



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI

