a 2008 study. It runs between Akoranga Station on the North Shore and the proposed CBD Rail Tunnel via a route beneath the Wynyard Quarter.

It involves new driven tunnels. Tunnels preserve the existing harbour landscape and have no effect on the operation of Westhaven Marina.

Further investigations are required into the most appropriate route north of Akoranga station.

Target dates: The appropriate time for construction has yet to be identified. It is unlikely to take place within the 30-year framework of this strategy. The route can be protected though.

Plan for an Avondale to Southdown rail connection

The Avondale-Southdown Line is a long-planned rail link across the Auckland Isthmus, connecting west and south Auckland by linking the existing rail lines at Southdown and Avondale. The route was initially designed to provide an alternative route for freight trains by-passing the relatively steep gradient on the rail line past Ellerslie. The extensions of State Highway 20 through Mt Roskill and beyond accommodate the planned rail route where the motorway and rail route share the same corridor. The historically designated rail route runs north of the Onehunga town centre.

The Avondale-Southdown line will incorporate the Onehunga connection currently under construction. This connection brings a range of benefits:

- Providing a rail connection from these areas to the airport; and
- Providing a more direct route for rail freight from west and north of Auckland to the North Island Main line, to the Port of Auckland and locations to the south.

6.2.3 Priority Bus Projects

Northern Busway extension to Orewa

The 8.4km Northern Busway operates as a full Rapid Transit Network, connecting to the CBD and rail / bus services across the east, west and south of the region. It also provides a strong transport core on the North Shore.

The Northern Express bus carried 1.5 million customers on the new dedicated busway last year, a phenomenal 125 per cent growth in less than two years since it opened. The Busway has its own right of way only as far as Constellation Drive Station, although it operates with shoulder bus lanes through to Albany Station.

Plans to extend the Northern Busway up to Orewa are divided into two phases:

- i) Connect the existing Busway at Constellation Station with Albany Station and continue to the Northern Motorway at Redvale; and
- ii) Extend the Busway from Redvale to Orewa.

This extension will have a number of benefits:

- Reduce bus travel times;
- Increase reliability from locations north of Constellation Drive by freeing bus services from motorway congestion; and
- Make bus travel more attractive to residents of Browns Bay, Albany, Orewa, Silverdale and the Whangaparaoa Peninsula.

Further investigations are required to confirm the nature and alignment of the extension, its northern termination point and the park-and-ride facilities required.

Bus infrastructure improvements

Investigations are under way to upgrade the Panmure-Botany-Manukau corridor to a Quality Transit Network (QTN) as soon as possible. QTNs provide fast, high frequency and high quality passenger transport services between key centres.

This corridor will then be further upgraded to a Rapid Transit Network (RTN). RTNs involve a public transport system with a high frequency, high quality service operating on “transport spines” that do not get held up by traffic congestion. The route should also be future proofed for conversion to light rail at a later date..

Investigations are under way into the Henderson-Westgate-Albany transport connections to determine the best options for constructing both QTN and RTN connections from West Auckland through to the North Shore via the Western Ring Route. The strategic benefits of a QTN / RTN route from Henderson to Albany include:

- Providing a high quality public transport link between sub regional centres;
- Integration with intensive development along that route;
- Relief of congestion on part of the Western Ring Route; and
- Reducing the need for further road capacity on State Highway 18.

Target dates: East Auckland QTN 2010, RTN 2021-2031; West Auckland future proof the route.

Integrated ticketing and fares

Planning for an integrated smartcard ticket across the public transport network is in progress. With integrated smartcard ticketing, customers require only one ticket to use the range of bus, train and ferry options in the region. Electronic smartcard tickets will:

- Make it faster for passengers to get on and off services;
- Improve journey times, particularly by bus; and
- Make it simpler and more attractive to use public transport.

The integrated ticketing system will include automated gates, smartcard readers on board buses and ferries, and smartcard reload machines at selected rail and bus stations and ferry wharves. It also includes all computer hardware, software, networks and communications.

Next steps:

- A preferred tender consortium has been selected;
- Final approval of funding was to be considered by the NZTA in September 2009; and
- Signing of a contract will allow the implementation process to start.

Target date: 2020

6.2.4 Priority Roding Projects

Complete the Western Ring Route

Work is still required to complete the Western Ring Route. By closing up the gaps a complete alternative route to State Highway 1 becomes available.

The gaps are at Waterview, State Highway 20-State Highway 1, the Manukau Link and State Highway 18 extension. Benefits of this route:

- Increased resilience of the network, if State Highway 1 becomes inaccessible; and
- Improved connections between the North Shore, West and South Auckland.

Construct the Auckland - Manukau Eastern Transport Initiative (AMETI)

The Auckland-Manukau Eastern Transport Initiative (AMETI) is a package of transport improvements in the Glen Innes – Panmure – Pakuranga – Botany corridor. The project aims to provide a high quality strategic transport link between Auckland City and Manukau City via their eastern suburbs.

This area has a general lack of viable transport choices and increasing congestion. Population growth is projected of up to 25,000 people over the next 20 years. AMETI includes:

- Land use zoning changes and an urban design approach;
- Providing bus lanes and other bus priority measures;
- Improved road network;
- Improved walking and cycling facilities; and
- Travel demand measures.

AMETI will improve access and mobility for people, goods and services throughout the area. The project will have economic and social benefits, creating a corridor with the capacity for up to 40,000 jobs. It will improve connections by public transport, and the safety and efficiency of the road network.

Target dates: Stage one 2020; stage two 2021-2031

South-West road corridor to East Tamaki

A strategic transport corridor between the Southwestern Motorway (State Highway 20) and East Tamaki is at the initial study stage. The corridor would:

- Improve connections between east and west Auckland;
- Provide an important link between the State Highway 1 and State Highway 20 corridors;
- Provide a direct connection between the Penrose and East Tamaki industrial areas; and
- Improve the connection between the Penrose and East Tamaki industrial areas and the port and airport.

Six route options have been identified, either via Favona or Onehunga. These options are either motorway or expressway facilities. Expressways can include bus stops, shoulder cycleways and pedestrian facilities. All the options would impact on existing urban environments and have environmental issues. The project has been put on hold by the NZTA, to prioritise roads of national significance.

Figure A6.1: Auckland RLTS 2010-2040 – Rapid / Quality Transit Network

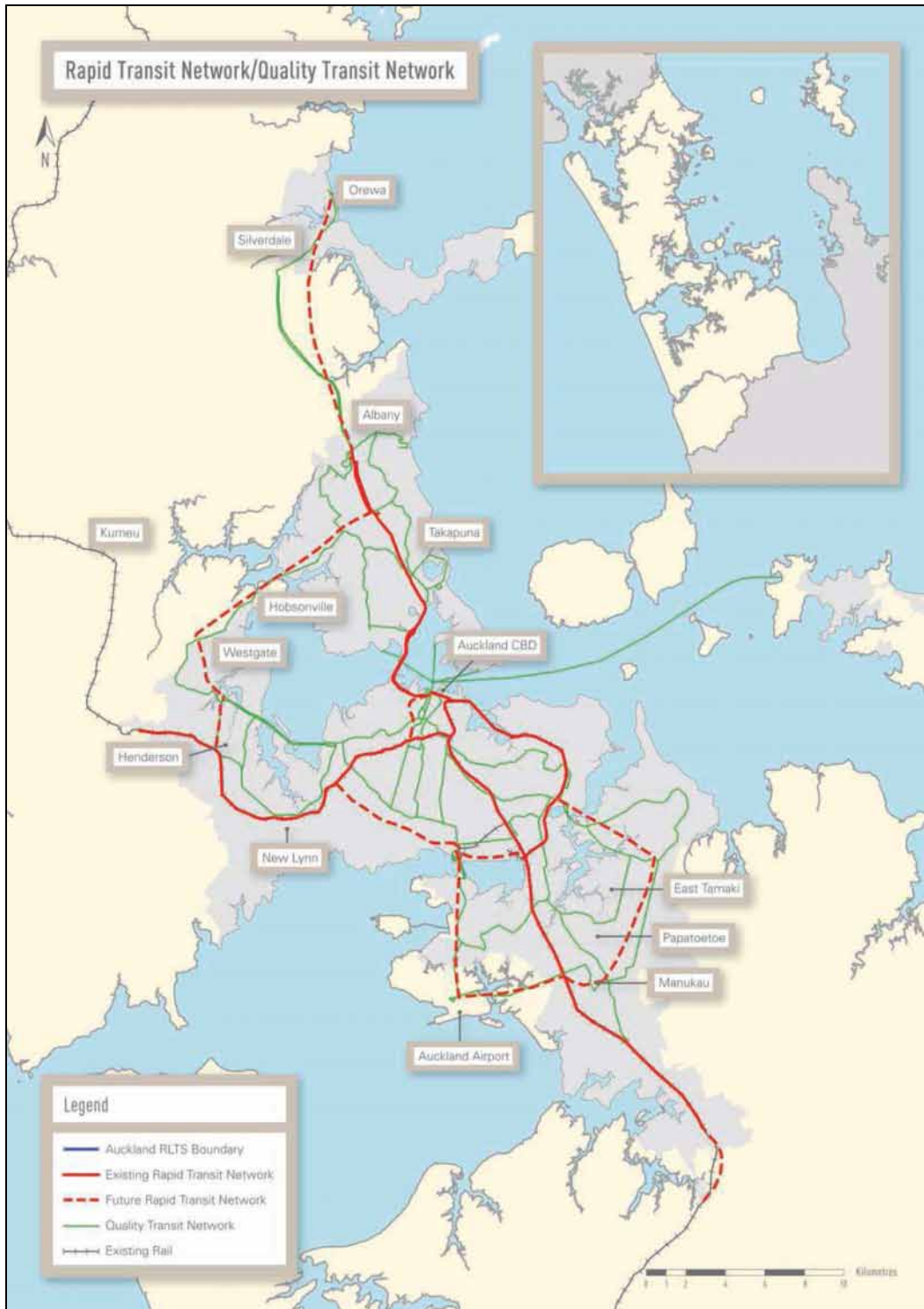


Figure A6.2: Auckland RLTS 2010-2040 – Activities of High Regional Significance

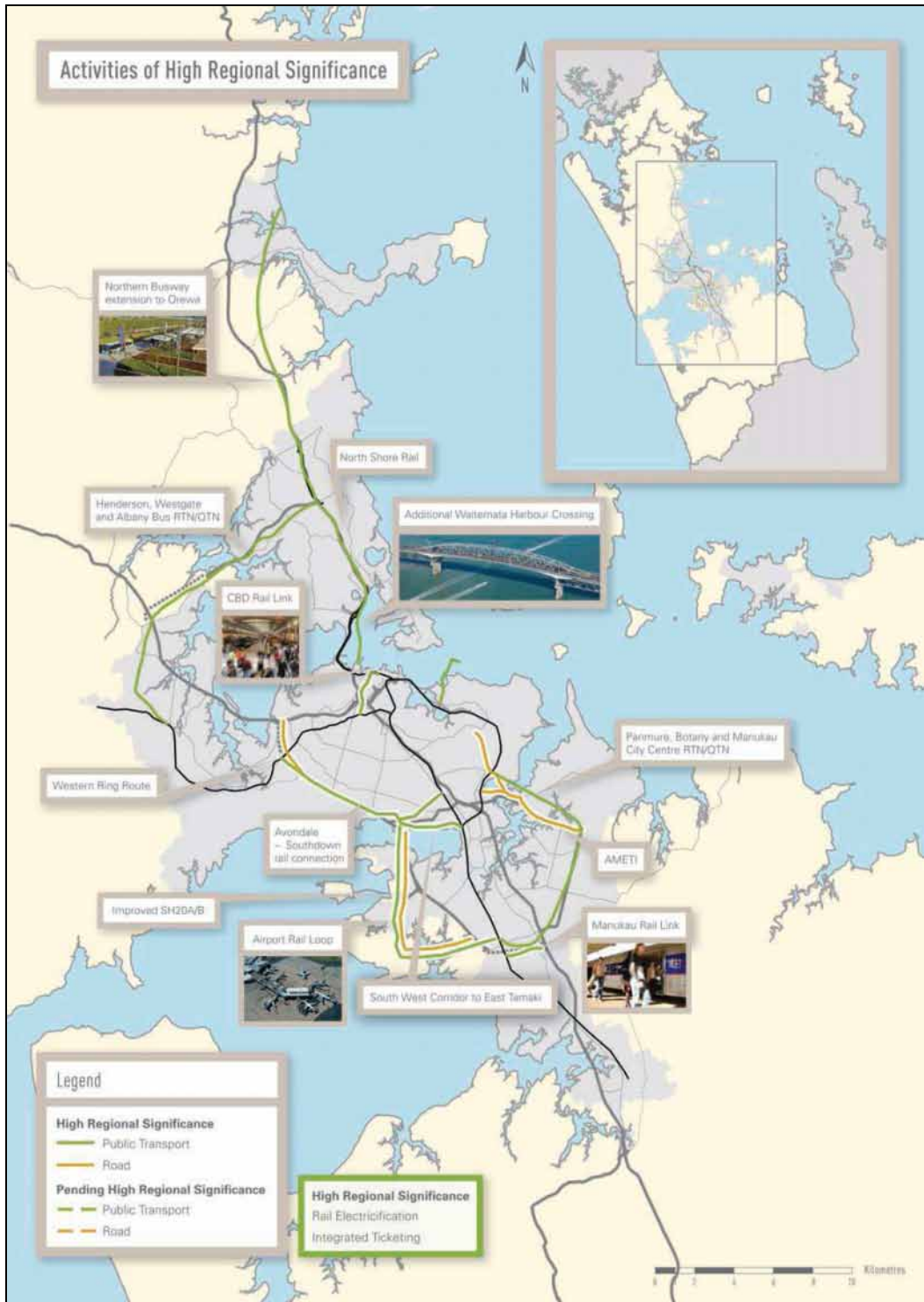
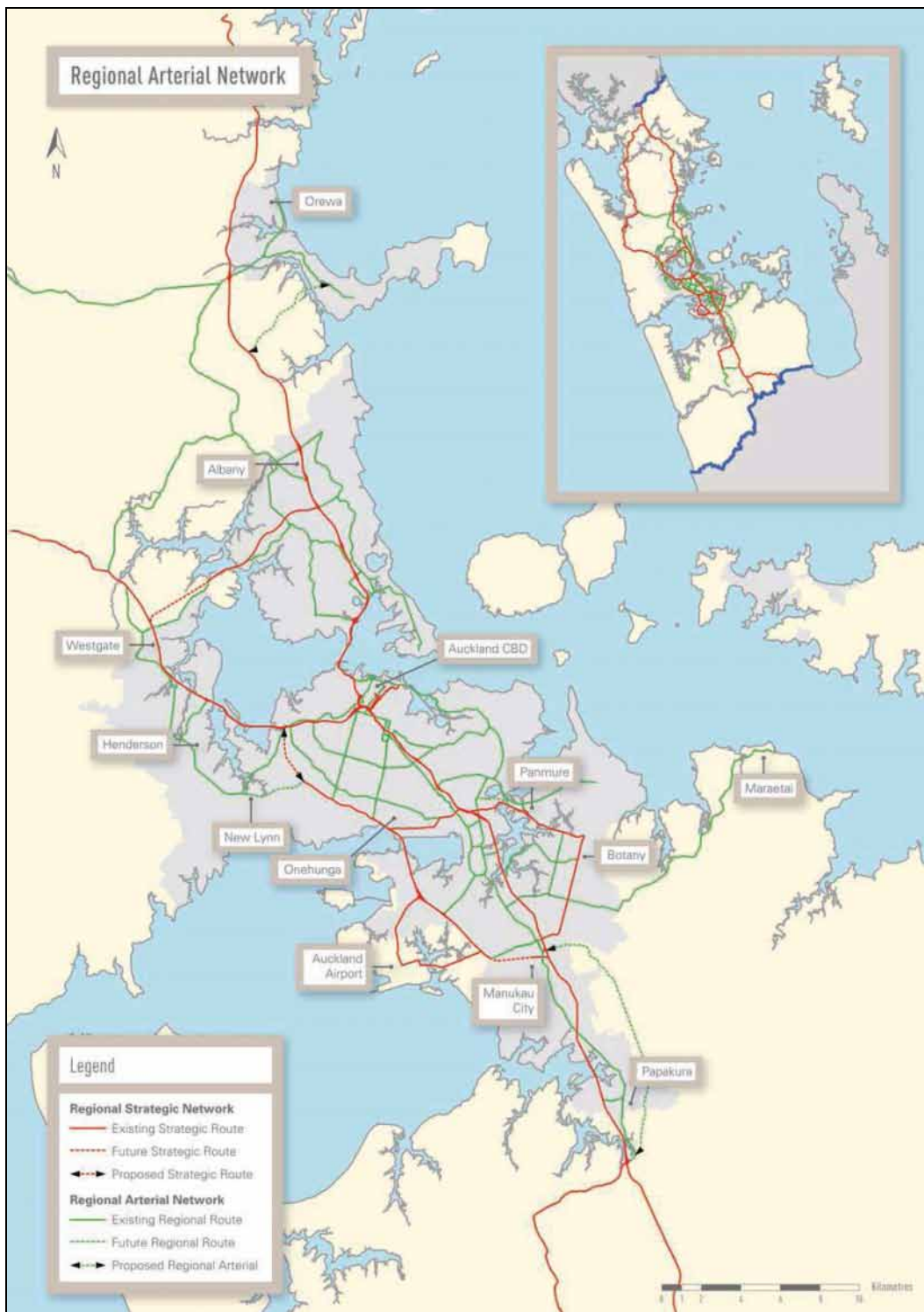


Figure A6.3: Auckland RLTS 2010-2040 – Regional Arterial Network



6.3 Infrastructure – Rodney District

6.3.1 Overview

The Draft Long Term Council Community Plan 2009 – 2019 highlights the proposed infrastructure services and projects identified by council as a priority over the next 10 years, to assist in the future, long-term planning and development of the district and its communities.

With regard to the current and future provision of housing in the Rodney District, and more specifically within the 5 key subject areas; Wellsford, Warkworth / Snells Beach, Orewa / Whangaparaoa, Kumeu / Riverhead and Helensville and Surrounds, we have identified the following key infrastructure projects as likely to have the most influence on overall growth and therefore housing provision and demand.

Roading:

- Penlink Project;
- Puhoi-Wellsford State Highway One; and
- Warkworth State Highway One Improvements.

Public Transport:

- ‘Park and Ride’;
- Rail; and
- Orewa Estuary – Combined Walkway / Cycleway.

Power:

- Genesis Power Station.

Wastewater and Storm water:

- Hibiscus Coast Wastewater Strategy;
- Kumeu / Huapai / Waimauku / Riverhead Wastewater Project;
- Matakana Wastewater Strategy; and
- Orewa Storm water and Coastal Outfalls.

Water:

- Kumeu / Huapai Water Supply Scheme; and
- Upgrading the source of water in Wellsford, Warkworth, Helensville and Whangaparaoa.

The two major roading projects proposed for the next ten years are the Puhoi-Wellsford State Highway extension and the Penlink Project. Both these projects will increase the attraction of the Rodney District as a location for people to live in and help economic development in the region, by providing better access to and from the region.

The Puhoi-Wellsford SH1 extension is a natural progression from the recent extension of SH1 from Orewa to Puhoi, which has proved to be valuable and popular. This extension will improve both travelling time and safety when travelling north to and from Rodney, and in particular will decrease the driving time and distance from northern Rodney centres, such as Warkworth / Snells Beach and Wellsford, to the North Shore and Auckland cities. This will result in easier and faster commutes for those travelling in and out of the district for employment, thereby increasing employment opportunities for residents. It will also have a positive spin off for the local economy making these sub-regions more directly accessible and increasing the appeal for businesses to locate there.

The Penlink project will first and foremost vastly improve the traffic flow to and from the Whangaparaoa Peninsula, the Rodney District's most densely populated and fastest growing sub-region, hence further increasing the desirability of this area to live in. Secondly the traffic flow past Silverdale will improve as fewer cars will need to travel along this route, therefore making Silverdale, in particular the significant residential subdivision, Millbrook, at Silverdale North and proposed new business land opportunities, a more attractive place to live and work.

Given the large number of people that reside in the Rodney District and work outside of the district, particularly on the North Shore and in Auckland CBD, the proposed 'park and ride' stations will be a valuable asset for facilitating and improving this commute. 'Park and rides' have proven popular on the North Shore with the opening of the Northern Busway, they decrease the cost of travel, when comparing bus / ferry / train fares to current petrol prices coupled with free parking at the bus stations as opposed to the costs of parking, particularly in the CBD, and, with the added provision of bus lanes, decrease commuting times. Once again increasing the desirability of the Rodney District, particularly the Orewa / Whangaparaoa, Kumeu / Riverhead and Helensville and Surrounds sub regions, as a place to live.

Storm water and wastewater infrastructure planned in the district will improve the feasibility for future developments by allowing greater housing density on land. In particular, connecting Kumeu / Huapai to the main trunk pipeline for water supply will also allow greater density of housing within this area. Also more people will be willing to locate to the area if the water is supplied from the Watercare supply versus the current tank water option.

On the negative side, there are no public hospitals in the Rodney District, with the nearest public hospitals being North Shore Hospital, Waitakere Hospital and Whangarei Hospital. However, the Puhoi-Wellsford State Highway extension will decrease travelling times for emergency vehicles to get to North Shore Hospital from the northern Rodney centres.

The provision of adequate placement numbers in schools is also an area of concern for future residential growth in Rodney. The District currently falls short on this provision, forcing in excess of 5,000 primary, intermediate and secondary school aged children to commute out of the district every day for schooling. However, we are aware at least 2 new schools are proposed as part of the Silverdale North structure plan, which will go some way to alleviating this pressure.

6.3.2 Long Term Council Community Plan 2009 – 2019

Rodney District Council drafted, in 2009, a Long Term Council Community Plan that includes all proposed infrastructure services and projects over the next ten years to 2019. What is proposed in this plan will assist in the future, long-term planning and development of the district and its communities.

Table A6.1 presents a summary of the major projects for each area within Rodney District is outlined below.

Table A6.1: Long Term Council Community Plan Summary – Rodney District

Description Of Work	Time Frame	Cost
<i>Orewa</i>		
Complete Stage 1 of Orewa Boulevard project	2009	\$1.0 million
Develop an Orewa West walkway/cycleway	2009-2011	\$730,000
Upgrade Orewa CBD storm water	2009-2017	\$2.8 million
<i>Whangaparaoa</i>		
Progress development of Penlink	2009-2011	\$37.6 million
Improve outfall capacity at the Army Bay wastewater treatment plant	2009-2012	\$1.7 million
Improve Whangaparaoa Road to increase capacity	2009-2011	\$13.6 million
<i>Central Ward</i>		
Improve and realign Coatesville-Riverhead Highway	2009-2010	\$300,000
Replace Richards Road Bridge (No 2)	2009-2010	\$200,000
<i>Silverdale</i>		
Upgrade East Coast Road intersection	2010-2011	\$1.3 million
Carry out earthworks for Metro Park West	2009-2010	\$900,000
Carry out landscaping, and install traffic lights and street lighting at Silverdale Parkway	2009-2010	\$1.7 million

Table A6.1: Long Term Council Community Plan Summary – Rodney District Continued

Description Of Work	Time Frame	Cost
<i>Western Ward</i>		
Develop reticulation for Kumeu/Huapai and Riverhead and connect to the Watercare Wastewater system	2009-2013	\$14.8 million
Improve the storm water network for townships in the Kaipara River catchment	Ongoing over 10 years	\$2.5 million
<i>Helensville / Parakai</i>		
Complete Stage 1 of the upgrade of the Helensville wastewater treatment plant	2009-2012	\$17.7 million
<i>Kumeu / Huapai</i>		
Progress river protection work to reduce flood risk	Ongoing over 10 years	\$5.1 million
Extend Kumeu Huapai storm water network	Ongoing over 10 years	\$2.5 million
Provide wastewater reticulation and pump station to service growth areas	2009-2012	\$10.8 million
<i>Northern Ward</i>		
Matakana Road / Green Road intersection upgrade	2009-2010	\$300,000
Retrofit Matakana wastewater reticulation	2010-2013	\$2.8 million
Complete storm water works for Matakana, Point Wells, Leigh and Omaha	2010-2012	\$240,000
Improve quality of wastewater discharge and odour control at Martins Bay	2009-2013	\$490,000
Upgrade sea walls in Whangateau and Sandspit	2009-2012	\$280,000
Develop supplementary / alternative groundwater supply for Wellsford	2009-2012	\$1.4 million
<i>Warkworth</i>		
Improve / realign State Highway One intersections in Warkworth	2009-2012	\$4.4 million
Upgrade and extend the wastewater reticulation network to service growth areas	2009-2015 with ongoing renewals and more extensions in 5 years	\$5.7 million
Design Warkworth Western Collector Road and begin construction	2009-2013	\$7 million

Source: Rodney District Council Draft LTCCP 2009-2019

Some of the key infrastructure projects identified in the above schedule are highlighted in more detail below.

6.3.3 Roading

Penlink Project

Roading to Whangaparaoa Peninsula is limited by only one route in and out via Whangaparaoa Road. Over recent years the area has experienced rapid population growth and the population is expected to double over the next fifty years. This will put even more stress on the already busy road network. The Penlink project will supply will help remedy traffic congestion, improve safety and assist economic growth in Silverdale and Whangaparaoa.

The Penlink Project will provide a direct access road between the Whangaparaoa Peninsula and the Northern Motorway at Redvale via Stillwater, reducing travelling time by up to 15 minutes. There are four major components to the project:

A 7.4km road from Whangaparaoa Road to State Highway 1 at Redvale, including a 540m bridge over the Weiti River;

A new motorway interchange to be built by Transit New Zealand, to connect to State Highway 1 at Redvale, with the realignment and widening of East Coast Road at this intersection;

Widening of Whangaparaoa Road from D'Oyly Drive to Ladies Mile, with the first stage being the 1km section from Brightside Road to Arklow Lane;

A walkway and cycleway from Whangaparaoa Road to the Duck Creek Road junction at Stillwater.

Figure A6.4 illustrates the proposed Penlink Project.

Figure A6.4: Penlink Project



Source: Rodney District Council

The project is being undertaken by Rodney District Council, Auckland Regional Council and Transit New Zealand. There is uncertainty surrounding the funding for the Penlink project; whether this will be fully funded by the New Zealand Government, as originally approved under the former Labour led government, or as a public-private partnership. Due to overwhelming community support for the project the council have confirmed that they will be proceeding with the Penlink Project regardless of how it is funded. The council may decide to resort back to the roads original structure and operate it as a toll road.

Puhi-Wellsford State Highway One

Plans are in place to extend the four-lane State Highway 1 from Puhoi to Wellsford. The Government announced in March 2009 that this extension was a top priority of the land transport fund and have asked the NZ Transport Agency to advance the project over the next ten years. There are major benefits to both Rodney and Northland and their regional development if this project was completed. Project cost has been estimated at \$1 billion and the motorway extension is likely to be tolled, which is similar to the motorway extension from Orewa to Puhoi completed early 2009.

Warkworth State Highway One Improvements

In Warkworth improvements at five SH1 / local road intersections and two local road intersections in close proximity of SH1, in conjunction with the widening of some sections of SH1 to four lanes are planned. The projects total estimated cost of \$4.3 million is being shared between the Council and the New Zealand Transport Agency. The project will reduce congestion, improve travel trips and trip reliability, improve safety and reduce vehicle operating costs through and around Warkworth town.

6.3.4 Public Transport

'Park and Ride'

There are currently three 'park and ride' facilities operating at Silverdale, Gulf Harbour and Waimauku, however, the Silverdale and Waimauku facilities are very small with approximately 20 and 10 car parks respectively currently available at these locations. A ferry service also operates three times per day each way, between Gulf Harbour and the city. Of those people utilising the ferry service 85% of their journeys also involve a car trip. Parking for the ferry is currently at the end of Laurie Southwick Parade; however, this site is not guaranteed to remain there in the future.

In 2008 a survey was undertaken at the Albany bus station that showed approximately 130 cars utilising the park and ride were from Rodney District. Following this Rodney District Council completed a study on Park and Ride bus transport facilities which considered seven potential locations for 'park and ride' stations; Silverdale, Orewa, Whangaparaoa, Gulf Harbour, Kumeu / Huapai, Waimauku and Helensville.

Table A6.2 presents the 'park and ride' options proposed in the study.

Table A6.2: Proposed Park and Ride Options

Location	Type of station	Recommended parking spaces	Capacity
Silverdale; Hibiscus Coast Highway (south side) east of Small Road	Bus	200	210
Orewa; Existing Bus Depot site on Centreway Road	Bus	40	75
Whangaparaoa; Penlink project base site	Bus	40	125
Gulf Harbour; Laurie Southwick Parade	Ferry / Bus	100	100
Kumeu / Huapai; Proposed Train Station site on SH16	Rail / Bus	90	90
Waimauku; Existing Park and Ride site on the corner of SH16 and Factory Road	Bus	20	25
Helensville; Train Station site on Railway Street	Rail / Bus	35	80

Source: Rodney District Council

Note: The recommended provision of car parks is based on 2026 year demands and that all seven of the sites will be developed.

Rodney District Council have ranked park and ride facilities within their top twenty infrastructure projects and their recommended first step is to secure land at Silverdale, Kumeu / Huapai, Helensville and Orewa. Also, proposed in conjunction with the Penlink project, is the extension of the Northern Busway along SH1 with potential park and ride facilities at Redvale and Silverdale.

Rail

Travel from Western Rodney (Kumeu / Huapai and Helensville and Surrounds) to Auckland City is mainly via car along the north-western motorway, which is heavily congested during peak times. Along most of the shoulder of the north-western motorway bus lanes either exist or are planned. There is also the western railway line which travels through Kumeu to Helensville; however, whilst there has been talk of double tracking this line, building a station at Kumeu and increasing commuter services into and out of the CBD, this service currently only has very limited commuter trips.

Orewa Estuary – Combined Walkway / Cycleway

The construction of a combined walkway and cycleway around the Orewa estuary coastline is being investigated by the Rodney District Council. A path around the estuary already exists; however, this it is not constructed of all-weather material and has steep slopes and some stairs, which are difficult for cyclists to traverse. The proposed walkway will improve access to the recently developed and proposed schools, sports and recreational facilities in both Orewa and Silverdale North. The total cost of this project is estimated to be \$2.0 million with a completion date of 2012. There will be an option to add lighting to the path; however, this will not be completed as part of the first stage of construction.

6.3.5 Electricity Services

Genesis Power Station

Genesis Power Limited is proposing to build a combined cycle gas turbine power station to the south of SH16, midway between Helensville and Kaukapakapa. The project will provide a secure and reliable electricity supply, especially to the Rodney District, Auckland and northern regions, through the construction of a nominal 480 megawatt power station. It will also play a role in supporting and firming electricity generation from renewable sources. The water that will generate the power station is to come from the re-use of wastewater from Helensville.

Independent commissioners have approved the private plan change for a special zone, the Rodney District thermal energy generation rural zone, between Helensville and Kaukapakapa to allow the power station to be constructed on the site. The land around the proposed power station will be landscaped with native vegetation and opportunities such as wetlands are being explored for environmental enhancement.

6.3.6 Wastewater and Storm water

There is currently ten wastewater treatment plants in the Rodney District, all located in main centres. Issues that council are addressing are the need for new wastewater treatment plants in centres where growth is occurring and upgrading the current plants to deal with current and projected future growth. A number of existing plants are currently being upgraded to meet the growth demands in those areas.

Hibiscus Coast Wastewater Strategy

To meet future growth demands in the Hibiscus Coast area, Rodney's most populated region, a decision was made to decommission the Orewa ponds and connect the Orewa system to the Army Bay wastewater treatment plant. Over the next ten years, at an estimated cost of \$28 million, the Council will carry out the capital work needed for this strategy.

The strategy will be undertaken in three projects:

- The Hibiscus Coast trunk pipeline upgrade;
- The Army Bay wastewater / sewage treatment plant upgrade in conjunction with a new trunk pipeline from Silverdale North to the end of the Whangaparaoa peninsula. Expected completion is 2051; and
- The Orewa oxidation ponds redevelopment.

Underground storage tanks have been installed at Stanmore and Tindalls wastewater pump stations for emergency storage. The Stanmore tank offers a minimum of 4 hours storage in the worse conditions while Tindalls tank offers a minimum of 7 hours storage.

Kumeu / Huapai / Waimauku / Riverhead Wastewater Project

Rodney District Council is also working on a project to progress wastewater services in the west, by connecting this area to the Watercare regional wastewater collection system which sends the wastewater to Mangere for treatment. In the Kumeu / Huapai area there is a lack of formal wastewater infrastructure therefore a Pressure Wastewater Collection system will be adopted to reduce storm water ingress into the system. This system will also reduce infrastructure costs to an estimated project cost of \$14.5 million.

Matakana Wastewater Strategy

Council will install a \$1.6 million wastewater collection pipeline and pump station to send the Matakana wastewater to the Omaha wastewater treatment plant at Jones Road. Grinder pumps will be installed to retrofit the septic tanks at each existing property who will then own their grinder pump that connects to the pressure wastewater connection. The septic tank effluent collection system will no longer be available once the new scheme is commissioned.

There are five catchment management plans also in place within the Rodney District; Helensville, Mahurangi East, Orewa, Stanmore Bay and Kumeu / Kaipara River.

Orewa Storm water and Coastal Outfalls

Along the coastline of Orewa CBD there are 31 outfall structures for storm water, of these 19 are in the Coastal Marine Area along Orewa Beach, Orewa River and Doment Creek. A consent application is underway to obtain coastal permits for these 19 existing storm water outfall structures, for two proposed storm water outfalls and to allow maintenance activities needed to run these outfalls. The two proposed storm water outfalls are located at the end of Noel Avenue and the end of Moana Avenue. The Noel Avenue outfall is to replace the existing storm water outfall and increase the storm water pipe capacity and minimise upstream flooding. The Moana Avenue storm water outfall structure is to be to the north of the existing outfall and as such will increase storm water pipe capacity in the area, reduce upstream flooding risk and minimise point source erosion in the area.

6.3.7 Water Services

The water services function manages six reticulated water supply networks that supply water to Warkworth, Wellsford, Snells / Algies Bay, Muriwai and Helensville. The Hibiscus Coast is supplied water from the Watercare bulk supply network.

The key project set out in Rodney District Council's Draft Long Term Council Community Plan 2009-2019 is the development of the Kumeu / Huapai water supply scheme. Negotiations are underway to connect the area to the Watercare supply in 2013. The main pipelines are to be constructed over the next three years. The estimated cost of the project is \$8 million.

Other key projects include; upgrading the source of water in Wellsford, Warkworth, Helensville and Whangaparaoa within the next three years by possibly a bore water supply or by upgrading the existing system in Wellsford, undertaking reticulation upgrades in Warkworth, Helensville and Whangaparaoa to meet future demands and upgrading the main trunk in the Hibiscus Coast to support future growth.

6.3.8 Schools

Within the Rodney District there are currently 39 primary schools. At the beginning of 2007 these schools offered 9,440 places to around 10,370 children in the 5-12 year age group. This indicates that at this time, approximately 930 primary school children had to commute out of the district every day for schooling.

Of these 39 primary schools; 10 are within the Whangaparaoa and Orewa community, 2 are in the Wellsford community, 2 are in the Warkworth and Snells Beach community, 5 are in the Helensville and surrounds community and 7 are in the Kumeu and Riverhead community.

The Rodney District currently has 6 intermediate / secondary schools. At the beginning of 2007 these schools offered 5,340 places to around 9,500 children in the 13-19 year age group. This indicates that at this time, approximately 4,100 intermediate and secondary students had to commute out of the district every day for schooling.

Of the 6 intermediate / secondary schools; 3 are in the Whangaparaoa and Orewa community, these are Orewa College, Whangaparaoa College and Kingsway College. Of the others, one is located in the Wellsford community, Rodney College, one is located in the Warkworth and Snells Beach community, Mahurangi College, and one is located in the Helensville and surrounds community, Kaipara College.

We are aware at least 2 new schools are proposed as part of the Silverdale North structure plan, which will go some way to alleviating this pressure.

6.3.9 Hospitals

There are currently two hospitals within the Rodney District; however, both of these are specialty clinics that only cater to specific health problems. The North Haven Hospital in Red Beach offers long term care for young people with disabilities and Warkworth Hospital offers accommodation and care for the elderly. The nearest public hospitals for the Rodney District are North Shore Hospital, Waitakere Hospital and Whangarei Hospital. We understand Southern Cross have acquired a site in Whangaparaoa and have plans to build a private hospital facility.

6.4 Infrastructure – North Shore City

6.4.1 Overview

With regard to the current and future provision of housing in North Shore City we have identified the following key infrastructure projects as likely to have the most influence on overall growth and therefore housing provision and demand.

Roading:

- Second Waitemata Harbour crossing.

Public Transport:

- Ferry terminal infrastructure at Beach Haven, Island Bay, Takapuna and Browns Bay; and
- Greville Road / Rosedale Road bus station.

Wastewater and Storm water:

- Rosedale tunnel and outfall;
- Birkdale trunk sewer upgrade;
- Hillcrest sewer upgrade;
- Sewer improvements at Albany Lakes, Browns Bay, Torbay and Long Bay;
- Water quality treatment wetlands / ponds;
- Hillcrest storm water catchment; and
- Lucas Creek and Taiaotea catchments.

The only major roading project proposed is a second Waitemata Harbour crossing. This project is necessary as the existing Auckland Harbour Bridge is nearing the end of its lifetime. A crossing of the Waitemata Harbour is necessary due to the high number of people who reside in North Shore City and work in Auckland City. Proposed options for the new harbour crossing include rail lines for public transport and separate lanes for public transport and general traffic. This separation of public and private transport would greatly alleviate traffic congestion experienced while on public transport and increase the attractiveness of using this mode of transport, which is a goal of the local and regional council.

Small other roading projects are mainly involved with widening of local road which will help ease traffic pressure and congestion.

Given the large number of people that reside in North Shore City and work outside of the district, particularly in Auckland CBD, the proposed new ferry terminals will be a valuable asset for facilitating and improving this commute. These extra ferry terminals, together with the existing ferry terminals and the Northern Busway, would greatly increase the efficiency of the public transport around the whole of North Shore City and thus increase its use and ease traffic congestion in the area, making North Shore City a more attractive place to live.

The Northern Busway and adjacent bus and 'park and ride' stations have proved popular on the North Shore and a need has been seen for an additional station between Albany and Constellation Drive. The preferred option is for this new station to be adjacent to Greville Road which would allow an additional 'park and ride' as well as the bus station. This would increase the use of all the 'park and ride's as there would be a greater car parking capacity and less risk of people not being able to find a carpark and getting put-off using these facilities.

Wastewater infrastructure in the city is under significant upgrade with the new effluent outfall and tunnel from the Rosedale Wastewater Treatment Plant. Also more people will be willing to locate to the area if the water is supplied from the Watercare supply versus the current tank water option.

6.4.2 Long Term Council Community Plan 2009 – 2019

North Shore City Council have a Long Term Council Community Plan that includes all proposed infrastructure services and projects over the next ten years to 2019. What is proposed in this plan will assist in the future, long-term planning and development of the district and its communities.

Table A6.3 presents a summary of the major projects for each area within North Shore City is outlined below.

Table A6.3: Long Term Council Community Plan Summary – North Shore City

Description Of Work	Time Frame	Cost
Second Waitemata Harbour crossing	Decision 2010	
Ferry terminals – Beach Haven, Island Bay, Takapuna and Browns Bay		
Greville Road / Rosedale Road bus station and 'park and ride'	2020	
Effluent outfall and tunnel	Late 2010	\$116 million
Birkdale Trunk Sewer Upgrade	2009-2012	
Hillcrest Trunk Sewer Upgrade	2009-2012	
Northern Trunk Sewer System		
Water quality treatment ponds	2009-2012	
Hillcrest storm water catchment	2009-2012	
Lucas Creek and Taiaotea catchments	2009-2012	

Source: North Shore City Council LTCCP 2009-2019

Some of the key infrastructure projects identified in the above schedule are highlighted in more detail below.

6.4.3 Roading

Second Waitemata Harbour Crossing

A regional study has been conducted that resulted in a short list of potential routes for an additional Waitemata Harbour crossing. The study produced three options that are to be reviewed by the Auckland City Council, Auckland Regional Council, Auckland Regional Transport Authority, North Shore City Council and Transit New Zealand. The three options are:

- Passenger transport only from Esmonde Road to Britomart with possible connections at Onewa and Wynyard. The passenger transport crossing could be either a tunnel or new bridge with general traffic continuing use of the existing Auckland Harbour Bridge and pedestrian and cycling traffic using either the new or old crossing;
- A new tunnel or bridge for both passenger transport and general traffic. Both to start from Esmonde with the passenger transport route ending at Britomart and the general traffic route at State Highway 16, either at Wellington Street or Newton. Possible connections to the tunnel or bridge at Onewa and Wynyard. Pedestrian and cycling traffic to either use the existing Auckland Harbour Bridge or to use a new bridge; and
- A new tunnel or bridge for both passenger transport and general traffic. Both to start from Esmonde with the passenger transport route ending at Britomart and the general traffic route at Grafton. Possible connections to the tunnel or bridge at Onewa. Pedestrian and cycling traffic to use the existing Auckland Harbour Bridge.

Sinclair Knight Merz, in conjunction with Connell Wagner, completed a study to investigate the preferred option for the Waitemata Harbour Crossing. They concluded that the best overall performing option was Option 2C. This option consists of a new tunnel between Esmonde Road through Wynyard Quarter to the CBD for passenger transport and from Esmonde Road to State Highway 1 / 16 for general traffic. A final decision is to be decided early in 2010 and this will enable the region to protect a route while progressing with development plans for the CBD's waterfront.

Figure A6.5 illustrates the options for the second Waitemata Harbour crossing.

Figure A6.5: Waitemata Harbour Crossing options



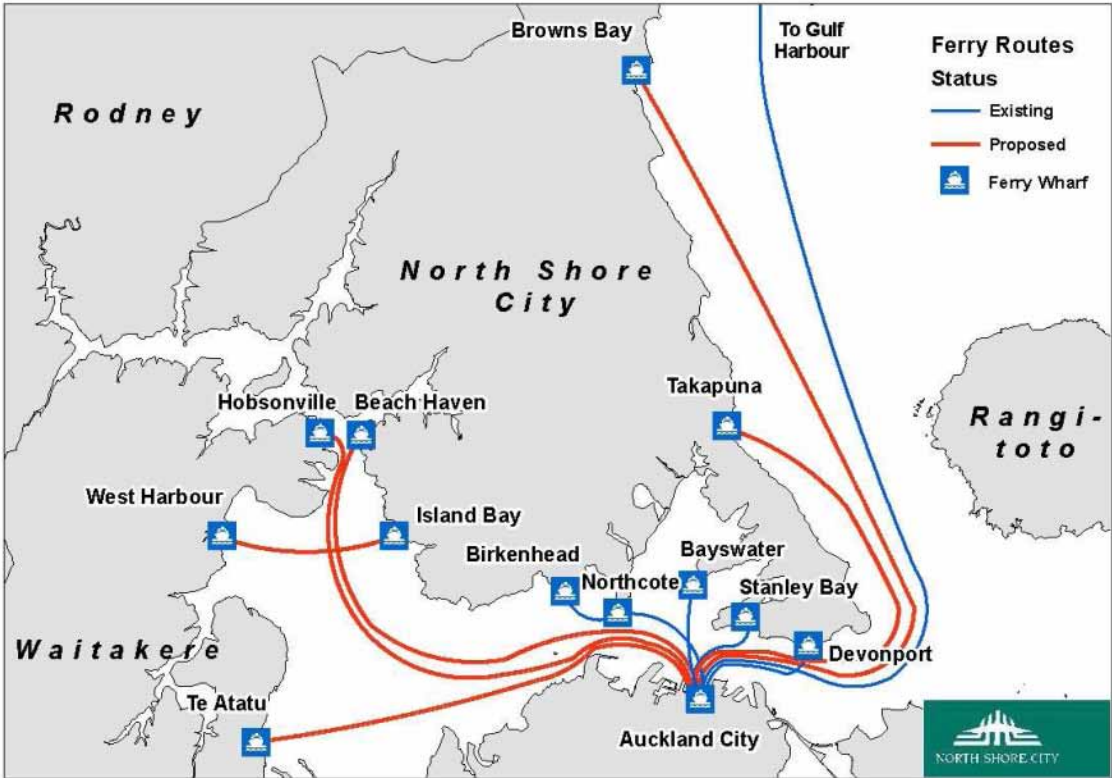
Source: North Shore City Council

6.4.4 Public Transport

Ferry Services

There are currently five active ferry services operating from Devonport, Stanley Bay, Bayswater, Northcote Point and Birkenhead wharves. These ferry services all go directly to and from the Auckland CBD, except Birkenhead which travels via Northcote Point. Plans are in place to redevelop and re-establish the ferry services from Beach Haven to the Auckland CBD, via a new Island Bay ferry terminal. Takapuna and Browns Bay ferry terminals and services are also proposed for travel directly to Auckland CBD and a ferry service is proposed at Island Bay to travel directly to West Harbour.

Figure A6.6: Existing and Proposed Ferry Routes



Source: North Shore City Council

Greville Road / Rosedale Road Bus and 'Park and Ride' station

North Shore City Council have had discussions with NZ Transport Agency about a need for an additional bus station between the existing ones at Albany and Constellation Drive. Two options were proposed, either adjacent to Greville Road or to Rosedale Road. Further investigation showed that a station on Greville Road would be preferable as it is likely to offer the better long term patronage potential, especially if accompanied by a 'Park and Ride' on the NZ Transport Agency's land fronting Greville Road. The proposal is for construction to be completed by 2020 for this section of the Busway extension. There is also plans to extend the Northern Busway north of Albany, into Rodney District.

Rail

There are rail lines included in the recommended proposal for a second Waitemata Harbour crossing.

6.4.5 Wastewater and Storm water

The North Shore City Council are undergoing their largest single wastewater network project, the new effluent outfall. A number of existing sewer trunks are also currently being upgraded to meet the growth demands in areas around North Shore City.

New Effluent Outfall and Tunnel

The existing outfall for the Rosedale Treatment plant is nearing the end of its lifespan and in recent times has needed major repairs. A new tunnel and outfall from the Rosedale Wastewater Treatment Plant is currently under construction. The tunnel runs 25 metres underground for a total of 2.6 kilometres from Rosedale to Mairangi Bay then another 2.8 kilometres under the seabed out into the channel. The deep tunnel option was used as it is less disruptive to residents and businesses. The new outfall is to be completed by the end of 2010, meeting a deadline imposed by the Auckland Regional Council. The total cost of the project is \$116 million.

The wastewater plant at Rosedale has been proposed as the next Auckland Regional Wastewater Treatment Plant as in 2027 the current regional plant in Mangere will reach its full capacity. The final decision on this will be made in 2012.

Birkdale Trunk Sewer Upgrade

The 4.5 kilometre sewer main that runs from Birkdale to Beach Haven has reached capacity, causing overflows. The pipe is being replaced by a much larger pipe that will not only meet current demands, but also meet future population demands. The project is being completed in three stages. Stage one, the lower end of the catchment, is complete. Stage three is underway at the upper end of the catchment, in War Memorial Park. Consent applications for stage two have been submitted and work is about to get underway joining stages one and three in the middle.

Hillcrest Sewer Upgrade

The Hillcrest trunk sewer is nearing full capacity and needs to be upgraded. It is not possible to replace this trunk in its existing location so a new, larger sewer is being constructed along a different route. The part of the new sewer line that runs along Sylvia Road / Moore Street has been completed. The next part of the project, connecting Sylvia Road to the Takapuna Golf Course via Evelyn Place, is to be started soon.

Northern Trunk Sewer System

Major upgrades are required, and will start soon, in Albany, Browns Bay, Torbay and Long Bay. Work on this trunk line is scheduled to be completed by 2015 and will ensure that overflow frequencies exceed target.

Water Quality Treatment Wetlands / Ponds

Construction of water quality treatment wetlands / ponds in the Kyle, Awaruku, Oteha Valley, Northboro and Wairau Valley catchments are planned for completion over the next three years.

Hillcrest storm water catchment

Major culvert and overland flow path upgrades in the Hillcrest catchment are to be completed over the next three years.

Lucas Creek and Taiaoatea catchments

Stream protection and rehabilitation works in the Lucas Creek and Taiaoatea catchments are to be completed over the next three years.

6.4.6 Water and Sanitary Services

North Shore City Council supplies A-grade drinking water for household and commercial use. Each year they purchase around 20 million kilolitres of treated water from bulk regional supplier Watercare Services.

This water is collected and transported from catchments in the Waitakere and Hunua Ranges and from the Waikato River near Tuakau. There is no current infrastructure projects planned in North Shore City as the existing infrastructure meets current demand and quality standards.

6.4.7 Schools

Within North Shore City there are currently 42 primary schools and 8 intermediate schools.

The North Shore City currently has 15 secondary schools. Of these; 4 are single sex schools, 2 for girls and 2 for boys, 2 are composite private schools and 3 provide education from year 7 (include intermediate school).

6.4.8 Hospitals

There is currently one public hospital within North Shore City, the North Shore Hospital. This hospital provides 24 hour emergency care and full health services.

6.5 Infrastructure – Waitakere City

6.5.1 Overview

With regard to the current and future provision of housing in the Waitakere City, and more specifically within the 4 key subject wards; Henderson, Massey, New Lynn and Waitakere, we have identified the following key infrastructure projects as likely to have the most influence on overall growth and therefore housing provision and demand.

Roading:

- Waterview Connection;
- Whau Crossing Bridge;
- Upper Harbour Motorway; and
- Road access to Whenuapai airport.

Public Transport:

- Double tracking of New Lynn rail lines;
- ‘Park and Ride’ facilities; and
- Sturges Road Bridge Replacement.

Storm water:

- Project Twin Stream.

The three major roading projects proposed for the next ten years are the Waterview Connection, the Whau Crossing Bridge and the State Highway 16 and 18 extensions. All these projects, especially the Waterview Connection and the State Highway extensions, will increase the attraction of Waitakere City as a location for people to live in and help economic development in the region, by providing better access to and from the region.

The Waterview connection is the last major component of the Western Ring Route that is not already under construction. It will greatly improve travel between Manukau and Albany via West Auckland. The motorway will alleviate traffic congestion caused by through travel within the local suburbs and creates an alternative route around Auckland City from State Highway 1 and the Auckland Harbour Bridge. The State Highway 18 and 16 extensions will complete the section of the Western Ring Route that connects West Auckland and Albany. The completed Western Ring Route will create employment opportunities along the corridor and will enable more reliable and efficient transport of goods and services and travel time to Auckland International Airport.

Given the large number of people that reside in Waitakere City and work outside of the area, the proposed ‘park and ride’ stations will be a valuable asset for facilitating and improving this commute. ‘Park and rides’ decrease the cost of travel, when comparing bus / train fares to current petrol prices coupled with free parking at the bus stations as opposed to the costs of parking, particularly in the CBD, and, with the added provision of bus lanes, decrease commuting times.

Storm water and wastewater infrastructure in the district is satisfactory. Project Twin Streams is an ongoing project that cleans up the streams in the area and the planting of stream banks will improve storm water runoff.

The new housing development at Hobsonville Point, approximately 3,000 homes, will require schooling. Two new schools are proposed as part of the Hobsonville Point development, a primary school and a secondary school.

6.5.2 Long Term Council Community Plan 2006 – 2016

Waitakere City Council has a Long Term Council Community Plan that includes all proposed infrastructure services and projects over the next ten years from 2006 to 2016. What is proposed in this plan will assist in the future, long-term planning and development of the district and its communities.

Table A6.4 presents a summary of the major projects for each area within Waitakere City is outlined below.

Table A6.4: Long Term Council Community Plan Summary – Waitakere City

Description Of Work	Time Frame	Cost
Waterview Connection	2010-2014	\$1.4 billion
Whau Crossing Bridge		
SH18 Hobsonville Deviation & SH16 Brigham Creek Extension	2012	\$400 million
Road access to Whenuapai Airport		
Double tracking of the western rail line at New Lynn		
'Park and Ride' facilities		
Sturges Road Bridge Replacement	Dec 2010	\$8.6 million
Project Twin Streams	Continuous	
Hobsonville Point schools	2012/2013	

Source: Waitakere City Council LTCCP 2006-2016

Some of the key infrastructure projects identified in the above schedule are highlighted in more detail below.

6.5.3 Roading

Waterview Connection

The Waterview connection will complete the Western Ring Route. The 5.5 kilometres of motorway will begin at the end of State Highway 20 in Mt Roskill and connect to State Highway 16 adjacent to Great North Road via Mt Albert and Avondale. A new proposal for the Waterview connection has a tunnel under New North Road and Avondale Heights and a cut and cover tunnel under Great North Road, with the southern part of the motorway being built on the surface adjacent to land already set aside for rail. The motorway will have three lanes each way for traffic and bus shoulders to allow for public transport. This new proposal, which differs from the previous all tunnel scheme, will be within the transport budget of \$1.4 billion. This proposed Waterview Connection will take four and a half years to build.

Part of the Western Ring Route project is the construction of seven bridges that will cross the motorway. The first of these, the 2-lane Trig Road bridge, has recently opened. The Trig Road bridge will carry local traffic across the motorway which is being constructed underneath. The second bridge, Henderson Road, is being prepared to be completed and the signalised roundabout at the end of the Northwestern motorway to be dismantled.

The Waterview Connection will provide the final component to the Western Ring Route. The Western Ring Route is a 48 kilometre motorway from Manukau to Albany, around Auckland, connecting the Southwestern (SH20), Northwestern (SH16) and Upper Harbour (SH18) Highways. It will provide an alternative to State Highway 1 and the Auckland Harbour Bridge. The route will also help ease through traffic on local roads.

Figure A6.7 illustrates the proposed Waterview Connection.

Figure A6.7: Proposed Waterview Connection



Source: NZ Transport Agency

Whau Crossing Bridge

Transit NZ and Auckland Regional Council are proposing a crossing between Rosebank Peninsula and Te Atatu South/Glendene. This crossing would improve flows on the North Western Motorway, Great North Road and Ash/Rata Street and also relieve some traffic congestion at the Te Atatu motorway interchange. The bridge would improve access for workers in Waitakere City, especially Glen Eden and Henderson.

Upper Harbour Motorway

The State Highway 18 section of the Western Ring Route, connecting West Auckland to Albany, is nearly complete. The last part to be finished is the Hobsonville Deviation which is in two parts; one is a 6 kilometre, 4-lane motorway from the end of the Northwestern Motorway at Hobsonville Road to the western end of Upper Harbour Bridge in Hobsonville and the other part is a 3 kilometre, 2-lane extension of the State Highway 16 Northwestern Motorway from Hobsonville Road to Brigham Creek Road in Whenuapai. Construction is already underway on this stretch of motorway and completed is scheduled in 2012. The estimated cost of this project is \$400 million.

Whenuapai Airport road access

The proposed commercial airport at Whenuapai will require road access. The council have been acquiring and protecting land that will be required for this road network.

6.5.4 Public Transport

Double Tracking of the Western Rail Line at New Lynn

This will increase the number of trains that can travel this route and will also increase the travelling times of the existing train services.

'Park and Ride'

There are currently two 'park and ride' facilities operating at Sturges Road and Sunnyvale, providing 170 and 102 free car parks respectively at these locations.

The Waitakere City Council is currently working towards 'park and ride' facilities at Swanson, New Lynn, Ranui, Henderson and Glen Eden. However, some of these facilities will be temporary as the council is wanting, where possible, to have these outside of the town centres.

Sturges Road Bridge Replacement

The current bridge is in need of replacement. A start was made on a new bridge in December 2009. The new bridge will have three lanes for traffic and shared pedestrian and cycle lanes on both sides. The replacement bridge's expected completion is December 2010 and has a project cost of \$8.6 million. The project is managed by Waitakere City Council and supported by KiwiRail.

6.5.5 Wastewater and Storm water

The majority of the wastewater network in the Waitakere City is considered to be in a satisfactory condition (83 percent), however, the other 17 percent is in poor to very poor condition. The catchments where these conditions are poor are New Lynn, South Lynn, West Lynn, Glen Eden South and Henderson Valley.

Project Twin Streams

Project Twin Streams started in Waitakere City in 2003. The project is funded by regional government and managed by Waitakere City Council who contracts the work to community organisations. Project Twin Streams is aiming at improving six streams and waterways within the area. Key activities in the project are replanting of 56 kilometres of stream banks, weeding and planting of stream banks, more environmentally friendly storm water treatment such as rain gardens, rainwater tanks and storm water ponds, replacing 100 privately owned household properties in flood prone areas with these storm water devices, building 14km of cycle and walkways alongside the streams and reducing animal pests. Stream bank planting is a new way to manage storm water as the trees will create buffer zones along the stream bank.

The project currently has six contracts in place of which five require a community coordinator. These are; Henderson Creek, Opanuku Stream, Oratia Stream, Ranui-Massey, Swanson (bridge-to-bridge) and Glen Eden. Currently under construction is 14 kilometres of cycle and walkways. A total of 75 houses have been purchased, to date, for storm water management and riparian planting.

6.5.6 Water and Sanitary Services

Waitakere City's water is supplied by Watercare Services Ltd which the council buys treated water in bulk to supply the City. There are 17 supply zones within Waitakere City. The Council is working with Watercare Services to ensure Waitakere residents and businesses continue to be supplied within the capacity of the water from the local Waitakere dam sources. The current capacity of the water supply for the region is sufficient for the population, with expected growth some upgrading may be required of the existing infrastructure.

6.5.7 Communications Technology

It is the goal of Waitakere City Council for all homes within the city to have access to broadband, should they wish to connect and also to have very high speed connections available and affordable in town centres and new business and mixed use developments.

6.5.8 Schools

Within the Waitakere City there are currently 49 primary schools. Of these 49 primary schools; 16 are within the Henderson ward, 14 are in the Massey ward, 11 are in the New Lynn ward and 8 are in the Waitakere ward.

The Waitakere City currently has 9 secondary schools and 6 intermediate schools. Of the 6 intermediate schools; 4 are in the Henderson ward, these are Bruce McLaren Intermediate, Henderson Intermediate, Rangeview Intermediate and Te Atatu Intermediate, and 2 are in the New Lynn ward, these are Glen Eden Intermediate and Kelston Intermediate. There is also Liston College in the Henderson ward which offers education from Year 7. Of the 9 secondary schools; 5 are in the Henderson ward, these are Henderson High School, Rutherford College, Waitakere College, St Dominic's College and Liston College which offers education from Year 7 to Year 13. Of the others, one is located in the Massey ward, Massey High School and 3 are located in the New Lynn ward, Green Bay High School, Kelston Boys' High School and Kelston Girls' College.

We are aware that two new schools are proposed as part of the Hobsonville Point development, a primary school due to be completed in 2012 and a secondary school due to be completed in 2013. These will be necessary additions to the development due to its size and population capacity (approximately 3,000 homes).

6.5.9 Hospitals

There is currently one public hospital within the Waitakere City providing acute inpatient services. This hospital opened in February 2005 and has 76 medical beds available. The hospital has an emergency care centre, however, it is currently not 24 hours. There is also a private hospital, Carnarvon, in Henderson that offers private health care to the elderly. The nearest public hospitals for the Waitakere City that offer 24 hour emergency care are North Shore Hospital and Auckland Hospital.

6.6 Infrastructure – Auckland City

6.6.1 Overview

The Long Term Council Community Plan 2009 – 2019 highlights the proposed infrastructure services and projects identified by council as a priority over the next 10 years, to assist in the future, long-term planning and development of the district and its communities.

With regard to the current and future provision of housing in Auckland City we have identified the following key infrastructure projects as likely to have the most influence on overall growth and therefore housing provision and demand.

Roading:

- Victoria Park Tunnel;
- Newmarket Viaduct upgrade;
- Central Connector;
- Dominion Road widening;
- Neilson Street upgrade;
- Sandringham and Mt Albert Roads intersection upgrade; and
- Tiverton Road / Wolverton Street upgrade.

Public Transport:

- CBD Rail Loop;
- Onehunga Branch Line;
- Newmarket Rail Station; and
- Orakei 'Park and Ride'.

Electricity Network:

- Yarborough undergrounding project;
- Sarawia Street, Laxon Terrace and Youngs Lane undergrounding project; and
- Hillsborough substation reinforcement.

Wastewater and Storm water:

- Martyn Wilson Reserve; and
- Cox's Creek improvement project.

Water Services:

- Mt Wellington water supply upgrade.

The three major roading projects proposed for the next ten years are the Victoria Park Tunnel, the Central Connector and the Newmarket Viaduct upgrade. All these projects will increase the flow of traffic through the city and help economic development in the region, by providing better access to and from the region.

The Victoria Park Tunnel will complete the central Auckland motorway network and is a very important project to ease the traffic congestion in the Victoria Park / St Marys Bay area, which is one of the worst congestion points in the Auckland Region. The Victoria Park Tunnel, together with the Newmarket Viaduct Upgrade, will help traffic time and safety through the central city to and from the north and south, and make the Auckland Region a more attractive place to live and work.

Given the large number of people that work in the Auckland CBD, having a safe, efficient and reliable public transport network is an important part of the city and for the people living in the region, especially as over half of the people that work in the city will use public transport as their mode of transport into the city for work. The CBD Rail loop is an important next step in continuing the improvements on the public transport network in Auckland city and will increase the area that the public transport network reaches. The Onehunga Line is also an important project for the public transport network. The extension of the rail line will increase the attractiveness for people to live in the area as there will be greater efficiency to travel around the region and into the city.

6.6.2 Long Term Council Community Plan 2009 – 2019

Auckland City Council have a Long Term Council Community Plan that includes all proposed infrastructure services and projects over the next ten years to 2019. What is proposed in this plan will assist in the future, long-term planning and development of the district and its communities.

Table A6.5 presents a summary of the major projects within Auckland City are outlined below.

Table A6.5: Long Term Council Community Plan Summary – Auckland City

Description Of Work	Time Frame	Cost
Victoria Park Tunnel	2012	
Newmarket Viaduct upgrade	2008-2012	\$195 million
Central Connector	2009	
Dominion Road widening	2004-2016	
Neilson Street upgrade		
Sandringham and Mt Albert Roads intersection		
Tiverton Road / Wolverton Street Upgrade	Starting 2011	\$17 million
CBD Rail Loop	December 2010	
Onehunga Branch Line	First half 2010	
Newmarket Rail Station	2009	
Orakei 'Park and Ride'		
Yarborough Undergrounding Project	Oct – Dec 2009	
Sarawia Street, Laxon Terrace and Youngs Lane Undergrounding Project	Dec 2009 – Feb 2010	
Hillsborough Substation Reinforcement	Sep – Dec 2009	
Martyn Wilson Reserve		
Cox's Creek Improvement Project	2010/2011	
Mt Wellington Water Supply Upgrade	2010	
Q Theatre	2011	

Source: Auckland District Council LTCCP 2009-2019

Some of the key infrastructure projects identified in the above schedule are highlighted in more detail below.

6.6.3 Roothing

Victoria Park Tunnel

Traffic congestion is a major problem through Victoria Park Viaduct and St Marys Bay, especially during peak hours. The Victoria Park Tunnel involves a 440 metre cut and cover tunnel adjacent to the existing viaduct in Victoria Park, providing three northbound lanes. The existing viaduct will remain to carry southbound traffic on its four lanes. Also some widening of the existing motorway through St Marys Bay will allow five lanes of traffic each way and a shoulder bus lane. This project will complete the central Auckland motorway network and will unlock the capacity of the recently completed Central Motorway Junction. There will also be a new pedestrian over bridge linking Jacobs Ladder with the Westhaven area. Construction has already begun with the widening of the existing motorway through St Marys Bay and construction on the tunnel will begin in 2010 with expected completion of the whole project in 2012. This project is one of seven Roads of National Significance.

Newmarket Viaduct Upgrade

This project will provide increased capacity on the southbound motorway and will upgrade the Newmarket Viaduct. An additional (fourth) southbound lane will be added that will go all the way to Greenlane, along with provision for an additional northbound lane. These will be built to modern seismic standards with enhanced safety and acoustic protection. The project was started in 2008 and completion is expected in 2012. The project has a total estimated cost of \$195 million.

Central Connector

A 4 kilometre road which gives buses priority is under construction between Britomart and Newmarket. This will decrease travel times on public transport between these two main centres including improved transport to Auckland universities, Auckland City Hospital and Auckland Domain. The Central Connector will also improve access to other public transport services available in the city. Work involved in this project includes:

- Dedicated bus lanes;
- New bus stops at key locations;
- Improved traffic signals and street lighting;
- New and improved bus shelters; and
- Strengthening Grafton Bridge.

Improvements are also being made for pedestrians, with an additional 10 pedestrian crossings, new paving and specially designed glass canopies and bus shelters. Cycle routes will also be improved. The project is due to be completed at the end of this year.

Dominion Road Widening

Dominion Road is an arterial road and a key transport route in Auckland, stretching from the CBD to Mt Roskill. Of people travelling along Dominion Road, half are travelling on buses. Auckland City Council have been, since 2004, widening Dominion Road to enable bus services to be improved. The council are expecting the widening of Dominion Road to be completed by 2016.

Neilson Street Upgrade

Neilson Street connects to the motorway, Onehunga town centre and the industrial area surrounding Neilson Street. The council want to upgrade the intersections from Gloucester Park Road to Church Street, widen the road to provide four lanes and associated medians and allow for potential local bridge crossings across Manukau Harbour. This upgrade would also allow a high quality link between SH20 and SH1.

Sandringham and Mt Albert Roads Intersection Upgrade

This intersection serves as an important junction in Auckland city and is currently at its full capacity.

Tiverton Road / Wolverton Street Upgrade

This project will strengthen the connection between Auckland and Waitakere cities and provide an efficient and safe transport link to the State Highway 20 extension. The project is to be completed in two stages. Stage one, between Whitney Street and Blockhouse Bay Road, has been finished. Stage two is due to start in 2011 and involves widening of Wolverton Street and the rest of Tiverton Road to four lanes. This connection will increase the traffic flow between Auckland and Waitakere cities.

6.6.4 Public Transport

CBD Rail Loop

An underground rail link from Britomart to Mt Eden is under investigation and a study undertaken by KiwiRail, Auckland Regional Transport Authority and a group of consultants which will be completed in December 2010. The project proposes a 3.5 kilometre twin tracked tunnel that is 30 metres underground. The first link in this project is proposed to go from Britomart to an underground station beneath Albert Street. A rail loop around the CBD would complement investment into the State Highway network and make travel into the CBD, especially for those travelling in for work, even more efficient. The proposed tunnel would allow greater capacity at Britomart as this would become a through station.

Onehunga Branch Line

Work has begun on reopening the Onehunga branch line which has been closed since 1973. A new track will be constructed with new signalling, power ducts, platforms and access and pedestrian mazes at all level crossings. New stations will be built in Onehunga on the old ITM site on the corner of Neilson Street and Onehunga Mall, Penrose, Te Papapa and later in Mt Smart. Construction started late August 2009 and the branch line is expected to be opened in the first half of 2010.

Newmarket Rail Station

An improved Newmarket rail station is under construction, due for completion at the end of this year.

Orakei 'Park and Ride'

A 'park and ride' facility is planned at the Orakei rail station. The proposal is for 196 car parks.

6.6.5 Electricity Network

Yarborough Undergrounding Project

From 20 October 2009 to December 2009 Vector are placing all overhead electricity lines underground, removing all power poles and installing new street lights along Yarborough Street and Selby Square.

Sarawia Street, Laxon Terrace and Youngs Lane Undergrounding Project

From December 2009 to February 2010 Vector are placing all overhead electricity lines underground, removing all power poles, installing new street lights and upgrading the footpaths along Titoki Street, Maunsell Road between Parnell Road and Titoki Street, all of Sarawia Street and Youngs Lane, and part of Laxon Terrace.

Hillsborough Substation Reinforcement

Between September 2009 and December 2009 Vector is installing new 11,000V underground cables from 105 Hillsborough Road along Hillsborough Road, Herd Road and Pah Road. The work will improve the quality and reliability of the power supply in the Hillsborough area.

6.6.6 Wastewater and Storm water

All wastewater within the Auckland city is transported to the Mangere Wastewater Treatment Plant. The Mangere plant will reach its full capacity in 2027 and proposals are in place for the wastewater from the Auckland Region to be treated at the Rosedale Wastewater Treatment Plant which is currently undergoing major work on a new tunnel and effluent outfall.

Martyn Wilson Reserve

Auckland City Council is proposing a storm water pond in the south-west corner of Martyn Wilson Reserve. This will improve the quality of water discharged into the Waitemata Harbour by catching water from the existing Remuera Stream, allowing sediment to settle, while slowly releasing the storm water downstream.

Cox's Creek Improvement Project

Cox's Creek is a tidal channel that flows through Cox's Bay Reserve and into the Waitemata Harbour. The creek receives storm water from the Grey Lynn catchment area and occasionally receives sewer network overflows. The creek has, for a long time, had an odour problem. The first stage of remedying Cox Creek was reinstating the tidal flow in the creek, which has been successfully completed and to reduce sewage overflows into the creek, Metrowater have installed grit traps to prevent wastewater pipe blockages and will, in the near future, separate some local combined storm water-wastewater pipes. Stage two is in the design stage and proposes extension of works up the Wharf Road arm of Cox's Creek which will help solve the odour problem. Earthworks for stage two are scheduled for 2010/2011, subject to financial availability and obtaining resource consents.

6.6.7 Water Services

Metrowater are the providers of water to Auckland city. They supply approximately 45 million cubic metres of 'Aa' grade water to homes and businesses within the city. The bulk of their water is sourced from Watercare Services Limited.

Mt Wellington Water Supply Upgrade

Significant growth is occurring in the suburbs of Mt Wellington, Ellerslie, Glen Innes, St Heliers, Mission Bay and Orakei. The existing watermains to these suburbs are insufficient to accommodate future growth. Metrowater and Watercare are working together to upgrade the system so that it can meet increased demand and improve the security of the water supply throughout the area. The project involves installation of 5.5 kilometres of new pipeline in Mt Wellington which will double the capacity of the existing system. Stage 1A of the project was successfully completed over 16-18 October. The remainder of the project involves connecting the new watermains and the expected completion of this is 2010.

6.6.8 Schools

Within Auckland City there are currently 100 primary schools. Of these 2 are private primary schools, 36 are full primary schools and 5 are private full primary schools.

Auckland City currently has 13 intermediate schools and 28 secondary schools. Of the 28 secondary schools; 9 teach from year 7 through to year 13, 14 are state secondary schools and 5 are private secondary schools. There are also 12 composite schools within Auckland City, of which 1 is a state school and the other 11 are private schools.

6.6.9 Hospitals

There is currently one public hospital within the Auckland City, Auckland City Hospital; however, due to Auckland City being in the centre of the region, Waitakere Hospital, Middlemore and North Shore Hospital are not too far away. The Auckland Hospital is the largest hospital in the Auckland Region and Starship Childrens Hospital is adjacent to the main hospital. There are also many private hospitals and specialist hospitals within Auckland City.

6.7 Infrastructure – Manukau City

6.7.1 Overview

The Long Term Council Community Plan 2009 – 2019 highlights the proposed infrastructure services and projects identified by council as a priority over the next 10 years, to assist in the future, long-term planning and development of the district and its communities.

With regard to the current and future provision of housing in the Manukau City, we have identified the following key infrastructure projects as likely to have the most influence on overall growth and therefore housing provision and demand.

Roading:

- Second Manukau Harbour Crossing;
- Auckland-Manukau Eastern Transport Initiative; and
- Flat Bush.

Public Transport:

- Half Moon Bay ferry terminal upgrade and ‘park and ride’; and
- Rail.

Schools:

- Five new schools proposed for Flat Bush.

The three major roading projects proposed for the next ten years are the second Manukau Harbour crossing, the Auckland-Manukau Eastern Transport Initiative and roading within and to and from Flat Bush. All these projects will increase the attraction of Manukau City as a location for people to live in and will help economic development in the city, by providing better access to and from the region.

The second Manukau Harbour crossing is an important part of the Western Ring Route. This new bridge will increase the capacity of travel over the Harbour and make travel into and out of Manukau City much more efficient. The Western Ring Route is a major transport project for the Auckland Region that will allow an alternative route between the north and south of Auckland region aside from the Auckland Harbour Bridge and Auckland Central. This route will allow improved travel between Waitakere and Manukau cities and increase the attractiveness for people to live and work in the city.

The Auckland-Manukau Eastern Transport Initiative will greatly improve travel between the suburbs of Glen Innes, Panmure, Tamaki, Pakuranga and East Tamaki and central Manukau City. This will heighten the appeal of living in these suburbs due to ease of travel to and from the city centre.

Flat Bush is a major development occurring in Manukau City and roading infrastructure is necessary to sustain demand for this area. Several schools are also proposed for the area and these will also add to the demand for people to live in Flat Bush.

Public transport developments planned for Manukau City will increase the link between Manukau City and Auckland City. Due to the high number of people that live in Manukau City and work or study in Auckland City, more public transport infrastructure will be a great asset to the city. The Half Moon bay ferry terminal allows quick and reliable transport into Downtown Auckland and demand for its use will increase with the addition of a 'park and ride'. The extended Manukau rail line and new rail station will further improve the existing rail transport in the region and allow easier transport between Manukau City and Auckland City.

6.7.2 Long Term Council Community Plan 2009 – 2019

Manukau City Council has a Long Term Council Community Plan that includes all proposed infrastructure services and projects over the next ten years to 2019. What is proposed in this plan will assist in the future, long-term planning and development of the district and its communities.

Table A6.6 presents a summary of the major projects for the Manukau City are outlined below.

Table A6.6: Long Term Council Community Plan Summary – Manukau City

Description Of Work	Time Frame	Cost
Manukau Harbour Crossing	2011	\$100 million
Auckland-Manukau Eastern Transport Initiative		\$1.3 billion
Flat Bush – within area and to Manukau City Centre	2024	
Half Moon Bay Ferry Terminal	2017/2018	\$4.2 million
Manukau Rail Line and Railway Station	2010/2011	
Flat Bush Schools	2011 - 2015	

Source: Manukau City Council LTCCP 2009-2019

Some of the key infrastructure projects identified in the above schedule are highlighted in more detail below.

6.7.3 Rooding

Second Manukau Harbour Crossing

The Manukau Harbour Bridge Crossing will make up an important part of the Western Ring Route motorway that bypasses the Central Business District of Auckland. The new bridge will be a duplication, to the east, of the existing Mangere Bridge. The existing bridge will take traffic one way and the new bridge will transport traffic the other way. The result will be four lanes of traffic plus a bus lane in each direction with widening of the motorway to three lanes in each direction between Mangere Bridge and Walmsley Road. This project will increase the capacity of vehicle travel across the Manukau Harbour and improve access, efficiency and safety between the south-western Motorway and Onehunga to Pakuranga.

The project is being managed by Transit NZ, Auckland City Council, Auckland Regional Council and Onehunga Inter Agency Working Group. The project started in 2000 with construction commencing in 2008. Expected completion is in 2011 with an estimated project cost of \$100 million.

Figure A6.8: Second Manukau Harbour Crossing



Source: RoadTraffic-Technology

Auckland-Manukau Eastern Transport Initiative (AMETI)

Population and economic growth is strong in Glen Innes, Panmure, Tamaki, Pakuranga and East Tamaki. The Auckland-Manukau Eastern Transport Initiative aims at providing a greater choice for transport within and through the eastern suburbs of Auckland and Manukau cities, especially enhancing the quality and attractiveness of public transport making it a more viable mode of transport. The project is being done jointly by Auckland and Manukau City Councils and Auckland Regional Transport Authority with an estimated project cost of \$1.3 billion, including approximately 53% of government subsidies. The project will result in an additional 13 kilometres of bus lanes and 4 kilometres of new roads with an improvement in routes for cyclists and pedestrians.

Flat Bush

Roading upgrades / development are needed between the Flat Bush development and Manukau City Centre, including bus priority routes. This will be ongoing until 2024 with an estimated cost of \$10 million to 2019 and a further \$14.4 million to 2024, this includes government subsidies of approximately 53%.

Table A6.7 presents a summary of the key initiatives included within the Flat Bush development.

Table A6.7: Flat Bush Development

Activity	Time Frame	Estimated Cost
Chapel Road bridge and upgrading	2013 – 2016	\$11.8 million
Flat Bush School Road bridges and upgrading		
Murpheys Road bridge to provide four lanes and allow for 100-year flood	2014 – 2016	\$13 million
Murpheys Road upgrading of road to arterial road standard	2015 – 2017	\$12.7 million
Ormiston Road entry bridge to town centre and upgrading		
Smales Road upgrading		

Source: Manukau City Council Transport Strategy to 2016 and Manukau City Council LTCCP 2009-2019

6.7.4 Public Transport

Half Moon Bay Ferry Terminal Upgrade and ‘Park and Ride’

The existing facilities at the Half Moon Bay ferry terminal has several limitations such as site congestion. Redevelopment of the Half Moon Bay ferry terminal has been identified as the best option and location in the Pakuranga / Howick area for a main ferry terminal and associated ‘park and ride’. Redevelopment of this facility will include vessel berthing and passenger facilities, such as bus-ferry interchange and carparking within the next five years. The expected completion of the terminal is 2017/2018 and has a budget of \$4.2 million. The project will be completed in two stages, the first being improvements made over 2009-2010 and the second stage involving the reclamation of land and all major work.

Rail

Auckland Regional Transport Authority, KiwiRail and Manukau City Council are working on a rail link and new railway station in Manukau City. The railway will be 2 kilometres from Manukau City Centre to Puhinui. The Manukau station will house two 180 metre long lateral platforms and the station. The aim is for passengers to be able to easily transfer between trains and buses and, as the station will be part of a tertiary campus building being developed by Manukau Institute of Technology, will allow students to easily travel into Manukau City Centre for study.

The whole project is already underway with completion of the station due late 2010 / early 2011 and completion of the Manukau rail link expected by 2014. Approximately 600,000 passengers a year will use the new train station, making this a worthwhile project in improving the use of public transport around the city.

6.7.5 Schools

Within Manukau City there are currently 85 primary schools, 13 intermediate schools and 19 secondary schools, of which 5 start enrolment at year 7. There are also 7 composite schools which offer education from year 1 to year 13.

We are aware of 5 new schools proposed as part of the Flat Bush Area Strategy. Of these; 3 are primary schools, 1 is a junior high school and 1 is a senior college. Details of these are:

- Ormiston Senior College, for years 11 – 13, is due to open term one, 2011;
- Ormiston Road Junior High School, for years 7 – 10, is planning on opening in 2013;
- Ormiston Road Primary School, for years 1 – 6, is planning on opening in 2013;
- South-West Flat Bush Primary School, for years 1 – 6, is planning on opening in 2013; and
- South-East Flat Bush Primary School, for years 1 – 6, is planning on opening in 2015.

6.7.6 Hospitals

There is currently one public hospital within Manukau City, Middlemore. There are also numerous private and specialist hospitals and medical facilities within the city.

6.8 Infrastructure – Papakura District

6.8.1 Overview

With regard to the current and future provision of housing in the Papakura District, we have identified the following key infrastructure projects as likely to have the most influence on overall growth and therefore housing provision and demand.

Roading:

- Mill Road corridor;
- Railway Street West link; and
- Clevedon Road rail overbridge.

Public Transport:

- ‘Park and Ride’; and
- Implemented Walkways / Cycleways.

Wastewater and Storm water:

- Takanini North water quality pond; and
- Hingaia water quality pond.

Infrastructure development planned in the Papakura District over the next decade is low. The major roading project proposed in the district is the Mill Road corridor, however, this project is currently in the planning and consultation stages and will take up to 30 years to complete. Land acquisition is also underway to establish the Railway Street West link.

Given the large number of people that reside in the Papakura District and work outside of the district, particularly in Manukau City and Auckland CBD, the proposed ‘park and ride’ stations will be a valuable asset for facilitating and improving this commute. ‘Park and rides’ decrease the cost of travel, when comparing bus / train fares to current petrol prices, and, with the added provision of bus lanes, decrease commuting times, thus increasing the desirability of the Papakura District as a place to live.

Storm water and wastewater infrastructure in the district is satisfactory.

On the negative side, there are no public hospitals in the Papakura District, with the nearest public hospitals being Middlemore Hospital and Auckland Hospital.

Takanini will be in need of some new schools and options have been prepared as to the best range of schools for the area to alleviate pressure that future growth would create.

6.8.2 Long Term Council Community Plan 2006 – 2016

Papakura District Council has a Long Term Council Community Plan that includes all proposed infrastructure services and projects over the ten years from 2006 to 2016. What is proposed in this plan will assist in the future, long-term planning and development of the district and its communities.

Table A6.8 presents a summary of the major projects for each area within Papakura District is outlined below.

Table A6.8: Long Term Council Community Plan Summary – Papakura District

Description Of Work	Time Frame	Cost
Mill Road Corridor	Planning stage	
Railway Street West link land acquisition	2009/2010	\$4.0 million
Clevedon Road rail overbridge	2010/2011	
'Park and Ride' facilities at Drury and Takanini	Proposed	
Takanini North water quality pond	2009-2011	
Hingaia water quality pond	2012	
New schools in Takanini		

Source: Papakura District Council LTCCP 2006-2016

Some of the key infrastructure projects identified in the above schedule are highlighted in more detail below.

6.8.3 Roading

Mill Road Corridor

A link between Drury, Papakura and Flat Bush / Manukau will be needed in the future to accommodate expected population growth. This eastern route, from Alfriston in the north to Drury in the south, will need to cater for pedestrian, cyclist and vehicle traffic.

This project is in the early stages of consultation and council are requesting feedback by February 2010.

Railway Street West Link

Council are currently purchasing land that is needed for the Railway Street West link. This purchase of land is to ensure that the route is protected, to enable development later.

Clevedon Road Rail overbridge

The electrification of the rail network will require the overbridge at Clevedon Road to be lifted in order to allow the new rail infrastructure. This work is planned for 2010 / 2011.

6.8.4 Public Transport

'Park and Ride'

There is currently one 'park and ride' facility in the Papakura District, at Papakura rail station. Proposals are in place to build a new railway station with adjacent 'park and ride' facilities at Takanini and Drury.

Walkways / Cycleways

New walkways and cycleways will be constructed over the next ten years.

6.8.5 Wastewater and Storm water

United Water are the managers of the wastewater treatment network in Papakura. In 1997 they signed a 30 year contract to manage, maintain and develop the water and wastewater network in the District. The majority of wastewater from the Papakura District is treated at the Mangere treatment plant, managed by Watercare services. The Drury treatment plant, which is managed by United Water, still treats a small amount of wastewater and approximately 10 percent of the population have their own wastewater disposal systems, such as a septic tank. The Drury treatment plant is nearing the end of its economic life and will require disestablishment.

Water Quality Ponds

Two water quality ponds are planned for the Papakura District, one in Takanini North and one in Hingaia. The Takanini North water quality pond is expected for be constructed between 2009 and 2011 and the Hingaia water quality pond is due for completion in 2012.

6.8.6 Water and Sanitary Services

Water supply is managed, maintained and developed by United Water. The only changes to capacity that are needed in the near future is new infrastructure in the Hingaia Peninsula, to support the development in the area.

6.8.7 Schools

Papakura District has 22 primary, intermediate and secondary schools and one composite school. Planning over the next decade includes proposals for several new schools in the Takanini area. There are three options under investigation concerning new schools needed for the area:

- 2-3 primary schools (years 1-6), 1 junior high school (years 7-10) and 1 senior high school (years 11-13);
- 2-3 full primary schools (years 1-8) and 1 secondary school (years 9-13); and
- 2-3 primary schools (years 1-6) and 1 combined intermediate and secondary school (years 7-13).

6.8.8 Hospitals

There are currently two hospitals within the Papakura District, the Papakura Maternity Unit and the Papakura Private Hospital; however, both of these are specialty clinics that only cater to specific health problems. The nearest public hospitals for the Papakura District are Middlemore Hospital and Auckland Hospital.

6.9 Infrastructure – Franklin District

6.9.1 Overview

With regard to the current and future provision of housing in the Franklin District, and more specifically within the 8 key subject areas; Waiuku, Tuakau, Pukekohe, Pokeno, Patumahoe, Kingseat, Clarks Beach and Buckland, we have identified the following key infrastructure projects as likely to have the most influence on overall growth and therefore housing provision and demand.

Roading:

- Pukekohe Eastern Arterial Road.

Public Transport:

- Pukekohe Park and Ride facility; and
- Pokeno and Buckland railway stations.

Wastewater:

- Pukekohe wastewater treatment plant.

Water:

- Pokeno water reticulation supply system; and
- Kingseat water reticulation supply system.

The major roading project within the Franklin District over the next three years will be stage one of the Pukekohe Eastern Arterial road between Manukau Road and Crosbie Road. This project will help traffic flow within the Pukekohe town.

The ‘park and ride’ facility at Pukekohe will be a valuable asset for people who reside in the Franklin area and work in Manukau or Auckland city due to increased efficiency and lower cost of travelling on public transport. The proposed railway stations at Pokeno and Buckland would also greatly improve the public transport network within the Franklin District. This will make the Franklin District a more attractive place for people to live.

Storm water and wastewater infrastructure planned in the district will improve the feasibility for future developments by allowing greater housing density on land. Also, connecting Pokeno to the Pukekohe main trunk pipeline for water supply will allow for greater development of housing within this area, more people will be willing to locate to the area if the water is supplied from the town supply versus the current tank water option.

On the negative side, there are no public hospitals in the Franklin District, with the nearest public hospitals being Middlemore Hospital and Auckland Hospital.

Franklin District currently has an adequate number of schools, however, with expected population growth more schools will be needed. It is projected that Waiuku will require two additional primary schools, Tuakau will require another primary school, Pukekohe will require eight more primary schools and at least one additional high school, Pokeno will require one each of both a primary school and a secondary school and Clarks Beach anticipates needing a primary school in the future. In total the Franklin District anticipates, that with projected growth in population, an additional thirteen primary schools and 2 secondary schools will be required in the area.

6.9.2 Franklin District Council Community Plan 2006 – 2016

Franklin District Council created the Council Community Plan that includes all proposed infrastructure services and projects over the next ten years to 2016. What is proposed in this plan will assist in the future, long-term planning and development of the district and its communities.

Table A6.9 presents a summary of the major projects within Franklin District.

Table A6.9: Council Community Plan Summary – Franklin District

Description Of Work	Time Frame	Cost
Pukekohe Eastern Arterial route	2021	
Pukekohe 'park and ride' facilities	2009-2012	
Pokeno and Buckland railway stations	Proposed	
New wastewater treatment plant at Pukekohe	2010	\$13 million
Replacement water supply for Pukekohe	Planning stage	
Pokeno water reticulation supply system	Proposed	
Kingseat water reticulation supply system	Proposed	

Source: Franklin District Council Community Plan 2006-2016

Some of the key infrastructure projects identified in the above schedule are highlighted in more detail below.

6.9.3 Roading

Pukekohe Eastern Arterial Route

There has been a need for several years to improve traffic flows from the east of Pukekohe and there are indications showing that traffic will be seriously congested on Manukau Road, Stadium Drive and East Street by 2021. An eastern arterial link is planned to be built in an aim to diminish traffic within Pukekohe town centre. The route will go from the intersection at East Street and Pukekohe East Road and cross the railway line to connect at Manukau Road opposite Nelson Street. Stage one of the project, the road from Crosbie Road to Manukau Road, has been completed.

6.9.4 Public Transport

Pukekohe 'Park and Ride'

Construction of a Pukekohe rail station 'park and ride' facility is planned for within the next three years. It will proceed subject to the Auckland Regional Transport Authority upgrading the existing rail station and building an overpass bridge across the rail line.

Rail

There is potential to develop a rail station at Pokeno and Buckland for public transport. A station at Buckland would require development and improvement of the rail line currently existing between Auckland and Hamilton.

6.9.5 Wastewater and Storm water

There are currently four wastewater treatment plants in the Franklin District. Of these four, two are performing below compliance, Pukekohe and Clarks Beach. However, the Clarks Beach wastewater treatment plant has been recently desludged and, for the short-term, performance has improved.

Pukekohe Wastewater Treatment Plant

The performance of the wastewater treatment plant existing at Pukekohe has been progressively declining since 2005 with Environment Waikato currently assessing the plant's status as 'partial compliance'. There are plans in place to construct a new high rate, activated sludge type plant on the council-owned land adjacent to the existing plant. Construction for the new wastewater treatment plant is due to be completed in 2010 and will cost an estimated \$13 million. The new wastewater plant will continue to treat wastewater from Pukekohe, Tuakau, Buckland and Patumahoe and is also planned to receive wastewater from Pokeno.

6.9.6 Water Services

Currently water supply for the majority of the Franklin area is from the Pukekohe water plant which sources water from the Kawa groundwater zone. Studies undertaken by Aqualinc in 2005 showed that this water supply would reach its sustainable yield around 2025. The two possible options for new water supply are to either connect to Watercare Services Ltd's Waikato pipeline or construct a new abstraction and treatment plant on the Waikato River.

The only other water services function available within the Franklin area is a bore supply in Tuakau. With expected future long-term growth in Tuakau the water supply can meet demands by either expanding the existing bore supply or linking all, or part, of the Tuakau area to an expanded Pukekohe water supply.

Due to the expected growth in Pokeno a new reticulated water supply system will be required. Three options have resulted from investigations for the provision of potable water supply to the Pokeno area. These are either a connection from the Watercare Services Ltd Waikato pipeline, a new water supply abstraction and treatment plant at the Waikato River or connection to an extended supply line from Tuakau if Pukekohe had expanded to extend to Tuakau.

Kingseat will require installation of a new reticulated water supply system to meet future water supply demand. There are two options for this water supply; either sourced from ground surface water and / or a new water supply source, or connection to a greatly expanded Pukekohe area water supply system.

6.9.7 Schools

Within the Franklin District there are currently 14 primary schools. Of these 14 primary schools; three are within the Waiuku community, one is in the Tuakau community, seven are in the Pukekohe community of which two are private primary schools, one is in the Pokeno community, one is in the Patumahoe community and one is in the Buckland community.

The Franklin District currently has 6 intermediate / secondary schools. Of the 6 intermediate / secondary schools; one is in the Waiuku community, Waiuku College, one is in the Tuakau community, Tuakau College and four are in, or near, the Pukekohe township, Pukekohe High School, Pukekohe Christian School, Pukekohe Intermediate and Wesley College.

6.9.8 Hospitals

There are currently no hospitals within the Franklin District. The nearest public hospitals for the Franklin District are Middlemore Hospital and Auckland Hospital.

7.0 Appendix 7 – Dwelling Capacity

7.1 Introduction

This appendix provides supporting information on residential dwelling capacity in the Auckland region. It should be read in conjunction with Section 6.5 – Development Capacity in Chapter 6 of the Main Report. The objective of Section 6.5 was to present Darroch’s estimate of dwelling capacity by housing market area.

Darroch’s dwelling capacity estimates used for this housing market assessment are based on two recent studies that have considered in detail dwelling capacity in the Auckland region. The two studies are the Auckland Regional Council’s *Capacity for Growth Study 2008 Interim Report*⁸ and Harrison Grierson Limited and Market Economics Limited (HG and MEL) *Adequacy of the Auckland Region’s Residential Land Supply*⁹. The datasets from both studies were made available to Darroch for this housing market assessment. The HG and MEL capacity dataset is largely based on the earlier ARC dataset.

The objective of this appendix is to review the ARC and the HG and MEL dwelling capacity estimates. The capacity estimates of the ARC and HG and MEL have, for a number of reasons, been largely accepted for this study as reported. They are both recent and have been developed in a rigorous manner. Also, to re-visit the capacity issue would be well beyond the scope of this study. In reviewing the ARC and the HG and MEL capacity estimates we do, however, look at the ARC and HG and MEL’s density assumptions, particularly as they apply to greenfield land.

This appendix is structured in the following way. Firstly, it considers the ARC’s dwelling capacity estimates for the Auckland region. It then considers the research undertaken by HG and MEL. As part of this workstream HG and MEL, based on the ARC’s dwelling capacity numbers, produced updated estimates of residential dwelling capacity in the Auckland region as at June 2008 and five yearly step estimates, i.e. 2011 to 2016, 2016 to 2021, as to when that capacity would be available. This appendix concludes by reviewing the density estimates used by the ARC and HG and MEL across a cross-section of large lot greenfield sub-divisions with our own estimates for those same sub-divisions.

This appendix incorporates data and information available up to November 2009.

⁸ Auckland Regional Council, 2008c.

⁹ Harrison Grierson Limited and Market Economics Limited, 2008.

7.2 Auckland Regional Council Dwelling Capacity Estimates

The Auckland Regional Council *Capacity for Growth Study - Interim Report*¹⁰ provides an estimate of Auckland region residential land capacity as at March 2006. The 2008 study was an update of an earlier March 2003 report, which was itself an update of the first Capacity for Growth report produced in 1998. The ARC report is based on data current to March 2006. It is a measure of capacity under the policies and rules of the territorial authority district plans as at that date. ARC's capacity study draws on a range of datasets of residential land supply within the Auckland region and uses a GIS¹¹ application to identify, assess and capture sites that are suitable for additional development. While the geographical coverage of the ARC study was focused on the area within the metropolitan urban limits, it did include an estimate of rural dwelling capacity, but not of that in rural towns¹².

This information was used by the ARC to identify eight categories of residential land available for development:

- Vacant land - any residential zoned land parcel not built on in 2006;
- Vacant potential land - any parcel of residential land greater than 2,000 square metres, with one or more residential buildings on it, and which includes a portion of undeveloped or vacant land;
- Capacity in greenfield areas with Structure Plans, such as Flat Bush in Manukau City, Long Bay in North Shore City and Mt Wellington Quarry (Stonefields) in Auckland City;
- Infill general - any residential zoned site smaller than 2,000 square metres able to accommodate one or more additional dwellings on the front or rear of the site;
- Infill redevelopment - any residential zoned land where the existing dwelling could be removed and replaced with more than two townhouses (to the maximum permitted density);
- Business land redevelopment - any business zoned land that allows for residential use;
- Rural towns; and
- Rural residential: covers any rural parcels that are zoned in a manner that allows subdivision to create sites smaller than eight hectares.

The ARC's Capacity for Growth Study considered capacity under two scenarios. Under an Infill General scenario the ARC estimated that there was capacity for approximately 172,650 additional dwellings in the Auckland region and under an Infill Redevelopment scenario for an additional 217,445 dwellings. The Infill General and Infill Redevelopment estimates are not discrete sets because a single property may be large enough to include a new dwelling on the front or back (pure or general infill), or as an alternative, the existing house is able to be removed opening the entire site for potentially more intensive redevelopment. This means that a site can be a candidate for either Infill General or Infill Redevelopment. The ARC notes, however, that in reality, a mix of both infill and redevelopment will occur so the true capacity figure will probably lie between these two extremes.

¹⁰ Auckland Regional Council, 2008c.

¹¹ Geographic information systems

¹² Note the analysis for this assessment was undertaken prior to the release of the ARC's Capacity for Growth Study 2006, Final Report in March 2010. ARC's Final Report includes the results of the completed survey of rural towns and coastal settlements.

The ARC's *Capacity for Growth Study 2008 Interim Report* did not include any estimate of dwelling capacity in rural towns or coastal settlements, but did include an estimate of rural land capacity. Harrison and Grierson Limited and Market Economics Limited, however, included an estimate of vacant and vacant potential capacity (9,855 dwellings) in rural towns, as at March 2006, in their report¹³. If this rural town capacity is added to the ARC capacity total, capacity under the Infill General scenario increases from 172,650 to 182,505 and capacity under the Infill Redevelopment scenario increases from 217,445 to 227,300 (refer to Table A7.1).

Table A7.1: Auckland Region Dwelling Capacity – as at March 2006

Type of Capacity (ARC)	Number of Dwellings
Vacant and vacant potential land within MUL	28,798
Structure Plan area capacity	30,273
Infill General	20,312
Infill Redevelopment	65,107
Redevelopment on Business Land	72,367
Rural – General Rural	1,100
Rural – Countryside Living	19,800
Rural towns (HG and MEL estimate)	9,855
<hr/>	
Infill General Scenario	182,505
Infill Redevelopment Scenario	227,300

Source: Auckland Regional Council, 2008c: 11, 13 & 14; and Harrison Grierson Limited and Market Economics Limited, 2008: 20.

7.3 Harrison Grierson Limited and Market Economics Limited Dwelling Capacity Estimates

7.3.1 Introduction

In 2008 the Department of Building and Housing (DBH) engaged Harrison Grierson Limited and Market Economics Limited (HG and MEL) to undertake a study which would “establish whether there is an adequate supply of residential land that is either ready or close to ready for development in the Auckland Region”¹⁴. The geographical coverage of the HG and MEL research and capacity datasets was the Auckland Region. The ARC provided DBH with full access to its capacity datasheets.

In terms of capacity the HG and MEL analysis was required to identify land at different stages of development (e.g. ready or close-to-ready for development). The analysis was also required to take into account, but not be restricted to, actual potential supply of land, the permitted density of housing, infill and greenfield development¹⁵.

¹³ Harrison Grierson Limited and Market Economics Limited, 2008: 20.

¹⁴ Harrison Grierson and Market Economics Limited, 2008:5.

¹⁵ Ibid: 6.

In order to assess residential capacity HG and MEL modelled:

- The availability and location of land for development or redevelopment;
- The stage that this land was at in the development/consent process;
- The factors that would determine the land completing the development/consent process, and being available to the market in the form of either sections or units (i.e. sections which can be purchased on which to build homes, or otherwise completed houses, apartments available for purchase and occupation); and
- The timing associated with completing this process.

7.3.2 Updating the Auckland Regional Council's Capacity Numbers

The HG and MEL study used the ARC's March 2006 capacity estimate as the basis for estimating residential land capacity in the Auckland Region as at June 2008¹⁶. HG and MEL noted that a key limitation of ARC's March 2006 measure of theoretical capacity was that the ARC measure estimated the stock of capacity, but did not take into account the flow of land supply over time¹⁷.

Vacant Land and Vacant Potential Land

HG and MEL updated the ARC's March 2006 capacity estimates, vacant land and vacant potential land, by¹⁸:

- Including capacity added over the intervening period; and
- Removing land parcels that between March 2006 and June 2008 had been developed.

The only significant areas of residential capacity added over the March 2006 to June 2008 period were in Waitakere City and Franklin District¹⁹.

In Waitakere City four significant areas of capacity were added:

- Hobsonville Airbase (Plan Change 13 - 3,110 units);
- Hobsonville Village (Plan Change 14 - 110 units);
- Massey North (Plan Change 15 - 1,330 units); and
- New Lynn (Plan Change 17) added capacity through redevelopment opportunities for intensive housing from 3,100 units to a total of 6,000 units.

In the case of Franklin District because it is outside the Metropolitan Urban Limits (MUL) the ARC dataset, in terms of rural town capacity, excluded it. HG and MEL established, following consultation with the Franklin District Council, that the only areas of current residential capacity are located within Pukekohe and Waiuku and included the dwelling capacity available there in their updated capacity database.

¹⁶ Harrison Grierson Limited and Market Economics Limited, 2008:19.

¹⁷ Ibid: 21.

¹⁸ Ibid: 22.

¹⁹ Ibid: 23.

HG and MEL, once they had adjusted the ARC's numbers for capacity added and capacity removed, estimated that between March 2006 and June 2008 the amount of capacity on vacant and vacant potential land had dropped from 28,798, as reported in the *Capacity for Growth Study 2008 - Interim Report*²⁰ to 25,273. This was a decline of 3,500 over slightly more than two years. HG and MEL emphasise, however, that because of differences in the way ARC and they assessed 'capacity' making comparisons between the two estimates is problematic²¹. HG and MEL also note that estimating capacity consumption over the March 2006 to June 2008 period for other forms of capacity was also difficult to determine.

Infill Capacity

HG and MEL state that data on infill capacity consumption, primarily through building consent information, is impossible to match to individual properties with accuracy²². Therefore they carried the ARC's March 2006 Infill General and Infill Redevelopment capacity estimates through to June 2008.

HG and MEL treated infill capacity as though all of it is immediately available²³. They note, however, that total supply has been constrained, region wide, because not every property available for infill will be developed. In HG and MEL's base case capacity estimate, an assumption that 20% of available infill capacity will not come to market has been made. In addition, a portion of infill capacity, twenty percent, has been set to redevelopment infill rather than general infill. HG and MEL note that redevelopment provides a higher yield than infill but is not as easy as it often requires aggregation of individual lots to create sufficient footprint to allow redevelopment. In total under HG and MEL's base case capacity estimate the Infill/Redevelopment category contributes around 23,400 dwellings to total regional capacity.

Business Centre Capacity

Capacity in business centres was adopted by HG and MEL from the ARC study due to difficulties in quantifying theoretical residential capacity 'maximums'. HG and MEL estimated capacity in business centres at approximately 75,260 dwelling units, assumed to all be high density apartments. HG and MEL note that this equates to 41% of total regional capacity and represents a significant 'risk' for two reasons:

- Space in business centres is the most highly competed for by a range of uses (office, retail etc). This means the theoretical 30% of built floorspace devoted to residential may not eventuate as residential may fail to compete with other uses for the space, especially if housing preferences do not shift sufficiently to ensure a high level of demand and therefore reasonable returns for developers; and
- Having such a large share of total capacity in business areas is likely to require significant dwelling and location preference change to ensure it meets the future housing needs of the population.

²⁰ Auckland Regional Council, 2008c.

²¹ Harrison Grierson Limited and Market Economics Limited, 2008: 22.

²² Ibid: 23.

²³ Harrison Grierson Limited and Markets Economics Limited, 2008:24.

Rural Capacity

ARC's rural area capacity from 2006 was adopted by HG and MEL as the June 2008 figure. For the purposes of HG and MEL's capacity estimate, rural capacity was split into its three components:

- Rural townships - with future urban zone areas;
- Rural countryside living - capacity on the MUL edge that is able to be subdivided into lots of one hectare, this includes farm park type developments; and
- General rural – effectively farm locations able to be occupied and utilised as farms within each TLA.

In total rural areas contribute some 30,570 dwellings to regional capacity made up of:

- Rural townships – 9,690
- Countryside living – 19,800; and
- Rural General – 1,080.

HG and MEL note that rural capacity was originally to be excluded from the DBH work because the focus was on the ability of residential land within the MUL to accommodate Auckland's growth to support the Compact City outcome²⁴. They state, however, that it is important to account for rural capacity as it represents a significant percentage of theoretical capacity. This, however, according to HG and MEL raises two important questions. Firstly, whether theoretical rural capacity can be converted into actual capacity and secondly, whether it should be given Auckland's focus on a compact city form.

7.3.3 June 2008 Base Case Capacity Estimate

Table A7.2 presents HG and MEL's Base Case estimate of residential capacity in the Auckland Region as at June 2008.

Table A7.2: Auckland Region Dwelling Capacity – Base Case

Local Authority	Vacant and vacant Potential	Infill/ Redevelopment	Structure Plan	Business Areas	Rural	Total Capacity
Rodney	2,614	422	7,447	2,758	19,223	32,464
North Shore	7,429	3,805	2,900	10,894	410	25,438
Waitakere	5,162	4,852	5,992	9,051	1,571	26,628
Auckland	4,125	6,410	2,900	44,476	2,629	60,540
Manukau	4,994	6,719	12,060	6,143	2,484	32,400
Papakura	949	1,181	2,900	558	541	6,129
Franklin	-	-	-	1,379	3,712	5,091
Region	25,273	23,388	34,199	75,259	30,570	188,689

Source: Harrison Grierson Limited and Market Economics Limited, 2008: 26

*Infill total assumes 20% of identified infill capacity is not available and of the balance, 80% is given over to general infill and the balance (20%), redeveloped at a higher level of intensity.

Key points from HG and MEL's base case capacity estimate include:

- Under the current zoning regime the region has residential capacity for 188,690 dwellings;
- The majority of this capacity is located in Auckland City (60,540 – almost a third of the regional total);
- The majority of capacity is located in Business Areas (75,300 or 41%); and
- Rural capacity accounts for 17% of total capacity.

²⁴ Ibid:23.

HG and MEL note that the numbers in Table A7.2 account for all future capacity rather than that actually available in 2008. For example, the majority of Structure Plan capacity is anticipated to come on line over the next 5-10 years, but was not ready to be occupied in June 2008. The majority of the infill/redevelopment capacity, however, is envisaged under the current zoning regulations and would be able to be developed immediately.

Table A7.3 presents HG and MEL's Base Case estimate of residential capacity in the Auckland Region as at June 2008 by density type. Density definitions are as follows (HG and MEL, 2008, p.42):

- Conventional density – separate house land density of 450 square metres or more;
- Medium density – two or more flats/units/townhouses/apartments/houses joined together in a single storey building with land density of between 200 square metres per unit and 450 square metres per unit; and
- High density – two or more flats/units/townhouses/apartments/houses joined together in a multi storey building with land density of less than 200 square metres per unit.

Table A7.3: Auckland Region Dwelling Capacity by Density Type – as at June 2008

Local Authority	Conventional	Medium	High	Total Capacity
Rodney	23,658	5,136	3,670	32,464
North Shore	4,952	7,083	13,402	25,438
Waitakere	12,104	4,125	9,834	26,628
Auckland	8,387	4,676	47,003	60,067
Manukau	9,964	14,189	9,288	33,441
Papakura	4,529	1,038	559	6,127
Franklin	3,712	-	1,379	5,091
Region	67,306	36,247	85,136	188,689

Source: Harrison Grierson Limited and Market Economics Limited, 2008: 27

Base Case Scenario

High density (85,136) accounts for 45% of the capacity, conventional density (67,306) for 36% of capacity and medium density (36,247) for the balance.

HG and MEL note in their report that a high proportion of 'conventional' capacity is located outside the MUL (50%). HG and MEL note that as development of this capacity would be directly contrary to the aims of the Regional Growth Strategy and compact city model, it represents a significant challenge to the region's councils to adequately accommodate family household growth over the next 30 years²⁵.

HG and MEL go onto note that because urban and rural conventional capacity differs significantly in character they cannot be considered substitutes for each other. They also suggest that there is likely to be resistance from established rural communities to the growth envisaged in rural areas under the Base Run scenario, even in cases where zoning permits. In addition they suggest infrastructure constraints are likely to hinder rural and rural township development and that zoning of rural residential is at odds with both the compact city model and councils' aims of intensifying in and around rural townships.

²⁵ Harrison Grierson Limited and Market Economics Limited, 2008:32.

HG and MEL point out that while 77% of capacity lies within the MUL and 23% outside, these percentages are in line with the stated aim of the ARC to accommodate approximately 75% of future growth within the MUL. They conclude, however, that the breakdown of capacity by density type within the MUL (23.2% conventional, 22.9% medium and 53.6% high density) is such that significant dwelling preference changes will be required to encourage a wider range of household types to adopt higher density living arrangements²⁶.

7.3.4 Alternative Capacity Scenarios

HG and MEL tested the sensitivity of the capacity outcomes under a number of alternative scenarios²⁷. Three alternative scenarios were run. They were:

- Scenario 1 – a higher share of redevelopment as opposed to general infill;
- Scenario 2 – rural capacity not being a strong option to cater for growth; and
- Scenario 3 – just looks at capacity within the MUL plus rural towns.

Scenario 1 – high redevelopment

A high redevelopment scenario has Infill Redevelopment in Auckland, North Shore, Waitakere and Manukau cities set to 50% of total potential compared with 20% in the Base Case. Under the high redevelopment scenario an additional capacity of 10,000 dwellings within the MUL is assumed. That is capacity increases from 188,689 to 198,759 or by approximately 5%.

Scenario 2 – restricted rural

A restricted rural capacity scenario is made up of two parts. Firstly, general rural capacity is withheld, i.e. is not available, and countryside living is included at 50% of theoretical capacity. HG and MEL note that this brings it more in line with recent consumption trends and makes the assumption that this will continue into the future – rather than having the full amount available to accommodate households seeking conventional density. Under the restricted rural scenario capacity reduces by 11,000 or from 188,689 to 177,709 or by 5.8%. Of most significance under this scenario, however, is that conventional capacity falls from 67,306 to 56,327 or by approximately 16%.

Scenario 3 – no rural capacity scenario

Under the no rural capacity scenario, only capacity within the MUL and the rural towns (plus their Future Urban Areas) is available for residential growth. Under the no rural capacity scenario capacity reduces by 20,889 or from 188,689 to 167,812 or by 11% and conventional capacity falls from 67,306 to 46,429 or by approximately 31%.

7.3.5 Establishing Date of Supply

The residential capacity as estimated by HG and MEL and as presented in Tables A7.2 and A7.3 was not assumed to all be available as at June 2008. This applies in particular to structure plan capacity.

²⁶ Ibid:32.

²⁷ Harrison Grierson Limited and Market Economics Limited, 2008:27.

In order to establish how long it would be before each parcel of land was able to be developed, HG and MEL firstly established, the current stage in the consent/development process of each parcel of land, by development type. Defined average timings for each stage of the consent/development process allowed a consistent robust way of assessing when land would come on line. Each parcel of land, however, was also exposed to a range of other dimensions of influence which determine the duration of this process including:

- Landowner aspirations;
- Infrastructure constraints;
- Public and private agencies;
- Property cycle; and
- Construction season.

Having established, as at June 2008, where each parcel of land was in the consent and development process, and taking into account other influences it was then possible for the HG and MEL model to show, in months from June 2008, the overall timing of release of individual parcels of land.

Table A7.4 presents this data for the Auckland region for the Base Case Run scenario. The column headed 2008 shows the capacity available as at June 2008. The column headed 2011 indicates capacity coming on stream between 2008 and 2011, the column headed 2016 indicates capacity coming on stream between 2011 and 2016, and so on, for the remaining columns of the table.

Table A7.4: Capacity by Dwelling Type and Date of Supply – Base Case Scenario

	2008	2011	2016	2021	2026	2031	Total
Conventional	55,636	6,062	3,439	2,169	0	0	67,306
Medium	23,414	5,575	5,005	2,253	0	0	36,247
High	75,911	1,717	4,751	2,335	423	0	85,137
Total	154,961	13,354	13,195	6,757	423	0	188,690

Source: Harrison Grierson Limited and Market Economics Limited, 2008, Appendix C

7.4 Density Assumptions

The dwelling capacity estimates for the current assessment are based on those developed by HG and MEL²⁸, which in turn were based on estimates developed by the ARC²⁹. For the purpose of this study it was not considered necessary to re-visit in any detail the ARC and HG and MEL estimates. That is the broad assumptions and basis behind those estimates were accepted. One area, however, that Darroch did undertake to look at was around the density assumptions used in the two aforementioned studies, particularly as they apply to fringe greenfields land.

²⁸ Harrison Grierson Limited and Market Economics Limited, 2008.

²⁹ Auckland Regional Council, 2008c.

The HG and MEL report notes that the ARC's greenfield density assumptions were derived with reference to case studies of recent fringe residential subdivisions in the Auckland region³⁰. The ARC then applied the residential densities achieved in these developments to other potential areas on the urban fringe to provide, according to HG and MEL, a relatively accurate measure of residential potential – rather than simply relying on a theoretical maximum as defined by the zoning controls. The ARC noted in their 2008 report that the overall density being achieved in greenfield areas, while higher than in the past, was still quite low, 10 dwellings per hectare in 2001 and 13 dwellings per hectare in 2006³¹. Our analysis of the HG and MEL vacant and vacant potential land capacity dataset (i.e. excluding structure plan land) shows an average density across the Auckland region of about 13.4 dwellings per hectare for conventional density lots.

Darroch has independently looked at the density outcomes assumed for most under construction, proposed and mooted greenfields residential developments in the Auckland region. Appendix 8 presents an overview of those sub-divisions. Appendix 8 also includes a number of brownfields proposals as well as a number of greenfields proposals which we would consider to be atypical. These have been excluded from our greenfields density analysis.

The dataset we looked at had in excess of 3,000 hectares of land in total and slightly less than 35,000 individual dwelling lots. Density ranged from 7.2 dwellings per hectare to about 34 dwellings per hectare. Average density across the 33 developments was 13.8 dwellings per hectare and when weighted by lot number just over 13.1 dwellings per hectare. It needs to be noted that one of the 33 developments, Flat Bush in the Manukau North HMA, accounts for about 42% of the datasets total dwelling capacity. The dwelling capacity per hectare applicable to Flat Bush we estimate at 9.5 dwellings per hectare with density ranging from 2 to 25 dwellings per hectare within each of the different precincts.

Our estimate of the average number of dwellings per hectare for greenfield style developments (13.8 and 13.1) closely aligns with ARC's 2006 estimate of 13 dwellings per hectare and the density averages we estimated from our analysis of the HG and MRL vacant and vacant potential land capacity dataset. This alignment makes us confident that HG and MEL's capacity estimates, as they apply to fringe greenfields land are robust.

³⁰ Harrison Grierson and Market Economics Limited, 2008: 21.

³¹ Auckland Regional Council, 2008c: 12.

8.0 Appendix 8 - Residential Development Activity

8.1 Introduction

This appendix provides supporting information on residential development activity in the 14 housing market areas. It should be read in conjunction with Section 8.5 – Residential Development Activity in Chapter 8 of the Main Report. The objective of Section 8.5 was to provide an overview of the existing and likely future large scale residential subdivision and development activity throughout the Auckland region. The information in this appendix represents our understanding of each projects status as at late 2009.

This appendix is structured in the following way:

- Residential development projects and/or subdivisions currently underway;
- Residential development projects and/or subdivisions proposed and mooted for future development; and
- Significant apartment development projects currently underway, proposed and mooted for future development within Auckland's CBD.

This appendix incorporates data and information available up to November 2009.

8.2 Current Residential Development Activity

Table A8.1 identifies the residential developments currently under construction throughout the Auckland region. Profiles of each of these developments can be found in Appendix 9.

Table A8.1: Residential Developments – Under Construction

Development	Census Area Unit	Land Owner	Developer	Lots / Units (Sold / Comp)	Density *	Timeframe
Under Construction – Rodney						
Kensington Park Centreway Road, Orewa	505805	Southpark Corporation	Southpark Corporation	440 – 600 units (65 completed and 62 sold)	28.6 – 42.9 units per ha	2009 – 2015
Mahurangi Ridge Mahurangi East Road, Snells Beach	506631	Cabra Developments Ltd	Cabra Developments Ltd	82 lots (7 sold)	15.2 lots per ha	2009 – 2011
Millwater Wainui Road, Silverdale	506200	WFH Properties	WFH Properties	Approx 4,000 lots (160 sold)	14.7 lots per ha	2009 – 2022
Under Construction – North Shore						
Harrowglen Oteha Valley Road, Albany	508703	CDL Land NZ Ltd	CDL Land NZ Ltd	211 lots (Approx 170 sold)	11.8 lots per ha	2005 – 2012

Under Construction – Waitakere

O'Neills 20 O'Neills Road, Swanson	513100	The Neil Group	The Neil Group	35 lots (<i>confidential</i>)	9.0 lots per ha	2010 – 2014
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Under Construction – Auckland

Stonefields College Road, Mt Wellington	520300	Todd Property Group	Todd Property Group	2,900 units (<i>74 completed</i> <i>and 196 sold</i>)	26.4 units per ha	2008 - 2016
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Soho 4 Williamson Avenue, Ponsonby	515420	Marlin Group	Marlin Group	53 units (<i>None</i>)	40.8 units per ha	Currently On Hold
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Under Construction – Manukau

Flat Bush Chapel Road, Manukau City	523711	Various	Various	Approx 15,000 units (<i>Approx 3,200</i> <i>completed</i>)	9.5 units per ha (density ranges from 2.0 to 25.0 units per ha)	2007 - 2020
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Under Construction – Papakura

Addison Porchester Road, Takanini	523912	McConne ll Property	McConnell Property	Approx. 1,500 units (<i>300 completed</i>)	18.8 units per ha	2008 - 2014
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Karaka Harbourside Estate Hingaia Road, Hingaia	521201	Karaka Harboursi de Estate Ltd (Ross Family)	Karaka Harbourside Estate Ltd (Ross Family)	440 lots (<i>20 completed</i> <i>and 140 sold</i>)	7.3 lots per ha	2007 - 2012
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Karaka Lakes Hingaia Road, Hingaia	521201	Karaka Lakes Ltd	Various	600 lots (<i>Approx 60</i> <i>completed</i>)	6.0 lots per ha	2008 - 2016
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Under Construction – Franklin

Anselmi Ridge Pukekohe East Road, Pukekohe	525910	McConne ll Property	McConnell Property	Approx. 385 units (<i>49 completed</i> <i>and 59 sold</i>)	10.7 units per ha	2008 - 2018
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Source: Darroch

*Density = Total number of lots or units / gross land area (hectares)

8.3 Proposed and Mooted Residential Development Activity

Table A8.2 identifies the residential developments proposed for future development throughout the Auckland region. Profiles of each of these developments can be found in Appendix 9.

Table A8.2: Residential Developments – Proposed

Development	Census Area Unit	Land Owner	Developer	No. Lots / Units	Density *	Timeframe
Proposed – Rodney						
Whisper Cove Arabella Lane, Snells Beach	506631	Formerly Whisper Cove Ltd	Formerly Whisper Cove Ltd	160 units	10 units per ha	On Hold Receivership
Weiti Forest Park East Coast Road, Silverdale	506000	Green & McCahill	Williams Capital Limited	150 - 400 lots	0.4 - 1.0 lots per ha	2010 - 2015
McKinney Valley McKinney Road, Warkworth	505500	Landsdale Development Ltd	Landsdale Development Ltd	263 lots	12.5 lots per ha	2010 - 2012
Orewa West Grand Drive, Orewa	505805	Cabra Developments Ltd	Cabra Developments Ltd	85 lots	7.2 lots per ha	2010 - 2013
Matua Residential Estate Matua Road, Huapai	505600	Cabra Developments Ltd	Cabra Developments Ltd	150 lots	15.3 lots per ha	2011 - 2014
Beachwood Estate (Stage II) Otanerua Road, Hatfields Beach	505804	Cabra Developments Ltd	Cabra Developments Ltd	80 lots	10.1 lots per ha	2011 - 2014
Karepiro / Wade River Karepiro Drive / Wade River Road, Whangaparaoa	505909	Cabra Developments Ltd	Cabra Developments Ltd	85 lots	3.4 lots per ha	2010 - 2015
Mason Heights Woodcocks Road, Warkworth	505500	Mason Heights Ltd	Mason Heights Ltd	66 lots	11.2 lots per ha	Unknown
Fordyce Fordyce Road, Parakai	506641	Fordyce Holdings Ltd	Fordyce Holdings Ltd	121 lots	4.1 lots per ha	Unknown
Hobbs Wharf (Eastern Boat Harbour) Gulf Harbour, Whangaparaoa	505910	Gulf Corporation Ltd	Gulf Corporation Ltd	585 units	18.9 units per ha	2009 - 2019

Proposed – North Shore

Albany City Don McKinnon Drive, Albany	508701	Receivers (formerly Cornerstone Group)	ACPI / Various	1,281 units	29.1 units per ha	2010 - 2019
Long Bay Beach Road, Long Bay	508900	Todd Property Group	Todd Property Group	2,000 units	12.5 units per ha	2010 - 2020
Merge Cnr Auburn & Northcroft Streets, Takapuna	508010	Location Group	Location Group	104 units	148.6 units per ha	2010 - 2014
Greville Greville Road, Pinehill	508804	CDL Land NZ Ltd	CDL Land NZ Ltd	130 lots	10.5 lots per ha	2010 - 2015
Kaipatiki 82-84 Kaipatiki Road, Glenfield	508210	Goodland Development Ltd	Goodland Development Ltd	76 lots	16.2 lots per ha	Unknown
Goodland Apartments 276 State Highway 17, Albany	508701	Goodland Development Ltd	Goodland Development Ltd	82 units	28.3 units per ha	Unknown
Augusta Apartments 50 Rosedale Road, Albany	508805	Unknown Korean Investor	Unknown Korean Investor	182 units	75.8 units per ha	Unknown
Poenamoa Apartments 3 Sunnybrae Road, Takapuna	508620	Sampati Holdings	Sampati Holdings	92 units	36.8 units per ha	Unknown
Proposed – Waitakere						
Hobsonville Peninsula Upper Harbour Drive, Hobsonville	513430	HNZC & NZ Defence Force	HNZC	Approx. 3,000 units	18.0 units per ha	2010 - 2019
Limeburners Bay 18-28 Bannings Way, Hobsonville	513430	Consul Holdings Ltd	Limeburners Bay Ltd	97 lots	14.5 lots per ha	Unknown
McWhirters Farm Lane 102A Royal Road, Massey	513530	Neon Limited	Neon Limited	120 lots	7.3 lots per ha	Unknown
Metcalfe 168 Metcalfe Road, Ranui	513214	Exotic Developments Ltd	Exotic Developments Ltd	74 lots	20.6 lots per ha	Unknown
Sturges 240 Sturges Road, Henderson	513220	Chung Sing Universal Trading Ltd	Chung Sing Universal Trading Ltd	93 lots	8.5 lots per ha	Unknown
Simpson 46-58 Simpson Road, Ranui	513220	Everbright Realty (Nelson) Ltd	Everbright Realty (Nelson) Ltd	89 lots	12.7 lots per ha	Unknown
Henderson Apartments 29-31 Catherine Street, Henderson	510800	DJM Trustees No. 30 Ltd	DJM Trustees No. 30 Ltd	84 units	420 units per ha	Unknown
Proposed – Auckland						
Orakei Point Orakei Road, Orakei	516201	Various	Orakei Point Ltd	700 units	118.6 units per ha	Unknown

Enfield Estate						
25-27 Enfield Street, Mt Eden	518101	Lockwood Holdings Ltd	Lockwood Holdings Ltd	98 units	326.7 units per ha	Unknown
8 On Nugent 8 Nugent Street, Grafton	514302	The Neil Group	The Neil Group	54 units	30 units per ha	Unknown
Proposed – Manukau						
Wairoa River Canals North Road, Clevedon	525201	Smith / McKenzie	Wairoa Canal Partnership	270 lots	6.1 lots per ha	On Hold Pending Appeal
Wattle Cove Scotsmoor Drive, Manurewa	525102	Kirkdale Investments Ltd	Fletcher Residential	300 lots	10 lots per ha	Unknown
Proposed – Papakura						
McLennan Walters Road, Papakura	523912	HNZC	McConnell Property	444 units	18.5 units per ha	2010 - 2014

Source: Darroch

*Density = Total number of lots or units / gross land area (hectares)

Table A8.3 identifies a number of key sites that have been mooted and / or landbanked for future residential development throughout the Auckland region. Profiles of each of these developments can be found in Appendix 9.

Table A8.3: Residential Developments – Mooted / Landbanked

Development	Census Area Unit	Land Owner	Developer	No. Lots / Units	Density *	Timeframe
Mooted / Landbanked – Rodney						
Omaha Park Mangatawhiri Road, Omaha	505400	Omaha Park Ltd	Omaha Park Ltd	830 units	10.4 units per ha	On Hold Pending Appeal
Peninsula Golf Club 65 Hibiscus Coast Hwy, Red Beach	505802	The Peninsula Golf Club Inc	Unknown	600 lots	13.6 lots per ha	Unknown
Hall Farm Grand Drive, Orewa	505805	NZTA	Unknown	200 lots	1.1 lots per ha	Unknown
Awaroa Parklands Awaroa Road, Helensville	506800	Hunter Capital Property	Hunter Capital Property	200 lots	1.6 lots per ha	Unknown
Waimauku Estate State Highway 16, Waimauku	505600	Malory Corporation	Malory Corporation	1,375 units	3.0 units per ha	On Hold Consent Declined
Mooted / Landbanked – North Shore						
Kewa Kewa Road, Albany	508703	CDL Land NZ Ltd	CDL Land NZ Ltd	100 lots	7.7 lots per ha	Unknown
The Strand Hurstmere Road, Takapuna	508010	Crown Asia Pacific Group Ltd and Brookfield Multiplex	Crown Asia Pacific Group Ltd and Brookfield Multiplex	160 - 180 units	76.2 - 85.7 units per ha	Unknown

Milford Apartments 24 Milford Road, Milford	507800	NZRPG	NZRPG	200 units	69.0 units per ha	Unknown Plan Change
Okura Vaughans Road, Okura	508900	Todd Property Group	Todd Property Group	Unknown	Unknown	Unknown
Mooted / Landbanked – Waitakere						
Pennihaha Block 19-21 O'Neills Road, Swanson	513100	The Neil Group	The Neil Group	330 units	16.8 units per ha	Unknown Plan Change
Metcalfe 186-210 Metcalfe Road, Ranui	513214	The Neil Group	The Neil Group	Unknown	Unknown	Unknown
Tram Valley Tram Valley Road, Swanson	513100	CDL Land NZ Ltd	CDL Land NZ Ltd	Unknown	Unknown	Unknown
Mooted / Landbanked – Auckland						
Auckland Racing Club Lonsdale Street, Ellerslie	520201	Auckland Racing Club	T.B.C	395 units	66.9 units per ha	Unknown
Lion Brewery Site Khyber Pass Road, Newmarket	517400	AMP Capital Investors	AMP Capital Investors	Unknown	Unknown	Unknown
Tamaki Glen Innes, Pt England & Panmure	517002, 517100, 520601	HNZC	HNZC	Approx. 3,000	Unknown	2010 - 2030
Mooted / Landbanked – Papakura						
Cosgrave Cosgrave / Papakura- Clevedon Road, Papakura	523813	Various	Hoskens & Associates	Approx 1,300 lots	14.0 lots per ha	On Hold Pending Appeal
Mooted / Landbanked – Franklin						
Waiuku Constable Road, Waiuku	526101	Various	Various	Approx. 500 lots	8.8 lots per ha	Unknown
Helenslee Helenslee Road, Pokeno	521131	Helenslee Investments Ltd (WFH Properties & Dines Property)	Helenslee Investments Ltd (WFH Properties & Dines Property)	Approx. 600 lots	6.7 lots per ha	Unknown

Source: Darroch

*Density = Total number of lots or units / gross land area (hectares)

Table A8.4 presents the potential future supply of residential stock (in excess of 200 lots / units) by owner / developer for those developments indentified as proposed and mooted / landbanked above.

Table A8.4: Potential Future Supply by Owner / Developer (in excess of 200 lots / units)

Owner / Developer	Total Number of Lots / Units	Total Number of Projects
HNZC	Approx. 6,000 units	2
Todd Property Group	Approx. 2,000 units	1
Malory Corporation	1,375 units	1
Hoskens & Associates	Approx. 1,300 lots	1
ACPI / Various	1,281 units	1
Omaha Park Ltd	830 units	1
Orakei Point Ltd	700 units	1
The Peninsula Golf Club Inc	600 lots	1
Helenslee Investments Ltd (WFH Properties and Dines Property)	600 lots	1
Gulf Corporation Ltd	585 units	1
McConnell Property	444 units	1
Cabra Developments Ltd	400 lots	4
Auckland Racing Club	395 units	1
The Neil Group	384 + units	2
Kirkdale Investments Ltd	300 lots	1
Lansdale Development Ltd	263 lots	1
CDL Land NZ Ltd	230 + lots	2

Source: Darroch

The above table shows that, aside from HNZC, there no single land owner / developer responsible for providing a significant portion of future new supply. Whilst there are a few that have a landholding with the potential to stage a significant sized residential development, these are, for the most part, individual development projects.

8.4 Auckland CBD Apartment Development Activity

Table A8.5 identifies the apartment developments currently under construction and proposed within Auckland's CBD. Profiles of each of these developments can be found in Appendix 9.

Table A8.5: Apartment Developments Under Construction and Proposed within Auckland's CBD

Development	Developer	Type	Number of Units	Density *	Expected Completion
<i>Under Construction</i>					
<i>Eclipse</i> 152-156 Vincent Street	Conrad Properties	Owner Occupier	174	0.12	Late 2009
<i>Waldorf on Anzac</i> 40 Emily Place / 19-23 Anzac Avenue	Emily Projects Ltd	Serviced Apartments	119	0.11	2010
<i>Proposed</i>					
<i>Rhubarb Lane</i> 61-87 Cook Street	Nelson Quarter Depot Site Ltd	Owner Occupier	1084	0.04	2010 – 2013
<i>Saffron</i> 51-53 Albert Street	Sanctuary Developments Ltd	Owner Occupier	146	0.23	2014
<i>Elliot Tower</i> Cnr Elliot, Victoria Street West and Albert Street	Dae Ju Developments	Owner Occupier	259	0.06	On Hold
<i>The Vulcan Apartments</i> 12-14 O'Connell Street	Vulcan Apartments Ltd	Owner Occupier	61	0.11	Unknown
<i>Victoria Park Market</i> 210 Victoria Street West	Kitchener Group	Owner Occupier	150	0.02	Unknown
<i>Antipodean</i> 302-322 Queen Street	Paul Doole	Owner Occupier	332	0.11	Unknown

Source: Darroch* Density = Total number of lots or units / gross land area (square metres)

Over and above this, approximately 800 additional units are mooted for future development i.e. these are projects that have been floated in the market as potential apartment developments or where we are aware that a site has been purchased for an apartment development, however, no consent has been issued or timeframe indicated. These numbers are well down on the number of proposed and mooted apartment development seen two to three years ago at the peak of the market.

These mooted apartment development are outlined below:

- Drake Commercial Studios, Cnr Drake & Vernon Streets, Maidstone Developments, Owner Occupier, 19 units;
- Vivace Apartments, 222 Hobson Street, Owner Occupier, 34 units;
- Union Quay, 138 Quay Street, Student, 79 units;
- 411 Queen Street, 190 units;
- Mid City Apartments, 239-249 Queen Street, 180 units;
- 53-61 Hobson Street, Serviced Apartments, 57 units;
- Britomart Redevelopment Project, 100-132 Quay Street, Bluewater Co are expecting to complete a total of 150 to 200 apartments in the Britomart redevelopment precinct;
- Centro Apartments, Queen Street, Kitchener Group, 98 units; and
- Former Canvas City Building, 164-168 Hobson Street, Dae Ju Developments.

A number of the sites that have been mooted as future apartment developments have recently or are currently being offered for sale due to companies going into receivership during the current economic recession. Consequently their final end use is uncertain, and with a softening in the key drivers for the market, demand may not exist for all these units to be built in the short term. It is likely, under current market conditions that many of these will be deferred until market conditions improve or the sites may be utilised for other purposes such as office or retail developments. Examples include:

- Cnr Albert and Swanson Street, formerly marketed as 'The Stanley' a mixed use luxury apartment and office tower by original owner Kitchener Group, was subsequently sold to Tim Manning with consent in place, he had plans to build a 31 level hotel for which consent was declined, the site sold again in February 2009 to Red Box Investments;
- Former Fitzroy Hotel, 75-77 Wakefield Street – has proposed a 65 unit student apartment building, developer Golden City Development went into receivership at the beginning of 2009; and
- Residences at Park City, 85-89 Greys Avenue – a proposed 510 unit apartment development, following the developer going into liquidation, the site was put on the market for sale early in 2009 and has not yet been sold.

There have also been a couple of CBD sites where demolition of existing commercial buildings and construction of new apartment towers had been planned, however, due to the current market they have since been renovated and tenanted as office space. These sites could still be developed into apartment buildings in the future:

- Conrad Properties applied for consent to build a 17 level apartment building on the 1,650 square metre site on the corner of Greys Avenue and Mayoral Drive. The building was to contain 204 apartments ranging from studio to two bedrooms, a manager's unit, four retail tenancies and one commercial tenancy with 42 basement parking spaces. The building has recently had a renovation and is occupied by commercial tenants Pidgeon Law, Datacom and NZ Mint with 3 to 4 floors still vacant or undergoing refit; and
- Beacon at 16 St Martins Lane had 110 student units proposed for the site. The building has recently undergone renovation and is now occupied by commercial tenants Causeway Marketing Group, Wright Express, Arena Retail Performance and Ormiston Associates Limited.

9.0 Appendix 9 - Residential Development Profiles

9.1 Introduction

This appendix presents profiles of key residential developments in the Auckland region. It should be read in conjunction with Section 8.5 – Residential Development Activity in Chapter 8 of the Main Report. The objective of Section 8.5 was to provide an overview of the existing and likely future large scale residential subdivision and development activity throughout the Auckland region. This appendix should also be read in conjunction with the previous appendix, Appendix 8 – Residential development Activity. The information presented in this appendix represents our understanding of each projects status as at late 2009.

This appendix is structured in the following way:

- Profiles of under construction developments by territorial local authority;
- Profiles of proposed developments by territorial local authority;
- Profiles of mooted developments by territorial local authority; and
- Auckland CBD apartment development profiles.

9.2 Under Construction

9.2.1 Rodney

Development:	Kensington Park		
Status:	Under Construction	Address:	Centreway Road, Orewa
Land Area:	15.4 ha	Residential Lots / Units:	440 units consented 750 – 800 possible 65 units completed 62 units sold
Land Owner:	Southpark Corporation	Developer:	Southpark Corporation
Time Frame / Staging:	2009 – 2015	Density:	28.6 – 42.9 units per ha
Description:	<p>This development was on hold for over a year after developer and land owner Kensington Properties were forced into receivership in September 2008. The site was recently purchased by Southpark Corporation, with approximately 13ha of remaining bare land for development of future stages of the master-plan, council endorsement for 750-800 dwellings, a number of complete and partially complete buildings and significant infrastructure and services already completed. Construction has recommenced, and whilst the new owner intends to proceed with the general masterplan, including the common areas, landscaping, facilities etc... they are unlikely to proceed with the high density target planned by the original owner, building fewer dwellings.</p> <p>Originally marketed as a 'master planned residential neighbourhood', Kensington Properties purchased the two adjoining sites that make up this development in January 2006. The high density residential zoning allowed for the development of 440 residences as a permitted activity; however, prior to going into receivership Kensington Properties was working alongside council to further optimise the intensity of the development, hoping to provide 750 – 800 units in total. Stage one of construction commenced in August 2006 construction and was anticipated to take six years to complete. A number of freestanding dwellings and apartments were under construction when development was halted.</p> <p>Kensington Park was designed to offer a range of residential housing options, including; three, four and five bedroom houses, terraced and freestanding townhouses and stylish low rise apartments with extensive 3 x 5 metre balconies. The landscaped surroundings</p>		

are designed to be an extension of the homes within the development, and were to incorporate; a community garden, water features, reserves, boardwalks, lakes, 4 swimming pools, gym, sauna and a boutique retail centre with restaurant, café, wine bar, deli and beauty salon.

Current Activity: Builders are currently on site completing those buildings that were partially completed at the time of the sale as well as several new freestanding dwellings. Walkways, reserves, a lake and landscaping are also underway, and the resident's pool complex is expected to be completed by Christmas 2009.

Development:	Mahurangi Ridge		
Status:	Under Construction	Address:	Mahurangi East Road, Snells Beach
Land Area:	5.4 ha	Residential Lots / Units:	82 lots 7 lots sold
Land Owner:	Cabra Developments Ltd	Developer:	Cabra Developments Ltd
Time Frame / Staging:	2009 – 2011	Density:	15.2 lots per ha
Description:	Mahurangi Ridge consists of 82 residential sites ranging in size from 450m ² - 700m ² . The development has a large neighbourhood reserve, cycle ways, generous street and reserve planting and is within an easy walk to the Snells Beach Shopping Centre, Primary School and the beach. With the Northern Motorway extension now complete, Mahurangi Ridge is more readily accessible and a faster drive for those who choose to commute or purchase a second / holiday home.		
Current Activity:	Earthworks and service provision currently underway.		

Development:	Millwater		
Status:	Under Construction	Address:	Wainui Road, Silverdale
Land Area:	272 ha	Residential Lots / Units:	Approx. 4,000 lots 160 lots sold
Land Owner:	WFH Properties	Developer:	WFH Properties
Time Frame / Staging:	2009 – 2022	Density:	14.7 lots per ha
Description:	<p>Stage 1 lots released late 2009, 181 lots</p> <p>This proposed residential development is identified on the Rodney District Council proposed district plan as 'Silverdale North Structure Plan Area'. The entire structure plan area encompasses approximately 400 hectares, of which 272 hectares have been identified for residential use – low intensity residential development – 57.7 hectares, medium intensity residential development – 149 hectares and high intensity residential development – 65.5 hectares. The land covered by the structure plan area is owned by a number of different parties; however, WFH Properties owns all the land under the residential zoning.</p> <p>WFH Properties are in the latter stages of development planning and resource consent applications, and are currently well down the road towards completion of stage 1 earthworks; sections are likely to be available to approved builders in late 2009. We understand WFH Properties have already contracted a number of sites to Fletcher Residential to begin construction next year.</p> <p>The site is conveniently located with easy access to the north and south bound motorway interchange at Silverdale – there is also a proposal in place to create a new motorway interchange at Wainui Road. The development plan will offer residents three schools, local shops, a church, recreational pond, sports fields and a domain / park. 14 hectares</p>		

has also been identified for business development which would likely accommodate a new retail centre.

Current Activity: Stage 1 has been released for sale comprising 181 lots, earthworks and service provision currently underway.

9.2.2 North Shore

Development:	Harrowglen	Address:	Oteha Valley Road
Status:	Under Construction	Residential Lots / Units:	Total - 211 lots Stages 1 to 7 – 156 lots Stages 8 & 9 - 30 lots Stage 10 & 11 - 25 lots
Land Area:	17.9 ha	Developer:	CDL Land NZ Ltd
Land Owner:	CDL Land NZ Ltd	Density:	11.8 lots per ha
Time Frame / Staging:	Stages 1 to 7 – completed. Stages 8 & 9 – currently being marketed. Stages 10 & 11 - not yet confirmed, possibly 2010.		
Description:	The Harrowglen subdivision has been marketed on the Shore over the past 4 years, to date approximately 170 lots have been sold with a further 41 remaining. Stages 8 and 9 are currently on the market, whilst stages 10 and 11 have been planned for, however, resource consent has not yet been sought for these lots, and this is unlikely to take place until the sell down of stages 8 and 9 is well advanced.		
Current Activity:	Approximately 150 dwellings have been completed on site with a number of houses currently under construction.		

9.2.3 Waitakere

Development:	O'Neills	Address:	20 O'Neills Road, Swanson
Status:	Under Construction	Residential Lots / Units:	35 lots
Land Area:		Developer:	The Neil Group
Land Owner:	The Neil Group	Density:	9.0 lots per ha
Time Frame / Staging:	2010 – 2014		
Description:	Limited information available on this development. Located close to the North-Auckland rail line, 35 residential lots have been consented for this development and site works have just commenced.		
Current Activity:	Earthworks and service provision currently underway.		

9.2.4 Auckland

Development:	Stonefields		
Status:	Under Construction	Address:	College Road, Mt Wellington
Land Area:		Residential Lots / Units:	2,900 units 74 completed to date 196 units sold
Land Owner:	Todd Property Group	Developer:	Todd Property Group
Time Frame / Staging:	2008 – 2016	Density:	26.4 units per ha
Description:	<p>The Stonefields community is 110 hectares of development located approximately 8km from the Auckland CBD and next to the established eastern suburbs of Ellerslie, Meadowbank and St Johns, it is also conveniently located in close proximity to established local amenities, including; netball courts, golf course, University of Auckland Tamaki Campus and train station. Stonefields is Auckland's newest master planned community and will eventually encompass up to 2,900 dwellings, nearly 6000 people, a primary school and day-to-day convenience shopping and cafes in the Stonefields town centre, plus extensive parks and reserves and community recreational facilities. The development will comprise a mix of high quality terraced houses, large family homes and spacious apartments.</p> <p>The Stonefields master plan allows for individual homes on lots of 300m² to 350m². The homes will range from 220m² to 260m² in gross floor area. All will be two storeys, with four to five bedrooms (many with studies) and will have the principal living area on the ground floor, opening to a private outdoor living area. The master plan also provides for generous sized terraced homes. These will be located in central areas and around parks and squares. The terraces are modern spacious attached houses with up to three levels on 125m² to 250m² sections.</p> <p>Fletcher Residential is Todd Property Group's primary partner for residential development at Stonefields. Fletcher Residential has purchased the vast majority of lots allocated for standalone dwellings, together with a significant proportion of the lots allocated for terrace housing. 74 villas and terraced homes have been completed, with plans to build a further 118 dwellings by the end of 2010, 196 homes have been sold / pre-sold by Fletchers ranging between \$595,000 and \$735,000 for the terraced housing and \$730,000 and \$795,000 for the villas. Future staging will be dependent on demand and level and pre-sales.</p> <p>Platypus Group / NZPS have secured 10 lots within the Stonefields subdivision all allocated for high density residential development, which could provide up to 713 units. They have recently launched their first Stonefields project, Neuhaus, to the market, Neuhaus will offer 235 units in 4 buildings built over 2 development stages, and will comprise a mixture of 2 and 3 bedroom apartments in four level buildings and a range of 2, 3 and 4 bedroom upper and lower terraces.</p>		
Current Activity:	74 dwellings completed and a further 118 either under construction or in the early design stages with completion expected by the end of 2010.		

Development:	Soho		
Status:	Under Construction	Address:	4 Williamson Avenue, Ponsonby
Land Area:	1.3 ha	Residential Lots / Units:	53 units
Land Owner:	Marlin Group	Developer:	Marlin Group
Time Frame / Staging:	On hold	Density:	N/A
Description:	<p>Marlin Group has resource consent for a mixed use development on a 1.3 hectare site that formerly housed the DYC Vinegar factory. The development, which is planned to be 80 per cent over the permitted building limit for the site and will consist of seven buildings up to eight storeys high, will comprise 36,000 m² of office space, 53 apartments, retail space and numerous cafes and bars. It is expected that the resource consent application will go to the environment court.</p> <p>The apartment component will comprise 11 three bedroom apartments, with the remaining 42 two bedroom. Sizes will range from 95 to 250 square metres and all will be sold with at least one car park. In total Marlin Group plans 1,250 car parks for the entire development to be housed over five levels of underground car parking.</p>		
Current Activity:	Earthworks completed, construction on hold.		

9.2.5 Manukau

Development:	Flat Bush		
Status:	Under Construction	Address:	Chapel Road, Manukau
Land Area:	1,700 ha	Residential Lots / Units:	Approx. 15,000 units Approx. 3,200 units completed
Land Owner:	Various	Developer:	Various
Time Frame / Staging:	2007 – 2020	Density:	9.5 units per ha (ranges from 2.0 to 25.0 units per hectare within each of the different precincts)
Description:	<p>Flat Bush is the largest greenfield development site left in the Auckland Region. The Flat Bush area covers 1,700 hectares of land and is expected to house 40,000 people within 15,000 homes by the time development is complete in 2020. The latest census figures show that Flat Bush is already home to approximately 7,000 people and is growing by approximately 2,500 each year. Construction of the town centre is expected to commence early next year. The Flat Bush Structure Plan provides four zones that allow for residential development.</p> <p>The <i>Flat Bush Town Centre Zone</i> is envisaged as the focal point for the rapidly growing Flat Bush Community. It is envisaged that a wide range of activities will be provided in this zone including a main street retail area, commercial, office, light industrial, small scale warehousing, education, health, recreational and residential activities. Maximum building height will be four storeys.</p>		

The *Flat Bush Residential 1 Zone* is located to the North and East of Barry Curtis Park and adjoins the Flat Bush Town Centre. The zone primarily has a residential emphasis but will also house minor commercial activity. The Residential 1 Zone is made up of precincts:

- The *Transition Precinct* is located in the North Western part of the Flat Bush area and adjoins the main Residential zoned land to the Gracechurch Drive. The basic purpose of this precinct is to facilitate the momentum of residential development at the northern gateway;
- The *General Precinct* makes up the majority of the Flat Bush Residential 1 Zone and is generally located on the low lying lands within 1.5 kilometres of the Flat Bush Town Centre and Barry Curtis Park. Residential development achieving an overall density of 16.5 households per hectare is anticipated and they will generally be no more than 3 storeys;
- The *Central Precinct* has a residential focus and will be located within a 5 minute walk of the Flat Bush Town Centre. Overall it is anticipated that density yields in this precinct achieve at least 25 households per hectare;
- The *Arterial Precinct* is generally located within 30m of the main road networks and will enable a range of residential activities. It is envisaged that sites fronting arterial routes will contain apartments and terraced / semi detached housing up to a maximum of 4 storeys;
- The *Barry Curtis Park Precinct* will encompass the perimeter of Barry Curtis Park. It is envisaged that the highest residential densities in the Flat Bush area will be developed in this precinct – including apartment buildings of up to 4 storeys; and
- The *Local Centre Precinct* is similar to the General Precinct but is located immediately around the five neighbourhood nodes that are identified in the structure plan, and will cater for a range of housing types from apartments through to large family sized terrace houses or stand alone houses.

The *Flat Bush Residential 2 Zone* is generally located in the mid catchment foothills and consists of an area of approximately 300 hectares. This zone promotes lower residential densities than the Flat Bush Residential 1 zone because of its more distant location from the Town Centre. Residential development achieving an overall density of at least 14 households per hectare will reflect the medium density nature of this zone. This zone acts as a transition between the Flat Bush Countryside Transition Zone and the Residential 1 Zone.

The *Flat Bush Countryside Transition Zone* is located within the upper part of the Flat Bush catchment and along side the many streams and waterways that traverse the area. The fundamental purpose of the zone is a transition between the urban and rural areas. The zone will accommodate one household per 5,000m² on average.

Current Activity:

Limited residential development currently under construction, most of the initial major subdivisions have been completed. Construction of the town centre is expected to commence early 2010.

9.2.6 Papakura

Development:	Addison		
Status:	Under Construction	Address:	Porchester Road, Takanini
Land Area:	80 ha	Residential Lots / Units:	Approx. 1,500 units Approx. 300 completed.
Land Owner:	McConnell Property	Developer:	McConnell Property
Time Frame / Staging:	2008 – 2014	Density:	18.8 units per ha
Description:	<p>Addison is a master planned community located within Takanini, 30 minutes drive south of Auckland city centre and 2 kilometres north of the Papakura commercial district. Situated on approximately 80 hectares of land, on completion it will include around 1,500 homes with a range of different housing styles from modern terraced housing to tree-lined streets of substantial freestanding family homes.</p>		
Current Activity:	<p>Stages 1 and 2 of the development have been completed, comprising approximately 300 homes, with stage 3 about just beginning, comprising 201 homes (standalone and terraces). Stage 4 (The Avenues) has also completed civil works and will comprise 254 houses on completion. Future stages will be released as demand requires.</p>		
Development:	Karaka Harbourside Estate		
Status:	Under Construction	Address:	Hingaia Road, Hingaia
Land Area:	60 ha	Residential Lots / Units:	440 lots Approx. 60 completed
Land Owner:	Karaka Harbourside Estate Ltd (Ross Family)	Developer:	Karaka Harbourside Estate Ltd (Ross Family)
Time Frame / Staging:	2007 - 2012	Density:	7.3 lots per ha
Description:	<p>Stage 1 – 144 lots, released Stage 2 – 86 lots, released Stage 3 – 110 lots approx Stage 4 – 100 lots approx</p> <p>Karaka Harbourside Estate offers high quality homes located on or close to the waters edge on the Pahurehure Inlet of the Manukau Harbour. The timing of the release of stages 3 and 4 is very much dependent on demand. Lots range in size from 550m² to 935m² and are being sold to both private owners and building companies – to date absorption has been approximately 50% by each market. The development comprises standalone family / executive homes, no multi-unit development is permitted.</p>		
Current Activity:	<p>Approximately 60 standalone dwellings have been completed, with a number currently under construction.</p>		

Development:	Karaka Lakes		
Status:	Under Construction	Address:	Hingaia Road, Hingaia
Land Area:	100 ha	Residential Lots / Units:	600 lots 20 completed 140 sold
Land Owner:	Karaka Lakes Ltd	Developer:	Karaka Lakes Ltd
Time Frame / Staging:	2008 – 2016 9 stages in total, stage 1 released.	Density:	6.0 lots per ha
Description:	The Karaka Lakes development was to be completed over 9 stages, with one stage to be released each year; however, this is very much dependent on demand. Earthworks for stage 1 began in January 2007. Section sales are being marketed to building companies only – not private owner occupiers. The development will comprise standalone family / executive homes, no multi-unit development is permitted. The development will feature two 2 hectare lakes with water features and a community centre for residents.		
Current Activity:	Approximately 20 freestanding dwellings have been completed, with a further 14 currently under construction. 140 lots have been sold to date.		

9.2.7 Franklin

Development:	Anselmi Ridge		
Status:	Under Construction	Address:	Pukekohe East Road, Pukekohe
Land Area:	36 ha	Residential Lots / Units:	Approx. 385 units 49 completed 59 sold
Land Owner:	McConnell Property	Developer:	McConnell Property
Time Frame / Staging:	2008 – 2018	Density:	10.7 units per ha
Description:	The McConnell Property master-planned development south of Auckland at the old Anselmi family farm is set to become a landmark in sustainable development. When completed, Anselmi Ridge will come to be regarded as New Zealand's first fully future-proofed and master-planned community. Located on 36 hectares of rural land situated on Pukekohe's growing eastern fringe, Anselmi Ridge will contain a mix of housing types from medium to high density to appeal to a broad target market, with strong design guidelines which work with the natural topography and where possible retain natural features as public open spaces. Stage 1 is currently on the market and under construction and comprises 16.5 hectares. There will be approximately 175 homes on completion. Stage 2 of Anselmi Ridge comprises a further 20 hectares. The full Anselmi Ridge Master Plan covers this area. The release date for this stage of the development is yet to be determined.		
Current Activity:	49 freestanding dwellings have been completed and a further 39 are currently under construction, 59 of these have been sold.		

9.3 Proposed

9.3.1 Rodney

Development:	Whisper Cove		
Status:	Proposed	Address:	Arabella Lane, Snells Beach
Land Area:	16 ha	Residential Lots / Units:	160 units
Land Owner:	Receivers (Formerly Whisper Cove Ltd)	Developer:	Receivers (Formerly Whisper Cove Ltd)
Time Frame / Staging:	On hold	Density:	10.0 units per ha
Description:	Whisper Cove was to be a luxury \$250 million, 160 unit, 16 hectare, waterfront residential development – originally started by Tim Manning and sold to Sydney based developer Lance Hodgkinson in 2006. However, in September 2008, the developer went into receivership and construction was halted, with only 36 of the units completed. Construction originally commenced in April 2006 after a lengthy resource consent process, the initial 280 unit design proposal was subject to much community opposition from local resident's groups and was eventually cut back to 160 units to avoid putting the area's infrastructure under strain. Dwellings consisted of a mix of highly specified villas, on sections sizes ranging between 600m ² and 792m ² , and luxury apartments on landscaped grounds with large public park areas also open to other local residents and direct beach access. The development was to be completed in 5 stages and was expected to be completed by early 2009.		

Development:	Weiti Forest Park		
Status:	Proposed	Address:	East Coast Road, Silverdale
Land Area:	390 ha	Residential Lots / Units:	150 – 400 lots
Land Owner:	Green & McCahill	Developer:	Williams Capital Ltd
Time Frame / Staging:	2010 – 2015	Density:	0.4 – 1.5 lots per ha
Description:	Located outside of the current MUL this proposed residential development is identified on the Rodney District Council proposed district plan as 'Special Zone 8'. This special zone has been developed to enable limited comprehensive residential development within a defined area while maintaining open space and rural character between Okura River and Urban Hibiscus Coast. The proposed Weiti Forest Park plan was designed in partnership with the land owner alongside the development of plans for the PenLink Toll Road which will link the Whangaparaoa Peninsula with the Northern Motorway at Bawden Road (directly opposite the entrance to Weiti Station), and allows for the development of up to 150 residential dwellings. Resource consent was granted to proceed with a 150 lot development, after various scenarios were put to the council for 200, 600 and 1,500 lot subdivisions. Rodney District Council declined applications to proceed with a higher density development; we understand an additional 250 lots are being considered as part of an appeal. With the current consented number of lots, the residential development will occupy 26% of the 840 hectare site, with buildings covering just 3.3%.		

Development: **McKinney Valley**
Status: Proposed **Address:** McKinney Road, Warkworth
Land Area: 21 ha **Residential Lots / Units:** 263 lots
Land Owner: Lansdale Development Ltd **Developer:** Lansdale Development Ltd
Time Frame / Staging: 2010 – 2012 **Density:** 12.5 lots per ha
Description: Limited information available on this development.
 Located at the southern end of the Warkworth town centre, 77 lots have been consented for stage 1 and consent for a further 186 lots has been sought. Lot sizes range from 600m² to 900m².

Development: **Orewa West**
Status: Proposed **Address:** Grand Drive, Orewa
Land Area: 11.8 ha **Residential Lots / Units:** 85 lots
Land Owner: Cabra Developments Ltd **Developer:** Cabra Developments Ltd
Time Frame / Staging: 2010 – 2013 **Density:** 7.2 lots per ha
Description: This land is located in the growth cell to the immediate west of the existing residential development at Orewa and close to the new primary school. Development of this 85 lot subdivision is expected to begin in 2010 / 2011 once the infrastructure and zoning issues have been resolved.
 This land is part of the Orewa West Structure Plan.

Development: **Matua Residential Estate**
Status: Proposed **Address:** Matua Road, Huapai
Land Area: 9.8 ha **Residential Lots / Units:** 150 lots
Land Owner: Cabra Developments Ltd **Developer:** Cabra Developments Ltd
Time Frame / Staging: 2011 – 2014 **Density:** 15.3 lots per ha
Description: Located in Huapai Village, a short drive north west of Auckland. Construction on these two sites is expected to begin in 2011 / 2012 with 150 sites planned for the total development once key infrastructure issues have been resolved.
 This land is part of the Huapai North Structure Plan.

Development: **Beachwood Estate (Stage II)**
Status: Proposed **Address:** Otanerua Road, Hatfields Beach
Land Area: 7.9 ha **Residential Lots / Units:** 80 lots
Land Owner: Cabra Developments Ltd **Developer:** Cabra Developments Ltd
Time Frame / Staging: 2011 – 2014 **Density:** 10.1 lots per ha
Description: Approximately 80 further sites to be added to the existing development in 2011 / 2012 once an operative zoning has been confirmed. Stage 1 of Beachwood Estate consists of 32 sections ranging in size from 600m² - 2,600m².
 Features include the large bush covenanted area adjacent to Beachwood Drive, ridgeline seaviews, proximity to Hatfields Beach and predominantly flat building sites.

Development: Karepiro / Wade River
Status: Proposed **Address:** Karepiro Drive / Wade River Road, Whangaparaoa

Land Area: 24.8 ha **Residential Lots / Units:** 85 lots
Land Owner: Cabra Developments Ltd **Developer:** Cabra Developments Ltd
Time Frame / Staging: 2010 – 2015 **Density:** 3.4 lots per ha
Description: A mixed zone development in the design stages with approximately 15 commercial sites (2,000m² - 3,000m²), 75 medium density residential and 10 low density residential sites. Expected timeframe until development commences – 2009 / 2010.

Development: Mason Heights
Status: Proposed **Address:** Woodcocks Road, Warkworth

Land Area: 5.9 ha **Residential Lots / Units:** 66 lots
Land Owner: Mason Heights Ltd **Developer:** Mason Heights Ltd
Time Frame / Staging: Unknown **Density:** 11.2 lots per ha
Description: Limited information available on this development. The site is located to the south west of Warkworth town centre – with access from both Mason Heights and Woodcocks Road.

Development: Fordyce
Status: Proposed **Address:** Fordyce Road, Parakai

Land Area: 29.7 ha **Residential Lots / Units:** 121 lots
Land Owner: Fordyce Holdings Ltd **Developer:** Fordyce Holdings Ltd
Time Frame / Staging: Unknown **Density:** 4.1 lots per ha
Description: Limited information available on this development. Development is likely to offer low density / lifestyle residential lots.

Development:	Hobbs Wharf (Eastern Boat Harbour)		
Status:	Proposed	Address:	Gulf Harbour, Whangaparaoa
Land Area:	Approx. 31 ha	Residential Lots / Units:	585 units
Land Owner:	Gulf Corporation Ltd	Developer:	Gulf Corporation Ltd
Time Frame / Staging:	2009 – 2019	Density:	18.9 units per ha
Description:	<p>The Hobbs' Wharf and waterfront precinct development plan for the eastern side of the Gulf Harbour marina, formerly known as the Eastern Boat Harbour, is set to provide further facilities for residents and visitors. The development will comprise up to 2,000m² of shops, restaurants and cafes, 1,000m² of offices and 100 hotel rooms. The harbour is also being constructed to enable boats to moor and alight at the quayside enabling visitors from land and sea. This proposed residential aspect to this development will comprise a blend of quality apartments and free standing homes as part of a comprehensive Development Plan. Some of which sits over the water or lays further elevated on contoured land with views of the harbour, marina and golf course.</p> <p>The development of the Gulf Harbour project over the last decade has benefited from the master plan overseen by project leader Gulf Corporation and the Rodney District Council by providing a comprehensive outlook for sustainable growth. The rate of sell-down of the property in Gulf Harbour has led to a large portion of residential development already occurring in the last few years with approximately two thirds of the permitted 2,913 homes being constructed or consented. The remaining portion of homes yet to be built allows for further growth in an area where the recent strong population growth is forecast to continue supported by increased access to the area through infrastructural and ferry service improvements.</p>		

9.3.2 North Shore

Development:	Albany City		
Status:	Proposed	Address:	Don McKinnon Drive, Albany
Land Area:	44 ha	Residential Lots / Units:	1,281 units
Land Owner:	Freehold – Receivers (formerly Cornerstone Group)	Developer:	ACPIL / Various
Time Frame / Staging:	2010 – 2019	Density:	29.1 units per ha
Description:	<p>Aside from Long Bay, Albany City is one of the largest remaining Greenfield development opportunities left in North Shore City. The 44 hectare site is bound by the Northern Motorway, North Harbour Stadium and the Mega Centa.</p> <p>At the end of 2004 Neil Group International Ltd sold the 43 hectare site to Cornerstone Group for \$250 million. Before Cornerstone had settled with Neil Group, Symphony Group had signed up to ground lease the whole site in perpetuity. The overall developer is now Albany City Holdings Limited (ACHL), a joint venture between Auckland developers Symphony Group and Mike O'Sullivan and Kevin Podmore, directors of financier St Laurence. New plans for the \$500 million town centre were released in November 2006 via Albany City Holdings Limited, and were developed in conjunction with North Shore City Council and land owners Cornerstone. The development will be located behind Westfield's 70,000 square metre shopping mall. Cornerstone has since gone into receivership and the freehold interest is now in the hands of a consortium of banks and funders whilst being marketed for sale.</p> <p>ACHL has since sold their leasehold interest in some of the sites to Albany City Property Investments Limited and subleased one site to Chris Minty's Platypus Group, who are in the early marketing stages of a 585 apartment development complex on Don McKinnon Drive. ACPIL have also sub leased sites; including one to Orient Homes Limited who are proposing a 193 unit apartment development. See below for further details of these developments.</p> <p>The overall development will comprise a mix of residential, office and retail developments. The large proportion of office planned for the area will give residents in Albany City and surrounding areas added opportunity to live and work on the North Shore. On completion the development is projected to have a population in excess of 6,000 residents and 15,000 workers.</p> <p>Transport infrastructure has been a major factor in the push toward high density development in Albany City. Albany City will have immediate access to the Northern Motorway and the main arterial roads, for example Oteha Valley Road. Its easy accessibility will give it a trade catchment area of 250,000 people. Albany's public transport system has recently been boosted with the completion of the Park and Ride Station. The Park and Ride station provides 350 public parking spaces and the provision for a further 1,000. Buses are expected to run every 5 minutes along the busway during peak times. On top of this, the recently completed North Western Motorway link to Greenhithe and the soon to be completed Albany to Puhoi Motorway extension will considerably add to Albany's accessibility.</p>		

The following are profiles of the three key residential developments currently being proposed for Albany City. Together they will provide 1,281 apartments to the market over the next 5 years, resource consent permitting. On top of these apartment developments, Lifecare solutions are working on a feasibility study and design for a 244 apartment lifestyle development on a 12,700 square metre site within the Albany City precinct. The development, pending resource consent, will be housed over six levels in four towers.

Development:	Albany City Apartments		
Status:	Proposed	Address:	Don McKinnon Drive, Albany
Land Area:	Part of 44 ha above	Residential Lots / Units:	503 units
Land Owner:	Freehold – Receivers Leasehold – ACHL	Developer:	ACHL
Time Frame / Staging:	Unknown	Density:	N/A
Description:	<p>Originally the Albany City Apartments development comprised 3 apartments. Each building will have 6 - 10 levels of podium and 21, 25, and 30 levels of apartments respectively. This original scheme has been revised, and resource consent has been issued for 2 highrise towers – one of 23 levels and the other 29 levels, on a 9 level podium. The towers will collectively contain 398 apartments, with 105 in the podium. Consent has also been granted for 920 parking spaces. The development will comprise a mix of 1 to 4 bedroom apartments and includes; a swimming pool, fitness centre, residential club, library, meeting room, and central courtyard with café and shops. The estimated construction period is 5 years.</p> <p>Albany City Holdings Ltd put its leasehold interest in this development site on the market in November 2007; to date no purchaser has been secured.</p>		

Development:	The Foundry		
Status:	Proposed	Address:	Don McKinnon Drive, Albany
Land Area:	Part of 44 ha above	Residential Lots / Units:	585 units
Land Owner:	Freehold – Receivers Leasehold – ACHL Sublease – Platypus Group	Developer:	Platypus Group
Time Frame / Staging:	2010 – 2014	Density:	N/A
Description:	<p>The Foundry will comprise 585 apartments completed over 3 stages. Stage one of The Foundry development will consist of a 146 unit apartment complex with 2 levels of basement parking, over half of these apartments have been pre-sold to date. Resource consent for stage 1 was granted at the end of 2006, and construction was expected to begin in early 2008, taking approximately 18 months to complete, however, construction is yet to begin. The total development is estimated to be 4 to 5 years away from completion.</p>		

Development: **Arcadia Apartments**

Status: Proposed **Address:** Don McKinnon Drive, Albany

Land Area: Part of 44 ha above **Residential Lots / Units:** 193 units

Land Owner: Freehold – Receivers **Developer:** Orient Homes Ltd
Leasehold – ACPIL
Sublease – Orient Homes Ltd

Time Frame / Staging: Unknown **Density:** N/A

Description: Proposed 193 apartment development located just north of The Foundry development site on Don McKinnon Drive. Orient Homes have subleased this site from ACPIL who purchased the leasehold ownership from ACHL last year. It is our understanding that the developer is about to apply to council for resource consent for this project.

Development: **Long Bay**

Status: Proposed **Address:** Beach Road, Long Bay

Land Area: 160 ha **Residential Lots / Units:** 2,000 units

Land Owner: Todd Property Group **Developer:** Todd Property Group

Time Frame / Staging: 2010 – 2020 **Density:** 12.5 units per ha

Description: Long Bay is Todd Property Group's premier asset. Drawing on an unparalleled urban location with outstanding views and a close proximity to the waterfront and the Long Bay Regional Park. Long Bay is located approximately 25mins from downtown Auckland. The proposed Long Bay development will be located on 160 hectares and will accommodate approximately 2,000 dwellings and up to 5000 people. Todd Property Group will be developing the Long Bay Community over the next decade, and first homes are planned for sale in the Awaruku area in mid 2012. More information on the development will be available once the land use plan has been finalised by the Environment Court in early 2010.

Development: **Merge**

Status: Proposed **Address:** Cnr Auburn & Northcroft Streets, Takapuna

Land Area: 0.7 ha **Residential Lots / Units:** 104 units

Land Owner: Location Group **Developer:** Location Group

Time Frame / Staging: 2010 - 2014 **Density:** N/A

Description: Consent application was lodged in June 2009 for a 28 level mixed use development on the former gasometer site fronting Northcroft, Auburn and Huron Sts. The proposed development will include; 11,439 square metres of office space, 3,320 square metres of retail / café / restaurant activities at street level, 104 apartments ranging from 71 to 236 square metres – with associated deck or terrace areas, a 750 space public parking facility above street level, 736 parking spaces for the commercial / retail / residential activities on 4 basement levels, a public plaza and associated landscaping and street works, a gym, lap pool and sauna for the sole use of occupants of the residential units and a childcare centre.

Development: **Greville**

Status: Proposed **Address:** Greville Road, Pinehill

Land Area: 12.4 ha **Residential Lots / Units:** 130 lots

Land Owner: CDL Land NZ Ltd **Developer:** CDL Land NZ Ltd

Time Frame / Staging: 2010 – 2015 **Density:** 10.5 lots per ha

Description: This land subdivision proposal is located on an irregular shaped block of greenfields land at the north eastern corner of the northern motorway and Greville Road. The land has been cleared and over 50% of the total earthworks completed, with final completion expected by May 2008. Application for resource consent has been made to council for the subdivision of 130 residential lots, and it is expected consent will be granted once some minor roading issues are sorted with a neighbouring land owner. CDL is unlikely to commence marketing of these sites until the vast majority of their Harrowglen development on Oteha Valley Road is complete.

Development: **Kaipatiki**

Status: Proposed **Address:** 82-84 Kaipatiki Road, Glenfield

Land Area: 4.7 ha **Residential Lots / Units:** 76 lots

Land Owner: Goodland Development Ltd **Developer:** Goodland Development Ltd

Time Frame / Staging: Unknown **Density:** 16.2 lots per ha

Description: Limited information available on this development. Goodland Glenfield Development Ltd have submitted an application for subdivision consent for 76 residential lots, a recreation reserve and associated roads and access ways. The applicant is a subsidiary of Goodland Development Ltd, which entered the Auckland residential subdivision market in 1995. The site is located close to the Kaipatiki Road overbridge adjacent to the suburb of Beach Haven.

Development: **Goodland Apartments**

Status: Proposed **Address:** 276 State Highway 17, Albany

Land Area: 2.9 ha **Residential Lots / Units:** 82 units

Land Owner: Goodland Development Ltd **Developer:** Goodland Development Ltd

Time Frame / Staging: Unknown **Density:** N/A

Description: Located at the northern end of Albany Village, walking distance to numerous restaurants, cafés, and shops in the area. The site is also located in close proximity (2 minute drive) to Albany City – including; Albany Park and Ride bus station, Massey University, Albany Westfield shopping mall and North Harbour Stadium. The owner of this site has applied for resource consent to demolish the existing Super Liquor outlet and restaurant / bar and build an 82 unit apartment building on the site.

Development: **Augusta Apartments**

Status: Proposed **Address:** 50 Rosedale Road, Albany

Land Area: 2.4 ha **Residential Lots / Units:** 182 units

Land Owner: Unknown Korean Investor **Developer:** Unknown Korean Investor

Time Frame / Staging: Unknown **Density:** N/A

Description: Cornerstone Group owned this development site, but announced in April 2008 that it had been sold for \$16.7 million to a Korean investor, with resource consent in place for 182 apartments, 1,200m² of retail space and 1,800m² of office space. The purchaser intends to begin construction later this year.

Development: **Poenamo Apartments**

Status: Proposed **Address:** 3 Sunnybrae Road,
Takapuna

Land Area: 2.5 ha **Residential Lots / Units:** 92 units

Land Owner: Sampati Holdings **Developer:** Sampati Holdings

Time Frame / Staging: Unknown **Density:** Unknown

Description: Part of the Poenamo Hotel redevelopment into a new hotel and apartment complex comprising 76 hotel rooms in a new five story building and 50 serviced apartment / hotel managed rooms in a new four storey building – linked by a hotel foyer including 2 restaurants, a tavern, a liquor outlet, gym and laundry, plus 92 residential apartments in a building no taller than 9 metres along Sunnybrae Road. Development likely to be staged, with the residential development being stage one. Resource consent has been granted.

9.3.3 Waitakere

Development:	Hobsonville Peninsula		
Status:	Proposed	Address:	Upper Harbour Drive, Hobsonville
Land Area:	167 ha	Residential Lots / Units:	Approx. 3,000 units
Land Owner:	HNZC & NZ Defence Force	Developer:	HNZC
Time Frame / Staging:	2010 – 2019	Density:	18 units per ha
Description:	<p>Upon completion Hobsonville will provide a mix of housing types and densities for families and single people, including medium rise apartments, terraced townhouses, stand alone housing and mixed commercial / residential development. Planning for stage 1 of the development – the Buckley Precinct, incorporating over 60 hectares and approximately 1,100 new dwellings at the mid-western end of the site has been approved by Waitakere City Council. Civil works are currently underway, with house building to follow in 2010. AV Jennings Limited has been selected as the preferred construction company for stage 1. The total development is expected to be completed within a ten to fifteen year timeframe.</p> <p>Located on the eastern most point of Waitakere City, Hobsonville is easily accessible to the urban centres of Waitakere City and North Shore City, and the rural areas of the southern Rodney District. Conveniently located in close proximity to the North Western Motorway means the site is approximately a 25 minute commute from Auckland City. The development will provide an integrated mix of high, middle and lower income housing, including opportunity for modest income households to own their own homes. The development will also provide retail, schools and sports fields.</p>		

Development:	Limeburners Bay		
Status:	Proposed	Address:	18-28 Bannings Way, Hobsonville
Land Area:	6.7 ha	Residential Lots / Units:	97 lots
Land Owner:	Consul Holdings Ltd	Developer:	Limeburners Bay Ltd
Time Frame / Staging:	Unknown	Density:	14.5 lots per ha
Description:	<p>Limited information available on this development.</p> <p>Located adjacent to the Hobsonville Peninsula development, 97 lots have been proposed for this development in the notified consent application, however, this is likely to reduce slightly as a result of expected amendments due to be submitted to council shortly. The application has been notified with hearing date yet to be set. The development is to be undertaken in stages; however, the actual timing is a matter still to be addressed.</p>		

Development: **McWhirters Farm Lane**

Status: Proposed **Address:** 102A Royal Road, Massey

Land Area: 16.4 ha **Residential Lots / Units:** 120 lots

Land Owner: Neon Limited **Developer:** Neon Limited

Time Frame / Staging: Unknown **Density:** 7.3 lots per ha

Description: Limited information available on this development.
 Located at the end and adjacent to the North Western motorway, in close proximity to Westgate shopping centre. This proposal is for further stages in addition to the original subdivision already completed by Neon Limited.

Development: **Metcalfe**

Status: Proposed **Address:** 168 Metcalfe Road, Ranui

Land Area: 3.6 ha **Residential Lots / Units:** 74 lots

Land Owner: Exotic Developments Ltd **Developer:** Exotic Developments Ltd

Time Frame / Staging: Unknown **Density:** 20.6 lots per ha

Description: Limited information available on this development.
 Located close to the North-Auckland rail line, land use, subdivision and engineering consents have been obtained for this 74 lot medium density housing development; however, building consent is yet to be granted.

Development: **Sturges**

Status: Proposed **Address:** 240 Sturges Road,
Henderson

Land Area: 10.9 ha **Residential Lots / Units:** 93 lots

Land Owner: Chung Sing Universal **Developer:** Chung Sing Universal
Trading Ltd

Time Frame / Staging: Unknown **Density:** 8.5 lots per ha

Description: Located amongst other similar residential subdivisions, consent has been obtained for this 93 lot medium density housing development, however, construction is yet to begin. The development site, together with consent, was recently put up for auction but was passed in at \$6.15 million.

Development: **Simpson**

Status: Proposed **Address:** 46-58 Simpson Road,
Ranui

Land Area: 7.0 ha **Residential Lots / Units:** 89 lots

Land Owner: Everbright Realty (Nelson) **Developer:** Everbright Realty (Nelson)
Ltd

Time Frame / Staging: Unknown **Density:** 12.7 lots per ha

Description: Limited information available on this development.
 This proposed development comprises Stage II of a total development, Stage I comprised 133 lots located on the neighbouring site, 22 – 44 Simpson Road. Located close to the North-Auckland rail line, land use and subdivision consents have been obtained for this 89 lot housing development; however, construction is yet to begin.

Development:	Henderson Apartments		
Status:	Proposed	Address:	29-31 Catherine Street, Henderson
Land Area:	0.2 ha	Residential Lots / Units:	84 units
Land Owner:	DJM Trustees No. 30 Ltd	Developer:	DJM Trustees No. 30 Ltd
Time Frame / Staging:	Unknown	Density:	N/A
Description:	Located in central Henderson, in close proximity to WestCity shopping centre. This proposal is for a 13 storey apartment building comprising 84 high density residential units and 2 ground floor commercial units. Land use consent has been issued and is due to lapse in December 2012; however, building consent has yet to be granted.		

9.3.4 Auckland

Development:	Orakei Point		
Status:	Proposed	Address:	Orakei Road, Orakei
Land Area:	5.9 ha	Residential Lots / Units:	700 units
Land Owner:	Various	Developer:	Orakei Point Ltd (Redwood Group)
	65% Equinox Group Ltd (Kerry Knight)		
	35% Redwood Group (Tony Gapes)		
Time Frame / Staging:	Unknown	Density:	118.6 units per ha
Description:	<p>The 5.9 ha of land that makes up this development site is currently going through a masterplan and publicly notified plan change process in a joint attempt between Auckland City Council and the land owners to get public support and agreement on the development of this key city fringe location.</p> <p>The proposed mixed use development centres on the Orakei railway station (one stop from Britomart Transport Centre in the CBD); the current favoured masterplan option would see the development of 700 apartments, 10,000 square metres of office space and 10,000 square metres of retail space. The maximum height being 6 storeys above Orakei Road with only 2 of the proposed buildings expected to reach that level. On completion it is expected up to 2,000 people would live in the development and up to 3,000 people living and working in the area.</p>		

Development:	Enfield Estate		
Status:	Proposed	Address:	25-27 Enfield Street, Mt Eden
Land Area:	0.3 ha	Residential Lots / Units:	98 units
Land Owner:	Lockwood Holdings Ltd	Developer:	Lockwood Holdings Ltd
Time Frame / Staging:	Unknown	Density:	N/A
Description:	Consent granted for a 98 unit residential apartment building with 168 parking spaces, plus a 115 square metre café with 35 square metres of outdoor dining area on the ground floor. The site is currently occupied by the Burrell Demolition Yard, next to the western rail line and approximately 100 metres from the Mt Eden railway station. Directly across the road is the former Carter Holt Harvey site which Redwood Group redeveloped into a mixed use development of apartments, offices and retail.		

Development:	8 On Nugent		
Status:	Proposed	Address:	8 Nugent Street, Grafton
Land Area:	1.8 ha	Residential Lots / Units:	54 units
Land Owner:	The Neil Group	Developer:	The Neil Group
Time Frame / Staging:	Unknown	Density:	N/A
Description:	The Neil Group are currently have under construction a mixed use development which includes the conversion / refurbishment of the former Education Board building on Nugent Street into approximately 54 apartments, with approximately 16,000 square metres of new commercial space on the surrounding land. Development is commenced late 2007 and will be staged over 3 to 4 years with the building conversion for the apartments expected to occur in the latter stages.		

9.3.5 Manukau

Development:	Wairoa River Canals		
Status:	Proposed	Address:	North Road, Clendon
Land Area:	44 ha	Residential Lots / Units:	270 lots
Land Owner:	Smith / McKenzie	Developer:	Wairoa Canal Partnership
Time Frame / Staging:	On hold – pending consent appeal	Density:	6.1 lots per ha
Description:	The proposed development - on land currently zoned rural 1 and used for dairying, would have 2 zones, residential covering 44 hectares and recreational, with a total 129 hectares overall. A reservoir and wastewater disposal field would be on a separate 111 hectare site west of North Road, 5 kilometres north-west of Clevedon. The development was originally to have had 297 residential lots – subsequently reduced to 270 - ranging from 650 to 1,000 square metres, all with canal frontage. Manukau City Council granted consent for private plan change 13 in 2007, allowing the development, and has supported the development partnership in the Environment Court, where various opponents began their appeal case in May, returning to court in October. The appeal is now before the Environment Court awaiting a decision.		

Development:	Wattle Cove		
Status:	Proposed	Address:	Scotsmoor Drive, Manurewa
Land Area:	30 ha	Residential Lots / Units:	300 lots
Land Owner:	Kirkdale Investments Ltd	Developer:	Fletcher Residential
Time Frame / Staging:	Unknown	Density:	10.0 lots per ha
Description:	Over recent years Wattle Cove has developed into a significant South Auckland neighbourhood, marketing itself as a 'landscaped coastal community structured around New Zealand family values'. Further developments to complete what remains of the original Wattle Farm property will include coastal walkways, children's playgrounds, landscaped reserves, a school and kindergarten together with approximately a further 300 residential sections. The development comprises standalone family homes on medium density sites (500m ² to 700m ²); no multi unit development is permitted.		

9.3.6 Papakura

Development:	McLennan		
Status:	Proposed	Address:	Walters Road, Papakura
Land Area:	24 ha	Residential Lots / Units:	444 units
Land Owner:	HNZC	Developer:	McConnell Property
Time Frame / Staging:	2010 – 2014	Density:	18.5 units per ha
Description:	McLennan is a 24 hectare site, owned by Housing New Zealand, with a new school and other child-focused amenities scheduled at one end and open parkland at the other. McConnell Property agreed to take over the development of the land from Housing New Zealand. Subject to rezoning approval, the proposed development plan is to build 444 houses on the land, one-third of which can be purchased for use by Housing New Zealand. Seven out of ten McLennan properties will be occupied by home owners and first home buyers, mixed with investor properties. A key feature of the McLennan mix will be the use of point of sale design covenants or rules that sustain the quality of the housing, landscaping and open spaces. A resident owned Incorporated Society will be established to manage this in perpetuity.		

9.4 Mooted / Landbanked

9.4.1 Rodney

Development:	Omaha Park		
Status:	Mooted / Landbanked	Address:	Mangatawhiri Road, Omaha
Land Area:	80 ha	Residential Lots / Units:	830 units
Land Owner:	Omaha Park Ltd	Developer:	Omaha Park Ltd
Time Frame / Staging:	On hold – pending consent appeal	Density:	10.4 units per ha
Description:	<p>This proposed development is located at the southern end of Omaha Beach, and comprises 830 residential units, made up of houses and townhouses and apartments in high density and up to 9 metres in height. Also included is a commercial centre and a 200 room hotel including a restaurant, conference and other facilities on Te Kie Point. The developer lodged its bid for a special development zone with the Rodney District Council 2 years ago. The proposal was rejected, but the company is still appealing the decision.</p> <p>The Omaha Beach Community group, comprising approximately 1,165 members and other interested parties continue to lobby against the proposed development; there key concerns are that the development would more than double the resort's population (it will double the number of dwellings at Omaha to about 1200, however, the permanent population is much lower - about 150 to 200 residents) and infrastructural issues, such as roading, storm water and sewerage and the effect on Whangateau Harbour.</p>		

Development:	Peninsula Golf Club		
Status:	Mooted / Landbanked	Address:	65 Hibiscus Coast Highway, Red Beach
Land Area:	44 ha	Residential Lots / Units:	600 lots
Land Owner:	The Peninsula Golf Club Inc	Developer:	Unknown
Time Frame / Staging:	Unknown	Density:	13.6 lots per ha
Description:	<p>We understand the owners of the Peninsula Golf Club are considering an offer from a developer to swap their existing 44 hectare golf course site in Red Beach for an 80 hectare custom built course and clubhouse in Wainui – approximately a 10 minute drive from their current location. The existing site would automatically revert to residential zoning under the Rodney District Council's district plan which could allow the site to be subdivided and developed into 600 residential lots.</p> <p>Located in close proximity to the proposed Millwater development, this site could take advantage of the significant development activity, both residential and commercial, proposed for the Silverdale / Orewa region, as well as being easily accessible to the existing local amenities offered in Red Beach, Orewa and the Whangaparaoa Peninsula.</p>		

Development:	Hall Farm		
Status:	Mooted / Landbanked	Address:	Grand Drive, Orewa
Land Area:	184 ha	Residential Lots / Units:	200 lots
Land Owner:	NZTA	Developer:	Unknown
Time Frame / Staging:	Unknown	Density:	1.1 lots per ha
Description:	<p>Located outside of the current MUL, this site encompasses the majority of the 253 hectare 'Hall Farm Development Area', identified on the Rodney District Council proposed district plan as 'Special Zone 11'. This special zone has been developed to enable comprehensively designed rural residential development which retains a rural character and provides a buffer between the strictly rural uses to the west, and the urban area of Orewa and forms part of the Orewa West Structure Plan.</p> <p>This land had been purchased by Transit NZ under the public Works Act for the Northern Motorway Extension Project, the Orewa bypass section of which is nearing completion. It is our understanding that Transit are currently in negotiations with the original owner to sell back the land, who then intends to develop in the short to medium term.</p> <p>Current zoning only permits a maximum of 200 private lots; however it is likely that any potential developer would attempt to increase the housing density.</p>		

Development:	Awaroa Parklands		
Status:	Mooted / Landbanked	Address:	Awaroa Road, Helensville
Land Area:	124 ha	Residential Lots / Units:	200 lots
Land Owner:	Hunter Capital Property	Developer:	Hunter Capital Property
Time Frame / Staging:	Unknown	Density:	1.6 lots per ha
Description:	<p>Located directly on the Western boundary of the Helensville Township, a 10 minute walk to Helensville town centre and 5 min walk to the train station. Under the Rodney District council plan, 39 hectares are zoned Countryside Living (Residential) and the balance as General Rural. The property has an existing consent to develop up to 33 large lifestyle sections, however the developer believes that it is an opportunity to develop a more integrated and intensive residential development which would secure Helensville growth capability into the future. Hunter Capital Property will start developing the site while working on a more intensive consenting scheme with council, up to 200 lots.</p>		

Development:	Waimauku Estate		
Status:	Mooted / Landbanked	Address:	State Highway 16, Waimauku
Land Area:	464 ha	Residential Lots / Units:	1,375 units
Land Owner:	Malory Corporation	Developer:	Malory Corporation
Time Frame / Staging:	On hold – consent declined	Density:	3.0 units per ha
Description:	<p>The Waimauku Estate site is 464 hectares in total and is divided by the northern trunk rail line into two parcels of land. Former owner Cornerstone Group (now in receivership) had proposed a private plan change to develop a number of concepts on its 464ha farm 2km north of the existing Waimauku township, including 2,600 dwellings at one stage, which would have boosted the population by 4000. The notified private plan change faced strong community opposition and was rejected by Council, who have since adopted a structure plan for the Waimauku area.</p> <p>A revised Waimauku Estate private plan change – now for 1,375 dwellings in and around Renall’s Hill, and now owned by Malory Corp (Sean Parsons, of Milford accountancy firm Hall & Parsons CA Ltd) is currently before the Environment Court, the council have stated that it will defend its decision not to progress the plan change.</p> <p>The original proposal for Waimauku Estate was described as a European style village and have master planned a “post-modernist interpretation of the traditional pursuits that would comprise of a sustainable bio-region”. There would be 5 villages or clusters surrounded by large open space, productive lands and native bush. Dwellings could include apartments, row houses, semi-detached houses, free standing townhouses, hotel units, retirement units, estate houses and rural houses. Lot sizes would range from 150m² to 500m² for the row, semi-detached and freestanding houses, 450m² to 1,500m² for the estate houses and a minimum 10,000m² for the rural houses.</p> <p>The site and any buildings developed were to be fully sustainable, accommodating rural farming, lifestyle living and villages activities. On site facilities to be provided include; train station, internal tram system, aquatic centre, shops, restaurants, school, hotel, spa, gym, indoor sports facility, kindergarten / daycare, produce market, community hall, winery, sports fields, tennis and netball courts, recycling centre, amphitheatre, botanical gardens, ponds, lakes and walking tracks, amongst others.</p>		

9.4.2 North Shore

Development:	Kewa		
Status:	Mooted / Landbanked	Address:	Kewa Road, Albany
Land Area:	13 ha	Residential Lots / Units:	100 lots
Land Owner:	CDL Land NZ Ltd	Developer:	CDL Land NZ Ltd
Time Frame / Staging:	Unknown	Density:	7.7 lots per ha
Description:	Greenfield land subdivision situated at the north western corner of the northern motorway and Oteha Valley Road Stream (Lucas Creek), accessed off Lonely Track Road. The current zoning allows for 30 lifestyle lots, however, the developer has a subdivision plan that provides up to 100 lots and expects to proceed with this higher density development in the future, pending resource consent. Unlikely to take place until the developers Harrowglen and Greville Road subdivisions are well advance or completed, beyond 2013.		

Development:	The Strand		
Status:	Mooted / Landbanked	Address:	Hurstmere Road, Takapuna
Land Area:	2.1 ha	Residential Lots / Units:	160 - 180 units
Land Owner:	Crown Asia Pacific Group Ltd and Brookfield Multiplex	Developer:	Crown Asia Pacific Group Ltd and Brookfield Multiplex
Time Frame / Staging:	Unknown	Density:	N/A
Description:	<p>Numerous adjoining sites make up this landbanked development opportunity in central Takapuna.</p> <p>7,774 square metres is owned by Brookfield Multiplex who are in the process of putting together a masterplan for their sites that will comprise a mixed use of retail, commercial and residential, with the focus being on high quality residential apartments on The Strand (beach) side of the site. In total 80 to 100 apartments are planned for this site and were expected to be built by 2011, however, the recent downturn in the economic environment has put these plans on hold.</p> <p>Crown Asia Pacific Group Ltd own 12,800 square metres of adjoining land, purchased earlier this year from Perron Developments Ltd (who went into receivership). Whilst originally 80 apartments had already been consented on 42% of the site over 6 levels, the new owners have more of a long term holding strategy for their sites at this stage.</p>		

Development: **Milford Apartments**

Status: Mooted / Landbanked **Address:** 24 Milford Road, Milford

Land Area: 2.9 ha **Residential Lots / Units:** 200 units

Land Owner: NZRPG **Developer:** NZRPG

Time Frame / Staging: Unknown – pending plan change **Density:** N/A

Description: North Shore City Council notified in October 2008 private plan change 34 with regard to a high-density residential overlay area over the existing Milford shopping centre. The application to change provisions in the district plan would enable high-density residential development on the site, in conjunction with business activities. The proposed plan change introduces an overlay area of rules specifically tailored for the site, which is currently used only for retail purposes.

NZRPG Management Ltd, part of NZ Retail Property Group, wants to transform the Milford Centre into “a unique community asset offering resident’s high-quality living”. The plan change application marks stage 3 of the company’s redevelopment plans for its 2.9ha Milford Centre site. Its proposed plan change principally sought amendments to the height limit, providing the appropriate planning framework to allow the company to apply for subsequent resource consent for 3 multi-storey apartment buildings of varying heights above the retail centre allowing the development of an estimated 200 apartments.

Development: **Okura**

Status: Mooted / Landbanked **Address:** Vaughans Road, Okura

Land Area: 113 ha **Residential Lots / Units:** Unknown

Land Owner: Todd Property Group **Developer:** Todd Property Group

Time Frame / Staging: Unknown **Density:** Unknown

Description: Todd Property Group’s Okura land holding comprises a total of 113 hectares of premium land, situated immediately to the north of Long Bay and directly outside the current Metropolitan Urban Limit.

This land holding has a rural zoning and is made up of 26 separately titled lots. The value of the land rests in its location, with an amazing costal outlook to the Long Bay / Okura Marine reserve and the islands of Auckland’s Hauraki Gulf in the east. Bordered by the Okura Estuary in the north and the proposed Long Bay Community in the south.

9.4.3 Waitakere

Development:	Pennihaha Block		
Status:	Mooted / Landbanked	Address:	19-21 O'Neills Road, Swanson
Land Area:	19.7 ha	Residential Lots / Units:	330 units
Land Owner:	The Neil Group	Developer:	The Neil Group
Time Frame / Staging:	Unknown – pending plan change	Density:	16.8 units per ha
Description:	Limited information available on this development. Located close to the North-Auckland rail line, 330 residential lots have been mooted for this development; however, no application has been made to council as a plan change that will affect the sites zoning is currently pending.		

Development:	Metcalf		
Status:	Mooted / Landbanked	Address:	186-210 Metcalfe Road, Ranui
Land Area:	11.1 ha	Residential Lots / Units:	Unknown
Land Owner:	The Neil Group	Developer:	The Neil Group
Time Frame / Staging:	Unknown	Density:	Unknown
Description:	Limited information available on this development. Located close to the North-Auckland rail line, no plans at this stage to develop but likely to be residential in the future.		

Development:	Tram Valley		
Status:	Mooted / Landbanked	Address:	Tram Valley Road, Swanson
Land Area:	6.8 ha	Residential Lots / Units:	Unknown
Land Owner:	CDL Land NZ Ltd	Developer:	CDL Land NZ Ltd
Time Frame / Staging:	Unknown	Density:	Unknown
Description:	Limited information available on this development. Located close to the North-Auckland rail line, no plans at this stage to develop but likely to be residential in the future.		

9.4.4 Auckland

Development:	Auckland Racing Club		
Status:	Mooted / Landbanked	Address:	Lonsdale Street, Ellerslie
Land Area:	5.9 ha	Residential Lots / Units:	395 units
Land Owner:	Auckland Racing Club	Developer:	T.B.C
Time Frame / Staging:	Unknown – pending plan change	Density:	66.9 units per ha
Description:	<p>Auckland City Council notified in June 2009 private plan change 168, relating to 5.9ha on part of the Ellerslie Racecourse extending along the north-eastern side of Morrin St and backing on to an existing residential 6a zone that is accessed from The Oaks (private way) and Lonsdale St.</p> <p>The plan change seeks to rezone the 5.9ha from open space 5 to residential 6a and 9a. The racing club seeks to apply the residential 9a zone to most of the 5.9ha, subject to the plan change request. The proposed residential 9a zone is specific to Ellerslie Racecourse and principally seeks to enable high-density residential development, including residential units in retirement villages. Plan change 168 doesn't include any part of the Ellerslie Hill, original options for which included a number of tower blocks, options for the Hill are being completely reviewed and no development is planned in the medium to long term. Should the plan change go ahead the proposed development for the site includes a 150 bed hotel and up to 395 residential units.</p>		

Development:	Lion Brewery Site		
Status:	Mooted / Landbanked	Address:	Khyber Pass Road, Newmarket
Land Area:	5.0 ha	Residential Lots / Units:	Unknown
Land Owner:	AMP Capital Investors	Developer:	AMP Capital Investors
Time Frame / Staging:	Unknown	Density:	Unknown
Description:			

Development:	Tamaki		
Status:	Mooted / Landbanked	Address:	Glen Innes, Pt England and Panmure
Land Area:	Various sites	Residential Lots / Units:	Approx. 3,000 units
Land Owner:	HNZC	Developer:	HNZC
Time Frame / Staging:	2010 – 2030	Density:	N/A
Description:			

9.4.5 Papakura

Development:	Cosgrave		
Status:	Mooted / Landbanked	Address:	Cosgrave / Papakura-Clevedon Roads, Papakura
Land Area:	93 ha	Residential Lots / Units:	1,300 lots
Land Owner:	Various	Developer:	Hoskens & Associates
Time Frame / Staging:	On hold – pending consent appeal	Density:	14.0 lots per ha
Description:	Plan change applications for two new housing areas in the Papakura District, both identified within Papakura District Council structure plans, were rejected by the Auckland Regional Council because of concerns about storm water discharge and one of them being near Ardmore Airport. The land currently sits outside of the prescribe Metropolitan Urban Limit. The developments would have provided approximately 1,300 homes at \$350,000 to \$500,000 each on what is currently 93 hectares of farmland. The owners of the land are planning to appeal the decision.		

9.4.6 Franklin

Development:	Waiuku		
Status:	Mooted / Landbanked	Address:	Constable Road, Waiuku
Land Area:	57 ha	Residential Lots / Units:	Approx. 500 lots
Land Owner:	Various	Developer:	Various
Time Frame / Staging:	Unknown	Density:	8.8 lots per ha
Description:	Franklin District Council signed an agreement with Matoaka Holdings Ltd in December 2008 to start planning for a new residential and recreation area in Waiuku, beside Waiuku College. Once completed, the planning work will release about 57a hectares for residential development. This should allow for around 500 new homes in Waiuku and will also ensure that the new recreational area is well integrated into the growing township. The council and Matoaka will develop a draft structure plan and a change to the district plan, which will then be put through the standard consultative process. The council also has 9 hectares next to the Waiuku Rugby Football Club and Waiuku College tagged for recreational development.		

Development:	Helenslee		
Status:	Mooted / Landbanked	Address:	Helenslee Road, Pokeno
Land Area:	89 ha	Residential Lots / Units:	Approx. 600 lots
Land Owner:	Helenslee Investments Ltd (WFH Properties and Dines Property)	Developer:	Helenslee Investments Ltd (WFH Properties and Dines Property)
Time Frame / Staging:	Unknown	Density:	6.7 lots per ha
Description:	A major residential development of 500 to 600 houses has been mooted for a site owned by Helenslee Investments Ltd on Helenslee Road in Pokeno, however, to date no consents have been sought or time frames indicated. Franklin District Council has suggested a major residential could take place in this area any time in the next 5 to 6 years in line with the significant growth expected and being planned for in the Pokeno area.		

9.5 Auckland CBD Apartment Development Profiles

9.5.1 Under Construction

Development:	Eclipse	Address:	152-156 Vincent Street
Completion Date:	October 2009	Precinct:	Frame
Developer:	Scarbro Construction and Conrad Properties	Architect:	Leuschke Group Architects Ltd
# Units:	174 (130 pre-sold)	Size of Units:	Approx 62m ² , 1 & 2 bedroom (excluding balconies)
Type:	Owner Occupier	Site Area:	1,471m ²
Description:	When completed, the circular shaped complex will contain 14 levels of one-bedroom and two-bedroom apartments, totalling 174 units. Of these 174 apartments, 49 will have their own balcony and all the ground apartments will have their own courtyard.		
Amenities:	Eclipse is located at the top of Vincent Street and is a short walk to Aotea Square, Sky City, Queen Street and Karangahape Road. Amenities will include a gymnasium, steam room and pool area on the second level.		
Finish Standard:	The specifications indicate that this development will be finished to an average quality standard. A free furniture package and two year rental guarantee at 7% net is offered with sale of the apartments. The building is circular shaped with recesses to take into account the existing trees.		

Development:	Waldorf on Anzac	Address:	40 Emily Place / 19-23 Anzac Avenue
Completion Date:	2010	Precinct:	Core
Developer:	Emily Projects Limited	Architect:	Unknown
# Units:	119 (119 pre-sold)	Size of Units:	Unknown
Type:	Serviced Apartments	Site Area:	1,081m ²
Description:	A two-tower hotel development to be managed by Waldorf. The tower facing Anzac Avenue will have 16 levels and the tower facing Emily Place will have 18 levels. This development was originally planned by Blue Chip however they went bankrupt and sold the site to Emily Projects who dropped the number of units by 40.		
Amenities:	A day spa.		

9.5.2 Proposed

Development:	Rhubarb Lane	Address:	61-87 Cook Street
Completion Date:	2010 - 2013	Precinct:	Frame
Developer:	Nelson Quarter Depot Site Ltd (Pelago Ltd)	Architect:	Unknown
# Units:	1084	Size of Units:	Unknown
Type:	Owner Occupier	Site Area:	28,598m ²
Description:	Preliminary design of this complex has just recently been completed and the development is currently before council awaiting resource consent. Marketing and pre-sale of apartments is yet to begin.		
Amenities:	This whole development, once completed, will create an entire community, including; retail and commercial activities. Close proximity to the Victoria Quarter (including Victoria Park Market) which is also in the process of significant development following recent plan changes to enhance the area for both commercial and residential purposes.		
Development:	Saffron	Address:	51-53 Albert Street
Completion Date:	2014	Precinct:	Core
Developer:	Sanctuary Developments Ltd	Architect:	Paul Brown
# Units:	146 apartments. 86 one-bedroom lofts and 60 two-bedroom apartments.	Size of Units:	50m ² - 65m ²
Type:	Owner Occupier	Site Area:	645m ²
Description:	This proposed 46 level building, consisting of 14 mezzanine floors, 150 apartments and 95 basement parking spaces in a electronic parking stacker. One bedroom lofts and two bedroom apartments available.		
Amenities:	This property will feature a restaurant/bar, car parking, swimming pool, spa, gym and a function room. The building will also have video-monitored, secured access to the entry lobby and security lift locks to each level.		
Finish Standard:	The specifications indicate that this development will be finished to a high quality standard with features including; marble and granite bench tops in bathrooms and kitchens, furnished living areas and kitchen appliances and a stainless steel barbeque on the balconies.		

Development: Elliott Tower **Address:** Cnr Elliott, Victoria Street West and Albert Street

Completion Date: On hold **Precinct:** Core

Developer: Dae Ju Developments **Architect:** Unknown

Units: 259 **Size of Units:** Unknown

Type: Owner Occupier **Site Area:** 4,417m²

Description: This proposed 67 level building, consisting of 54 levels of owner occupied apartments, 6 levels of parking, 4 levels of trees and 3 levels of shopping. The Elliot Tower has resource consent to build however the development has been put on hold while the developer concentrates on the construction of a commercial tower on Shortland Street. Very few specific design details have been made available to date.

Development: The Vulcan Apartments **Address:** 12 - 14 O'Connell Street

Completion Date: Unknown **Precinct:** Core

Developer: Vulcan Apartments Ltd (Paul Doole) **Architect:** Clark Brown Architects

Units: 61 **Size of Units:** 51m² - 86m² (excluding balconies)

Type: Owner Occupier **Site Area:** 559m²

Description: Redevelopment of an existing commercial (office / retail) building - Commercial Union House. Design in the process of being revised, currently no carparks are offered on site.

Amenities: Located in the heart of the CBD only minutes walk from Downtown, Britomart Transport Centre, Ferry Building, Viaduct and Queen Street.

Finish Standard: The specifications indicate that this development will be finished to a high quality standard with features including; entertainers kitchen with granite bench top, tongue and groove oak timber floors, Fisher and Paykel appliances, and central gas water heating. No air conditioning.

Development: Victoria Park Market **Address:** 210 Victoria Street West

Completion Date: Unknown **Precinct:** Frame

Developer: Kitchener Group **Architect:** Unknown

Units: 150 **Size of Units:** Unknown

Type: Owner Occupier **Site Area:** 8,109m²

Description: Proposed 10 level apartment building. This development is subject to resource consent - final designs are expected to be completed and be ready to be submitted to council by mid 2006.

Amenities: Designed to complement stage one of the redevelopment and refurbishment of the historic Victoria Park Market site currently underway, which will consist of retail, restaurant and bar activities. Also in close proximity to New World Supermarket, Viaduct Harbour and directly opposite Victoria Park.

Development:	The Antipodean	Address:	302-322 Queen Street
Completion Date:	Unknown start date	Precinct:	Core
Developer:	Norfolk Trustee Co. Ltd. (Paul Doole)	Architect:	Unknown
# Units:	332 apartments. Approximately 222 one- bedroom lofts and 110 two- bedroom apartments.	Size of Units:	41m ² - 49m ² (including balconies) for one- bedroom apartments
Type:	Owner Occupier	Site Area:	3,063m ²
Description:	This proposed 39 level building, consisting of 26 apartment floors over a 7 level office, retail and theatre podium. One and two-bedroom apartments available. This development received consent in August 2003 to demolish the old cinemas and build the apartment tower. Very few specific design details have been made available to date.		

10.0 Appendix 10 - Modelling Methodology

10.1 Introduction

This Appendix provides supporting information on the modelling methodology used for this assessment. It should be read in conjunction with Chapter 10 – Housing Market Outlook and Total Demand Forecasts and Chapter 11 – Future Housing Need in the Main Report. The objective of Chapter 10 was to present the methodology used in this assessment to model future housing demand, house prices and housing affordability and to present the outcomes of that modelling. The objective of Chapter 11 was to present Darroch's forecasts of future growth in housing need.

10.2 Auckland Housing Assessment Model

10.2.1 Introduction

The key components of our model for Auckland's housing market include:

- Geographical split between the north and south around the labour markets;
- Three equation model for the north and south markets encompassing house values, demand and supply; and
- Once the macro quantum of demand and supply were modelled for the two housing sub markets they were allocated across the 14 housing market areas (HMA) based on their individual demographic characteristics and household projections using the underlying age / household matrix.

10.2.2 House Values

Our modelling approach is based on approached used in Grimes Kerr Aitken, (2003)³² with some modifications to estimate long run trend in values. The variables used in the modelling are as follows:

- Our house price data is unadjusted average house sale prices (weighted average of half year end June and half year end December) deflated by the CPI;
- Our economic activity variable for each region is the National Bank of New Zealand Real Regional Economic Activity Index (June years);
- Our user cost (UCC) index uses the 90 day bank bill rate (i90) as our interest rate and the expected rate of nominal house price change (NHPC) is estimated using the average of nominal house price appreciation over the preceding three years; and
- Our house stock variable uses QVNZ annual data, as at June, based on the number of house and flat valuation assessments in each region.

³² Grimes, A., Kerr, & Aitkin, (2003) Housing and Structural Adjustment. A report by MOTU for the Centre of Housing Research Aotearoa New Zealand

The house price model is as follows:

$$\text{Ln (Real HPs)} = x \text{ Ln}(\text{REA}_{\text{Auckland}}) + y \text{ Ln}(\text{HCC}) + z \text{ Ln}(\text{Stock}) + \text{Constant}$$

Where:

Real HPs	Real lower quartile house prices
$\text{REA}_{\text{Auckland}}$	Real economic activity for Auckland region
HCC	Households cost of capital
Stock	Number of dwellings

The results of our modelling indicate that:

- A 1% increase in regional economic activity boosts long run real house prices by 0.95% in the northern market and 0.8% in the southern market;
- A one percentage point increase in the user cost of capital is estimated to decrease long run real house prices by slightly less than 0.4%; and
- A 1% increase in the housing stock lowers real house prices by 0.2%.

10.2.3 Demand Forecasts

Vector autoregressive approach was used to model housing demand. Key inputs for the demand projections were Statistics New Zealand's population projections, real interest rates, house values and expectations of future value growth. Variation in interest rates and house values and expectations of value growth influence the rate of household formation in addition to the underlying growth in the regions population.

The demand model is as follows:

$$\text{Ln}(\text{Demand}) = x \text{ Ln}(\text{families}) + y \text{ Ln}(\text{HCC}) + z \text{ Ln}(\text{Real HP}) + \text{Ln}(\text{REA}_{\text{Auckland}}) + \text{Constant}$$

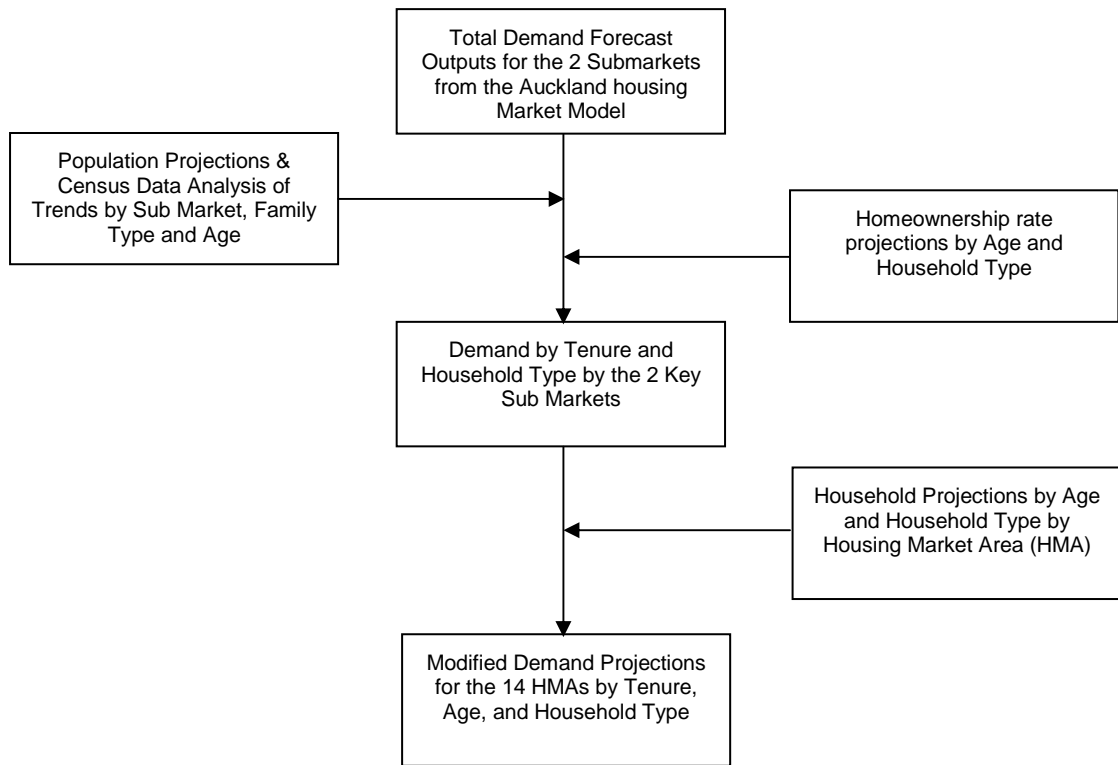
Where:

Demand	Number of households
Families	Projected growth in the number of families and one person and other households
HCC	Households cost of capital
Real HP	Real House prices

The demand forecasts, combined with the composition of the demand (derived from the population projections) then form the basis for the analysis around the composition of the demand by age and household type. Variation in the level of population growth has the most significant impact on demand. For example a one percentage point increase in population growth results in a 0.95% percentage point increase in demand in the northern zone and 0.94%percentage point increase in the southern housing market

Figure A10.1 presents the stepwise process employed to produce the demand forecasts for each HMA by tenure, household type and age.

Figure A10.1: Demand Forecasts by Tenure, Household Type and Age



The home ownership rate projections methodology used is consistent with the approach used in DTZ (2005)³³. This approach uses an age household type cohort approach that projects forward the change in home ownership rates by age group household type cohort between 1991 and 2006 taking into account delayed recovery of home ownership rates as these groups age.

The process involves a combination of quantitative and qualitative input. Household and population projections by age, family type and region are one key input. The population projections used provide a growth in a two dimension matrix around family / household type and age in 5 year steps. This quantitative data is combined with our interpretation of tenure trends by region, age and family type to produce base projections of housing demand by region, tenure and family type. Inherent in the population projections are external and internal migration, deaths and births.

Ethnicity has not been included in the analysis for a number of reasons. These include:

- Attributing ethnicity to a household is problematic because of the presence of multi-ethnicity, which is compounded by the issues associated with self-declared multi-ethnicity in the case of individuals and households;
- The methodology employed focused on the demographic attributes, which explained the majority of the variation in tenure change. Based on Morrison's³⁴ analysis age, location and family type were the key demographic variables.

DTZ (2005)³³ "Housing Tenure Aspirations and Attainment." A report by DTZ for the Centre for Housing Research Aotearoa New Zealand and Building Research.

³⁴ Morrison, P. (2008) "On the Falling Rate of Home Ownership in New Zealand". A report prepared for the Centre for Housing Research Aotearoa New Zealand.

10.2.4 Supply Forecasts

Vector autoregressive approach was used to model housing supply. Modelling supply proved problematic. Supply was modelled as a function of growth in the number of families, regional economic activity, house prices, householders' cost of capital, and commercial interest rates. The equation developed had relatively low explanatory power and were driven primarily by growth in demand.

The supply model is as follows:

$$\ln(\text{Supply}) = x \ln(\text{Real HP}) + y \ln(\text{HCC}) + z \ln(\text{families}) + \ln(\text{CI}) + \text{Constant}$$

Where:

Supply	Number of dwellings
Real HP	Real house prices
HCC	Households cost of capital
Families	Projected growth in growth in the number of families and one person and other households
CI	Commercial interest rates – proxy used was the 90 day bank bill rate
REA _{Auckland})	Real economic activity for Auckland region

11.0 Appendix 11 – Demand by Tenure, Dwelling Type and HMA

11.1 Introduction

This Appendix provides supporting information on the total demand forecasts generated for this assessment. It should be read in conjunction with Chapter 10 – Housing Market Outlook and Total Demand Forecasts in the Main Report. The objective of Chapter 10 was to present the methodology used in this assessment to model future housing demand, house prices and housing affordability and to present the outcomes of that modelling.

The objective of this appendix is to present the results of our analysis of total demand by HMA, tenure, dwelling type and size between 2006 and 2026.

11.2 Total Demand by HMA, Tenure, Dwelling Type and Size

These forecasts assume that households continue to live in the same dwelling configuration when stratified by age and household composition. In addition, a trend away from standalone to multi unit dwellings is assumed. The trend towards multi unit dwellings assumes that 0.5 percentage points more households live in multi unit accommodation each year.

At this level of detail, these forecasts should be used as a general guide to the likely trend and the actual outcomes are likely to vary depending on market conditions, changes in consumer preferences, and changes in planning policy and regulations over the twenty year period.

Table A11.1 presents the results of our demand forecasts by HMA, tenure, dwelling type and size between 2006 and 2026.

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026

	Standalone				Multi Unit			Total All Dwellings	
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms		
Rural North									
<i>Owner Occupiers</i>									
2006	1,890	7,180	6,930	16,000	30	190	260	480	16,480
2011	1,970	7,480	7,170	16,620	40	310	510	860	17,480
2016	2,080	7,830	7,370	17,280	60	460	780	1,300	18,580
2021	2,180	8,180	7,580	17,940	90	630	1,070	1,790	19,730
2026	2,290	8,550	7,820	18,660	120	840	1,400	2,360	21,020
<i>Renters</i>									
2006	1,330	1,730	830	3,890	210	250	100	560	4,450
2011	1,570	2,030	970	4,570	300	360	150	810	5,380
2016	1,790	2,320	1,120	5,230	420	500	200	1,120	6,350
2021	1,980	2,550	1,220	5,750	560	660	260	1,480	7,230
2026	2,130	2,730	1,310	6,170	710	830	330	1,870	8,040
<i>Total</i>									
2006	3,220	8,910	7,760	19,890	240	440	360	1,040	20,930
2011	3,540	9,510	8,140	21,190	340	670	660	1,670	22,860
2016	3,870	10,150	8,490	22,510	480	960	980	2,420	24,930
2021	4,160	10,730	8,800	23,690	650	1,290	1,330	3,270	26,960
2026	4,420	11,280	9,130	24,830	830	1,670	1,730	4,230	29,060

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings	
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms		
Rodney Southern Coastal									
<i>Owner Occupiers</i>									
2006	1,180	4,860	3,490	9,530	80	770	640	1,490	11,020
2011	1,230	5,050	3,570	9,850	100	920	820	1,840	11,690
2016	1,310	5,350	3,650	10,310	130	1,150	1,030	2,310	12,620
2021	1,400	5,640	3,750	10,790	150	1,410	1,270	2,830	13,620
2026	1,500	5,930	3,850	11,280	190	1,740	1,530	3,460	14,740
<i>Renters</i>									
2006	780	1,320	520	2,620	250	590	430	1,270	3,890
2011	880	1,490	580	2,950	320	750	550	1,620	4,570
2016	990	1,650	640	3,280	410	950	680	2,040	5,320
2021	1,070	1,760	680	3,510	510	1,180	810	2,500	6,010
2026	1,140	1,830	710	3,680	620	1,410	940	2,970	6,650
<i>Total</i>									
2006	1,960	6,180	4,010	12,150	330	1,360	1,070	2,760	14,910
2011	2,110	6,540	4,150	12,800	420	1,670	1,370	3,460	16,260
2016	2,300	7,000	4,290	13,590	540	2,100	1,710	4,350	17,940
2021	2,470	7,400	4,430	14,300	660	2,590	2,080	5,330	19,630
2026	2,640	7,760	4,560	14,960	810	3,150	2,470	6,430	21,390

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings	
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms		
North Shore									
<i>Owner Occupiers</i>									
2006	2,960	20,710	19,870	43,540	670	3,620	4,000	8,290	51,830
2011	3,000	20,860	19,920	43,780	770	4,210	4,750	9,730	53,510
2016	3,160	21,460	20,100	44,720	920	5,040	5,640	11,600	56,320
2021	3,350	22,160	20,490	46,000	1,100	6,020	6,650	13,770	59,770
2026	3,560	22,780	20,930	47,270	1,320	7,150	7,760	16,230	63,500
<i>Renters</i>									
2006	2,100	6,560	2,870	11,530	1,930	4,450	2,350	8,730	20,260
2011	2,310	7,210	3,170	12,690	2,370	5,420	2,870	10,660	23,350
2016	2,510	7,820	3,450	13,780	2,920	6,530	3,440	12,890	26,670
2021	2,660	8,180	3,620	14,460	3,530	7,690	4,020	15,240	29,700
2026	2,720	8,370	3,720	14,810	4,160	8,830	4,610	17,600	32,410
<i>Total</i>									
2006	5,060	27,270	22,740	55,070	2,600	8,070	6,350	17,020	72,090
2011	5,310	28,070	23,090	56,470	3,140	9,630	7,620	20,390	76,860
2016	5,670	29,280	23,550	58,500	3,840	11,570	9,080	24,490	82,990
2021	6,010	30,340	24,110	60,460	4,630	13,710	10,670	29,010	89,470
2026	6,280	31,150	24,650	62,080	5,480	15,980	12,370	33,830	95,910

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings	
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms		
Waitakere									
<i>Owner Occupiers</i>									
2006	3,070	20,540	12,700	36,310	350	1,820	1,860	4,030	40,340
2011	3,170	21,100	13,000	37,270	430	2,270	2,420	5,120	42,390
2016	3,370	22,020	13,340	38,730	540	2,870	3,060	6,470	45,200
2021	3,590	22,940	13,750	40,280	670	3,570	3,770	8,010	48,290
2026	3,840	23,870	14,200	41,910	830	4,420	4,550	9,800	51,710
<i>Renters</i>									
2006	2,440	8,140	2,490	13,070	1,190	2,420	1,660	5,270	18,340
2011	2,750	9,120	2,810	14,680	1,520	3,090	2,120	6,730	21,410
2016	3,030	10,010	3,120	16,160	1,930	3,880	2,620	8,430	24,590
2021	3,250	10,620	3,320	17,190	2,390	4,730	3,130	10,250	27,440
2026	3,400	11,010	3,480	17,890	2,890	5,610	3,660	12,160	30,050
<i>Total</i>									
2006	5,510	28,680	15,190	49,380	1,540	4,240	3,520	9,300	58,680
2011	5,920	30,220	15,810	51,950	1,950	5,360	4,540	11,850	63,800
2016	6,400	32,030	16,460	54,890	2,470	6,750	5,680	14,900	69,790
2021	6,840	33,560	17,070	57,470	3,060	8,300	6,900	18,260	75,730
2026	7,240	34,880	17,680	59,800	3,720	10,030	8,210	21,960	81,760

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms	
Auckland CBD								
<i>Owner Occupiers</i>								
2006	0	0	0	0	800	1,200	400	2,400
2011	0	0	0	0	980	1,480	500	2,960
2016	0	0	0	0	1,210	1,820	630	3,660
2021	0	0	0	0	1,440	2,190	760	4,390
2026	0	0	0	0	1,690	2,600	910	5,200
<i>Renters</i>								
2006	0	0	0	0	3,650	2,780	660	7,090
2011	0	0	0	0	4,930	3,770	890	9,590
2016	0	0	0	0	6,430	4,920	1,150	12,500
2021	0	0	0	0	7,980	6,120	1,410	15,510
2026	0	0	0	0	9,730	7,500	1,700	18,930
<i>Total</i>								
2006	0	0	0	0	4,450	3,980	1,060	9,490
2011	0	0	0	0	5,910	5,250	1,390	12,550
2016	0	0	0	0	7,640	6,740	1,780	16,160
2021	0	0	0	0	9,420	8,310	2,170	19,900
2026	0	0	0	0	11,420	10,100	2,610	24,130

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings	
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms		
Auckland North East									
<i>Owner Occupiers</i>									
2006	1,150	7,030	8,220	16,400	480	2,400	2,560	5,440	21,840
2011	1,150	6,990	8,130	16,270	530	2,660	2,880	6,070	22,340
2016	1,200	7,140	8,090	16,430	610	3,050	3,260	6,920	23,350
2021	1,240	7,270	8,100	16,610	710	3,480	3,690	7,880	24,490
2026	1,290	7,400	8,150	16,840	810	3,970	4,160	8,940	25,780
<i>Renters</i>									
2006	800	1,720	1,150	3,670	1,670	2,900	1,220	5,790	9,460
2011	860	1,840	1,230	3,930	1,990	3,420	1,440	6,850	10,780
2016	920	1,970	1,290	4,180	2,350	4,020	1,680	8,050	12,230
2021	940	1,990	1,290	4,220	2,720	4,580	1,900	9,200	13,420
2026	930	1,960	1,270	4,160	3,060	5,090	2,120	10,270	14,430
<i>Total</i>									
2006	1,950	8,750	9,370	20,070	2,150	5,300	3,780	11,230	31,300
2011	2,010	8,830	9,360	20,200	2,520	6,080	4,320	12,920	33,120
2016	2,120	9,110	9,380	20,610	2,960	7,070	4,940	14,970	35,580
2021	2,180	9,260	9,390	20,830	3,430	8,060	5,590	17,080	37,910
2026	2,220	9,360	9,420	21,000	3,870	9,060	6,280	19,210	40,210

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings	
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms		
Auckland North West									
<i>Owner Occupiers</i>									
2006	2,150	8,980	8,350	19,480	800	2,740	1,950	5,490	24,970
2011	2,130	8,830	8,230	19,190	890	3,050	2,180	6,120	25,310
2016	2,190	8,940	8,210	19,340	1,020	3,480	2,470	6,970	26,310
2021	2,260	9,090	8,290	19,640	1,170	3,980	2,800	7,950	27,590
2026	2,340	9,260	8,460	20,060	1,350	4,530	3,190	9,070	29,130
<i>Renters</i>									
2006	1,780	3,130	2,120	7,030	4,250	5,580	1,860	11,690	18,720
2011	1,870	3,280	2,200	7,350	4,980	6,540	2,170	13,690	21,040
2016	1,980	3,420	2,240	7,640	5,840	7,610	2,470	15,920	23,560
2021	1,990	3,390	2,190	7,570	6,690	8,590	2,750	18,030	25,600
2026	1,940	3,290	2,100	7,330	7,510	9,540	3,030	20,080	27,410
<i>Total</i>									
2006	3,930	12,110	10,470	26,510	5,050	8,320	3,810	17,180	43,690
2011	4,000	12,110	10,430	26,540	5,870	9,590	4,350	19,810	46,350
2016	4,170	12,360	10,450	26,980	6,860	11,090	4,940	22,890	49,870
2021	4,250	12,480	10,480	27,210	7,860	12,570	5,550	25,980	53,190
2026	4,280	12,550	10,560	27,390	8,860	14,070	6,220	29,150	56,540

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings	
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms		
Auckland South East									
<i>Owner Occupiers</i>									
2006	730	3,520	1,640	5,890	140	880	490	1,510	7,400
2011	730	3,490	1,630	5,850	150	1,000	550	1,700	7,550
2016	760	3,580	1,650	5,990	180	1,160	630	1,970	7,960
2021	780	3,680	1,680	6,140	210	1,330	720	2,260	8,400
2026	820	3,810	1,720	6,350	240	1,530	820	2,590	8,940
<i>Renters</i>									
2006	1,370	3,060	830	5,260	1,200	2,790	940	4,930	10,190
2011	1,320	3,270	740	5,330	1,580	3,300	1,270	6,150	11,480
2016	1,260	3,520	640	5,420	2,070	3,890	1,670	7,630	13,050
2021	1,160	3,660	510	5,330	2,640	4,480	2,130	9,250	14,580
2026	1,040	3,740	350	5,130	3,300	5,080	2,660	11,040	16,170
<i>Total</i>									
2006	2,100	6,580	2,470	11,150	1,340	3,670	1,430	6,440	17,590
2011	2,050	6,760	2,370	11,180	1,730	4,300	1,820	7,850	19,030
2016	2,020	7,100	2,290	11,410	2,250	5,050	2,300	9,600	21,010
2021	1,940	7,340	2,190	11,470	2,850	5,810	2,850	11,510	22,980
2026	1,860	7,550	2,070	11,480	3,540	6,610	3,480	13,630	25,110

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings	
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms		
Auckland South West									
<i>Owner Occupiers</i>									
2006	2,150	9,670	6,330	18,150	300	2,060	1,250	3,610	21,760
2011	2,150	9,600	6,290	18,040	340	2,360	1,450	4,150	22,190
2016	2,200	9,650	6,200	18,050	390	2,750	1,660	4,800	22,850
2021	2,260	9,750	6,180	18,190	450	3,190	1,890	5,530	23,720
2026	2,320	9,870	6,210	18,400	520	3,680	2,140	6,340	24,740
<i>Renters</i>									
2006	2,190	4,490	1,600	8,280	1,900	3,820	1,320	7,040	15,320
2011	2,340	4,810	1,710	8,860	2,260	4,530	1,570	8,360	17,220
2016	2,480	5,060	1,780	9,320	2,700	5,290	1,810	9,800	19,120
2021	2,530	5,130	1,790	9,450	3,150	6,010	2,030	11,190	20,640
2026	2,520	5,100	1,770	9,390	3,620	6,690	2,240	12,550	21,940
<i>Total</i>									
2006	4,340	14,160	7,930	26,430	2,200	5,880	2,570	10,650	37,080
2011	4,490	14,410	8,000	26,900	2,600	6,890	3,020	12,510	39,410
2016	4,680	14,710	7,980	27,370	3,090	8,040	3,470	14,600	41,970
2021	4,790	14,880	7,970	27,640	3,600	9,200	3,920	16,720	44,360
2026	4,840	14,970	7,980	27,790	4,140	10,370	4,380	18,890	46,680

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings	
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms		
Manukau North									
<i>Owner Occupiers</i>									
2006	860	10,370	13,750	24,980	790	1,890	770	3,450	28,430
2011	950	11,330	14,930	27,210	1,050	2,570	1,090	4,710	31,920
2016	1,050	12,190	15,680	28,920	1,380	3,370	1,420	6,170	35,090
2021	1,160	12,950	16,410	30,520	1,760	4,280	1,800	7,840	38,360
2026	1,280	13,710	17,200	32,190	2,240	5,320	2,230	9,790	41,980
<i>Renters</i>									
2006	710	3,100	1,840	5,650	560	1,870	960	3,390	9,040
2011	850	3,730	2,220	6,800	770	2,540	1,320	4,630	11,430
2016	960	4,280	2,560	7,800	1,010	3,280	1,710	6,000	13,800
2021	1,050	4,630	2,770	8,450	1,290	4,090	2,110	7,490	15,940
2026	1,100	4,900	2,950	8,950	1,590	4,930	2,560	9,080	18,030
<i>Total</i>									
2006	1,570	13,470	15,590	30,630	1,350	3,760	1,730	6,840	37,470
2011	1,800	15,060	17,150	34,010	1,820	5,110	2,410	9,340	43,350
2016	2,010	16,470	18,240	36,720	2,390	6,650	3,130	12,170	48,890
2021	2,210	17,580	19,180	38,970	3,050	8,370	3,910	15,330	54,300
2026	2,380	18,610	20,150	41,140	3,830	10,250	4,790	18,870	60,010

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms	
Manukau North West								0
<i>Owner Occupiers</i>								0
2006	1,160	10,070	6,430	17,660	130	1,270	990	20,050
2011	1,160	9,990	6,360	17,510	160	1,570	1,250	20,490
2016	1,240	10,440	6,540	18,220	210	2,010	1,590	22,030
2021	1,310	10,830	6,710	18,850	260	2,510	1,960	23,580
2026	1,390	11,170	6,870	19,430	320	3,080	2,350	25,180
<i>Renters</i>								
2006	2,120	6,910	2,750	11,780	1,040	2,970	1,610	17,400
2011	2,260	7,390	2,950	12,600	1,280	3,640	1,980	19,500
2016	2,490	8,140	3,270	13,900	1,640	4,540	2,470	22,550
2021	2,630	8,580	3,450	14,660	2,040	5,460	2,960	25,120
2026	2,680	8,740	3,560	14,980	2,440	6,340	3,420	27,180
<i>Total</i>								
2006	3,280	16,980	9,180	29,440	1,170	4,240	2,600	37,450
2011	3,420	17,380	9,310	30,110	1,440	5,210	3,230	39,990
2016	3,730	18,580	9,810	32,120	1,850	6,550	4,060	44,580
2021	3,940	19,410	10,160	33,510	2,300	7,970	4,920	48,700
2026	4,070	19,910	10,430	34,410	2,760	9,420	5,770	52,360

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings	
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms		
Manurewa & Papakura									
<i>Owner Occupiers</i>									
2006	1,160	10,030	6,400	17,590	110	1,050	600	1,760	19,350
2011	1,200	10,270	6,520	17,990	130	1,390	870	2,390	20,380
2016	1,230	10,200	6,390	17,820	160	1,750	1,120	3,030	20,850
2021	1,280	10,320	6,410	18,010	200	2,200	1,410	3,810	21,820
2026	1,360	10,610	6,550	18,520	260	2,760	1,740	4,760	23,280
<i>Renters</i>									
2006	1,390	6,410	1,930	9,730	480	1,510	690	2,680	12,410
2011	1,550	7,080	2,140	10,770	640	2,010	920	3,570	14,340
2016	1,630	7,360	2,260	11,250	810	2,480	1,120	4,410	15,660
2021	1,700	7,550	2,330	11,580	1,020	3,020	1,350	5,390	16,970
2026	1,750	7,690	2,390	11,830	1,270	3,630	1,610	6,510	18,340
<i>Total</i>									
2006	2,550	16,440	8,330	27,320	590	2,560	1,290	4,440	31,760
2011	2,750	17,350	8,660	28,760	770	3,400	1,790	5,960	34,720
2016	2,860	17,560	8,650	29,070	970	4,230	2,240	7,440	36,510
2021	2,980	17,870	8,740	29,590	1,220	5,220	2,760	9,200	38,790
2026	3,110	18,300	8,940	30,350	1,530	6,390	3,350	11,270	41,620

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms	
Pukekohe								0
<i>Owner Occupiers</i>								0
2006	270	2,030	1,410	3,710	20	230	80	4,040
2011	290	2,150	1,470	3,910	20	320	130	4,380
2016	310	2,200	1,480	3,990	20	430	170	4,610
2021	320	2,270	1,500	4,090	30	550	230	4,900
2026	350	2,390	1,550	4,290	40	720	290	5,340
<i>Renters</i>								
2006	360	850	230	1,440	130	250	90	1,910
2011	420	970	260	1,650	180	340	120	2,290
2016	440	1,040	280	1,760	230	430	150	2,570
2021	470	1,090	290	1,850	280	530	180	2,840
2026	490	1,140	310	1,940	360	650	220	3,170
<i>Total</i>								
2006	630	2,880	1,640	5,150	150	480	170	5,950
2011	710	3,120	1,730	5,560	200	660	250	6,670
2016	750	3,240	1,760	5,750	250	860	320	7,180
2021	790	3,360	1,790	5,940	310	1,080	410	7,740
2026	840	3,530	1,860	6,230	400	1,370	510	8,510

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings	
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms		
Rural South									
<i>Owner Occupiers</i>									
2006	1,040	4,600	4,840	10,480	10	100	150	260	10,740
2011	1,090	4,770	5,000	10,860	20	190	360	570	11,430
2016	1,150	4,930	5,090	11,170	30	300	580	910	12,080
2021	1,210	5,080	5,200	11,490	40	430	820	1,290	12,780
2026	1,280	5,290	5,360	11,930	60	590	1,090	1,740	13,670
<i>Renters</i>									
2006	600	1,180	570	2,350	90	170	70	330	2,680
2011	710	1,400	670	2,780	140	260	100	500	3,280
2016	800	1,580	770	3,150	200	370	140	710	3,860
2021	890	1,730	840	3,460	270	500	180	950	4,410
2026	960	1,860	900	3,720	360	640	220	1,220	4,940
<i>Total</i>									
2006	1,640	5,780	5,410	12,830	100	270	220	590	13,420
2011	1,800	6,170	5,670	13,640	160	450	460	1,070	14,710
2016	1,950	6,510	5,860	14,320	230	670	720	1,620	15,940
2021	2,100	6,810	6,040	14,950	310	930	1,000	2,240	17,190
2026	2,240	7,150	6,260	15,650	420	1,230	1,310	2,960	18,610

Table A11.1: Demand by Dwelling Type and Size, Tenure, and HMA between 2006 and 2026 Continued

	Standalone				Multi Unit			Total All Dwellings	
	2 Bdrms	3 Bdrms	4+ Bdrms	Total	1 Bdrms	2 Bdrms	3+ Bdrms		
Total 14 HMAS									
<i>Owner Occupiers</i>									
2006	19,770	119,590	100,360	239,720	4,710	20,220	16,000	40,930	280,650
2011	20,220	121,910	102,220	244,350	5,610	24,300	19,760	49,670	294,020
2016	21,250	125,930	103,790	250,970	6,860	29,640	24,040	60,540	311,510
2021	22,340	130,160	106,050	258,550	8,280	35,770	28,840	72,890	331,440
2026	23,620	134,640	108,870	267,130	9,990	42,930	34,160	87,080	354,210
<i>Renters</i>									
2006	17,970	48,600	19,730	86,300	18,550	32,350	13,960	64,860	151,160
2011	19,690	53,620	21,650	94,960	23,260	39,970	17,470	80,700	175,660
2016	21,280	58,170	23,420	102,870	28,960	48,690	21,310	98,960	201,830
2021	22,320	60,860	24,300	107,480	35,070	57,640	25,220	117,930	225,410
2026	22,800	62,360	24,820	109,980	41,620	66,770	29,320	137,710	247,690
<i>Total</i>									
2006	37,740	168,190	120,090	326,020	23,260	52,570	29,960	105,790	431,810
2011	39,910	175,530	123,870	339,310	28,870	64,270	37,230	130,370	469,680
2016	42,530	184,100	127,210	353,840	35,820	78,330	45,350	159,500	513,340
2021	44,660	191,020	130,350	366,030	43,350	93,410	54,060	190,820	556,850
2026	46,420	197,000	133,690	377,110	51,610	109,700	63,480	224,790	601,900

12.0 Appendix 12 – Social Housing Waiting List Data

12.1 Introduction

This Appendix provides supporting information on social housing waiting lists. It should be read in conjunction with Chapter 11 – Future Housing Need in the Main Report. The objective of Chapter 11 was to present Darroch’s forecasts of future growth in housing need.

Social housing waiting lists are one of the key indicators of social housing need. They provide important information on the overall quantum of need and can provide information on the characteristics of that need. Social housing waiting lists, however, present a number of issues that need to be taken account of. Specifically:

- Waiting lists may contain people no longer in need where the applicants have found alternative accommodation, but remain on the list;
- People may apply for housing before they actually need the accommodation because they know there is a waiting list, or as a back up plan;
- Some people in housing need may not be eligible for social housing;
- Waiting lists may under count the level of need because people in need are unaware of their eligibility; and
- People with housing need may feel that there is so little accommodation available, or available that they would consider that it is not worth their applying.

Notwithstanding these reservations this appendix will do three things:

- Consider the allocation mechanisms for both Housing New Zealand housing and Territorial Local Authority Housing in the Auckland Region;
- Outline, where able, current waiting list numbers; and
- Consider the type of need as reflected in waiting list demand by household size, principal applicant ethnicity and principal applicant age.

This appendix concludes by presenting supporting information on the Auckland Rough Sleepers 2008 Homeless Count.

12.2 Allocation of Social Housing

Housing New Zealand Allocation

HNZ allocates housing on the basis of need, rather than how long applicants have been on a waiting list. The Government defines housing need as an inability to access or sustain housing that is suitable, adequate and affordable. The length of time an applicant has to wait depends on household circumstances, current housing situation, and whether or not HNZ has the right type of dwelling available to meet the applicant’s needs.

When determining an applicant’s eligibility for housing HNZ will consider:

- Residency status and whether an applicant and other members of a household ordinarily and lawfully live in New Zealand;
- Income, and whether the applicant and their partner’s income is below a defined income threshold;
- Assets, and whether the applicant and their partner’s realisable assets have a value below a defined asset threshold; and
- The overall household’s level of need.

Once eligibility is established, priority is given to households experiencing housing and financial stress that is severe, urgent and likely to persist over time, and who have difficulty functioning in the private housing market. HNZ use a 'Social Allocation System' to determine an applicant's housing need and priority. The following matrix is used to determine each household's priority. It assesses the level of risk each household faces, based on the following criteria:

If, following an application and interview process, an applicant is confirmed as being eligible for HNZ housing, they will be placed on the waiting list. Priority on the waiting list for HNZ housing is divided into four groups that reflect different need levels:

- A – At Risk
A-priority household has severe and persistent housing needs that must be addressed immediately. The household's well-being is severely affected or seriously at risk by housing circumstances that are unsuitable, inadequate or unsustainable and there is an immediate need for action. The household is unable to access or afford suitable, adequate and sustainable housing without state intervention;
- B – Serious
B-priority household has a significant and persistent housing need. The household's well-being is affected in a significant and persistent way by housing circumstances that are unsuitable, inadequate or unsustainable. The household is unlikely in the near future, to be able to access or afford suitable, adequate and sustainable housing without state intervention;
- C – Moderate
C-priority household has a moderate housing need. The household is disadvantaged, and this is likely to compound over time due to housing circumstances that are unsuitable, inadequate or unsustainable. The household is unlikely to be able to access or afford suitable, adequate and sustainable housing without state intervention; and
- D – Low
D-priority household is one that may be able to function in the market and is either experiencing low level housing need or is disadvantaged.

Territorial Local Authorities Allocation

The five territorial authorities in the Auckland region that provide social housing; North Shore, Waitakere, Manukau, Papakura and Franklin, all have very similar allocation criteria. In general applicants need to be older than 60 years of age, in receipt of some sort of income support, have minimal assets, be New Zealand citizens or have residency, have lived in the TLA in question for a defined period and be able to live independently.

12.3 Housing New Zealand Waiting List

HNZ Waiting List Trend

Table A12.1 presents Housing New Zealand's waiting list for the Auckland region at annual rests since 2002.

Table A12.1: Housing New Zealand Waiting List Trend – Auckland Region

	A	B	C	D	Total
Number					
2002	21	2,527	3,477	802	6,827
2003	52	3,245	2,950	777	7,024
2004	32	2,580	2,902	964	6,478
2005	21	2,413	2,606	1,194	6,234
2006	38	2,253	2,368	1,187	5,846
2007	31	1,717	1,916	1,258	4,922
2008	121	2,107	1,635	1,134	4,997
2009	162	2,299	1,687	1,303	5,451
Percentage					
2002	0.3%	37.0%	50.9%	11.7%	
2003	0.7%	46.2%	42.0%	11.1%	
2004	0.5%	39.8%	44.8%	14.9%	
2005	0.3%	38.7%	41.8%	19.2%	
2006	0.7%	38.5%	40.5%	20.3%	
2007	0.6%	34.9%	38.9%	25.6%	
2008	2.4%	42.2%	32.7%	22.7%	
2009	3.0%	42.2%	30.9%	23.9%	

Source: Housing New Zealand, as at August each year

Housing New Zealand's Auckland region waiting list peaked in August 2003 at 7,024, declined to 4,922 in August 2007, but has since increased again and as at August 2009 numbered 5,451. Over the last couple of years the proportion of A and B category households on the waiting list have increased from 35.5% of the waiting list in August 2007 to 45.2% in August 2009.

Existing HNZ tenants, mainly C and D priority, account for about 31% of HNZ's current waiting list.

HNZ Waiting List by HMA

Table A12.2 presents Housing New Zealand's Auckland Region waiting list by Housing Market Area (HMA) as at August 2009. The table has been generated based on the 'preferred suburb' as indicated by households on the HNZ waiting list. Of the 5,451³⁵ households on the waiting list at that date a 'preferred suburb' was indicated by 4,902 or 90%. Where a household did not indicate a preferred suburb we have allocated them to the HMA where the neighbourhood housing unit which processed their application is located³⁶. Darroch has allocated each 'preferred suburb' to one of the HMAs manually, based on our understanding of suburb and HMA location. Consequently, our estimate in Table A12.2 of waiting list by HMA should be considered as broadly indicative only.

Table A12.2: Housing New Zealand Waiting List by HMA

	Housing Priority Need				Total	Percentage of Region	
	A	B	C	D		A & B	A, B, C D
Rural North	0	2	3	5	10	0.1%	0.2%
Rodney Southern Coastal	0	0	0	0	0	0.0%	0.0%
North Shore	4	72	108	114	298	3.1%	5.5%
Waitakere	15	265	298	267	845	11.4%	15.5%
Auckland North West	20	195	176	121	512	8.7%	9.4%
Auckland South West	32	370	478	367	1,247	16.3%	22.9%
Auckland CBD	3	9	17	12	41	0.5%	0.8%
Auckland North East	1	51	35	27	114	2.1%	2.1%
Auckland South East	18	214	160	157	549	9.4%	10.1%
Manukau North West	51	733	248	126	1,158	31.9%	21.3%
Manukau North	4	62	30	29	125	2.7%	2.3%
Manurewa & Papakura	13	319	132	73	537	13.5%	9.9%
Pukekohe	0	0	0	0	0	0.0%	0.0%
Rural South	1	5	0	4	10	0.2%	0.2%
Auckland region	162	2,297	1,685	1,302	5,446	100.0%	100.0%

Source: Housing New Zealand

Housing need as indicated by waiting list data shows need focused on six HMAs. They are:

- Auckland South West – 22.9% of households on the waiting list;
- Manukau North West – 21.3%;
- Waitakere – 15.5%;
- Auckland South East – 10.1%;
- Manurewa and Papakura – 9.8%; and
- Auckland North West – 9.4%.

³⁵ Five households were discarded from the dataset as they indicated a preferred location outside of our 14 HMAs leaving 5,446 households in total.

³⁶ Housing New Zealand in terms of the management of its rental stock is organised into twelve areas across the country with each area divided into neighbourhood housing unit offices to serve HNZ clients in the immediate area.

These six HMAs together accounted for slightly less than 90% of all households on the waiting list. The distribution of greatest housing need (A and B priority need), however, is notably different to the overall pattern. Manukau North West accounts for 32% of A and B priority households on the waiting list compared to just 21% of all households on the total waiting list. Similarly Manurewa and Papakura's share of A and B priority households was 13.5% compared to 9.9% of all households on the waiting list.

Table A12.2 includes households already renting from HNZ who are looking to transfer, for a range of reasons, out of their existing HNZ rental dwelling and into another dwelling that better meets their needs. As at August 2009 'transfers' accounted for 1,686 of the 5,446 households on the waiting list or 31% of households. If we disregard 'transfers' the distribution of the waiting list both in terms of priority need and location remains relatively stable.

HNZ Waiting List Characteristics

In terms of HNZ's waiting list characteristics we focus here only on those applicants not already HNZ tenants. That is we exclude the 1,686 'transfers'³⁷. Table A12.3 presents HNZ waiting list data by household size as at August 2009.

Table A12.3: Housing New Zealand Waiting List by Household Size - Auckland Region

	A	B	C	D	Total
Household Size					
One-person	39	370	344	251	1,004
Two-person	15	405	362	289	1,071
Three-person	23	315	208	146	692
Four-person	15	179	124	90	408
Five-person	16	115	75	57	263
Six person plus	23	169	80	50	322
Total	131	1,553	1,193	883	3,760
Percentage					
One-person	29.8%	23.8%	28.8%	28.4%	26.7%
Two-person	11.5%	26.1%	30.3%	32.7%	28.5%
Three-person	17.6%	20.3%	17.4%	16.5%	18.4%
Four-person	11.5%	11.5%	10.4%	10.2%	10.9%
Five-person	12.2%	7.4%	6.3%	6.5%	7.0%
Six person plus	17.6%	10.9%	6.7%	5.7%	8.6%

Source Housing New Zealand, Transfers excluded

Need for Housing New Zealand stock as measured by the current waiting list is greatest from two-person households (28.5%), one-person households (26.7%) and three-person households (18.4%). Larger households, however, account for a greater than average percentage of applicants on the A and B priority list.

³⁷ Three non-transfer records were also discarded from the HNZ waiting dataset as they indicated a preferred location outside of any of the 14 HMAs.

Specifically in terms of A and B priority list applicants need by smaller households (one and two-person) is above region averages in Auckland North West, Auckland South West, and Manurewa and Papakura. Demand by larger households (five person and over) is above region wide averages in Manukau North West and Auckland South East.

Table A12.4 presents HNZ waiting list data by principal applicant ethnicity as at August 2009. Applicants in some instances identify with more than one ethnicity. Calculation excludes applicants who do not indicate at least one ethnic group.

Table A12.4: Housing New Zealand Waiting List by Principal Applicant Ethnicity – Auckland Region

	A	B	C	D	Total
Ethnicity					
Maori	31	398	208	105	742
Asian	8	111	212	250	581
European	25	294	282	207	808
MELA	7	85	89	49	230
Other	0	4	8	0	12
Pacific People	50	629	370	251	1,300
Percentage					
Maori	26.5%	27.5%	18.4%	12.4%	20.9%
Asian	6.8%	7.7%	18.7%	29.5%	16.4%
European	21.4%	20.3%	24.9%	24.4%	22.8%
MELA	6.0%	5.9%	7.9%	5.8%	6.5%
Other	0.0%	0.3%	0.7%	0.0%	0.3%
Pacific People	42.7%	43.5%	32.7%	29.6%	36.7%

Source Housing New Zealand, Transfers excluded

Slightly less than two fifths of applicants identified themselves as having Pacific people ethnicity, either as their only ethnicity or as one of several ethnicities. By way of comparison slightly more than a fifth of applicants identified themselves as having European ethnicity either as their only ethnicity or as one of several ethnicities, and slightly more than a fifth of applicants identified themselves as having Maori ethnicity, either as their only ethnicity or as one of several ethnicities.

Of the applicants on the A priority list, however, 42.7% identified themselves as having Pacific people ethnicity, either as their only ethnicity or as one of several ethnicities and 26.5% identified themselves as having Maori ethnicity, either as their only ethnicity or as one of several ethnicities. Applicants who identified themselves as having Pacific people or Maori ethnicity, either as their only ethnicity or as one of several ethnicities accounted for similar percentages of the B priority list.

Table A12.5 presents the ethnicity share of A and B priority applicants by the six HMAs with the largest numbers of HNZ dwellings³⁸.

³⁸ Applicants have been allocated to the 14 HMAs based on their 'preferred suburb' preference. Darroch has allocated each 'preferred suburb' to one of the HMAs manually, based on our understanding of suburb and HMA allocation. Consequently, the numbers in Table A12.5 of waiting list by HMA should be considered as broadly indicative only.

Table A12.5: A & B Priority Waiting List by Principal Applicant Ethnicity – HMA

	Auckland South West	Manukau North West	Waitakere	Auckland South East	Manurewa & Papakura	Auckland North West	Auckland Region
Ethnicity							
Maori	16.4%	25.5%	24.2%	28.1%	51.9%	25.7%	27.5%
Asian	16.0%	3.7%	6.5%	10.5%	1.4%	12.1%	7.6%
European	23.0%	8.5%	32.8%	17.0%	14.6%	37.9%	20.4%
MELA	15.2%	1.0%	5.4%	2.6%	8.0%	3.6%	5.9%
Other	0.4%	0.0%	0.5%	0.0%	0.0%	1.4%	0.3%
Pacific People	32.0%	65.8%	38.2%	52.3%	29.2%	21.4%	43.5%

Source Housing New Zealand, Transfers excluded

Applicants who identified themselves as Pacific people, either as their only ethnicity or as one of several ethnicities were over-represented, in terms of their region-wide average (43.5%), in Manukau North West (65.8%) and Auckland South East (52.3%).

Applicants who identified themselves as European, either as their only ethnicity or as one of several ethnicities was over-represented, in terms of their region-wide average (20.4%), in Waitakere (32.8%) and Auckland North West (37.9%). Applicants who identified themselves as Maori, either as their only ethnicity or as one of several ethnicities was over-represented, in terms of their region-wide average (27.5%), in Manurewa and Papakura (51.9%).

Table A12.6 presents HNZ waiting list data by principal applicant age as at August 2009.

Table A12.6: Waiting List by Principal Applicant Age – Auckland Region

	A	B	C	D	Total
Age Group					
15 to 19	2	37	11	7	57
20 to 29	43	399	228	112	782
30 to 39	28	351	226	167	772
40 to 49	36	354	259	173	822
50 to 64	18	266	252	183	719
65 plus	4	145	217	241	607
Total	131	1552	1193	883	3,759
Percentage					
15 to 19	1.5%	2.4%	0.9%	0.8%	1.5%
20 to 29	32.8%	25.7%	19.1%	12.7%	20.8%
30 to 39	21.4%	22.6%	18.9%	18.9%	20.5%
40 to 49	27.5%	22.8%	21.7%	19.6%	21.9%
50 to 64	13.7%	17.1%	21.1%	20.7%	19.1%
65 plus	3.1%	9.3%	18.2%	27.3%	16.1%

Source Housing New Zealand, Transfers excluded

Demand for Housing New Zealand stock as measured by the age of the principal applicant is reasonably evenly spread across all age groups with the exception of the 15 to 19 year old age group which accounts for less than 2% of total applicant households. The 20 to 29 year old age group and to a lesser extent the 40 to 49 year old age group have an account for a greater than average percentage of applicants on the A and B priority list.

12.4 Territorial Local Authority Waiting Lists

Of the five TLAs with social housing in the Auckland region we obtained information on their waiting lists from North Shore City, Manukau City and Waitakere. In general the housing need as reflected in TLA housing waiting lists reflects their allocation criteria - specifically, housing for non-working elderly, facing affordability constraints.

North Shore City

As at September 2009, 20 couples were on the waiting list for double units of which there are 69 and 66 individuals were on the waiting list for single units of which there are 389.

Demand for North Shore City housing has increased over the last couple of year or so, in particular demand by singles, although this may in part reflect changes in the way the waiting list is being managed.

The majority of applicants for North Shore City housing apply because of un-affordability in the private sector. Security of tenure is also important for many applicants.

Manukau City

As at October 2009 the current waiting list for the 515 units in Manukau City was 71 with the majority of these for areas where there are limited vacancies e.g. Pakuranga, Howick, and Wiri.

Applications are received daily and at present there are approximately 50 applications still to be interviewed and assessed. A large portion of these are for the areas where the flats are being refurbished.

Waitakere City does not have a waiting list currently due a significant refurbishment programme that has been running over the last couple of years. Over the past two years, with assistance from the Housing New Zealand Corporation Housing Innovation Fund (HIF), Waitakere has undertaken interior upgrades on approximately 50% of their units. Due to changes in the funding of HIF, the final year of the programme was cut, and Waitakere is itself progressively upgrading the remaining units where vacancies and internal funding allows. The Council has recently commenced advertising and networking activities to ensure that the community is aware of the housing available, and currently has approximately 20 applications for new tenancies in the system.

12.5 Auckland Homeless Count

The Auckland Rough Sleepers Initiative in June 2008 carried out its fourth annual street count census of homeless people in Auckland City³⁹. The count aims to take a snap shot of primary homeless people within a three kilometre radius of Auckland's Sky Tower.

Table A12.7 presents the results of the 2008 count and compares the homeless count in 2008 to previous street count censuses. Those homeless for the purpose of the count are people without conventional accommodation, i.e., living on the streets, in deserted buildings, improvised dwellings, in parks etc. This is the definition of primary homelessness as devised by Chamberlain and Mackenzie⁴⁰. Table A12.7, for 2008, also shows the number of people living in boarding house accommodation in the same area in an attempt to capture an indication of the numbers of secondary and tertiary homeless in the area. Chamberlain and Mackenzie define the secondary homeless as 'people moving between various forms of temporary shelter including: friends or relatives, emergency accommodation, youth or women's refuges, hostels and boarding houses'. They define tertiary homelessness as 'people living in single rooms in private boarding houses on a long-term basis – without their own bathroom, kitchen, or security of tenure'.

Table A12.7: Auckland Rough Sleepers Initiative Homeless Count

	2004	2005	2007	2008
Primary homeless	64	81	65	91
Boarding Houses	Na	na	na	604

Source: Ellis and McLuckie, Auckland Rough Sleeper initiative, 2008

The 2008 count showed 91 homeless people and 604 people living in boarding houses (871 available beds) within a three kilometre radius of the Auckland CBD.

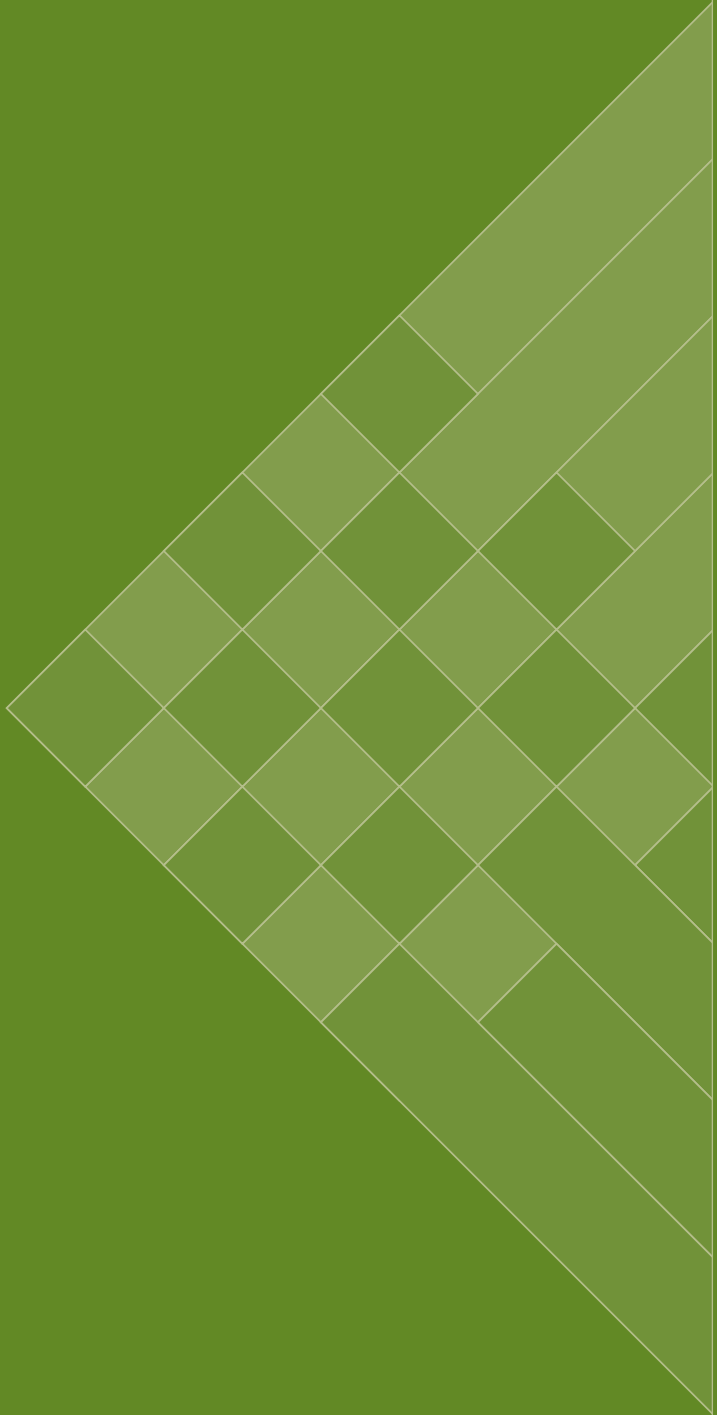
Of the 91 homeless captured by the 2008 count 47% were of Maori ethnicity, 26% were European and 9% Pacific people. Of the 91 homeless people counted, the vast majority (80%) were male. In terms of age 32% of the people counted were aged between 41 and 50 years, 23% were aged between 21 and 30, and 18% were 51 years of age and older.

The Auckland Homeless Count – Report 2008 noted the discrepancy between the 91 people homeless and the 267 vacancies in boarding houses on the night. Ellis and McLuckie observed that frequently people with complex needs in terms of mental illness, alcohol and drug addiction have behaviours that are not manageable in such environments. Also, they were often excluded from this type of accommodation because of this.

Ellis and McLuckie also commented on the under-representation of women in the homeless count although noted that there were more women in boarding house accommodation (27%) compared to the 7% of women that were homeless. They noted that the pattern of female under-representation in terms of homelessness was consistent with international research. They suggested that there is insufficient safe and secure emergency accommodation for women in Auckland, and that women are more likely to be secondary or tertiary homeless.

³⁹ Auckland Homeless Count – Report 2008, by Lynsey Ellis and Stephen McLuckie of the Auckland Rough Sleepers Initiative. http://www.mmn.org.nz/documents/Report_Street_Count_2008.pdf

⁴⁰ Chamberlain, C. & Mackenzie, D. (1992) Understanding Contemporary Homelessness: Issues of Definition and Meaning', Australian Journal of Social Issues, vol.27 (4), pp.274-297.



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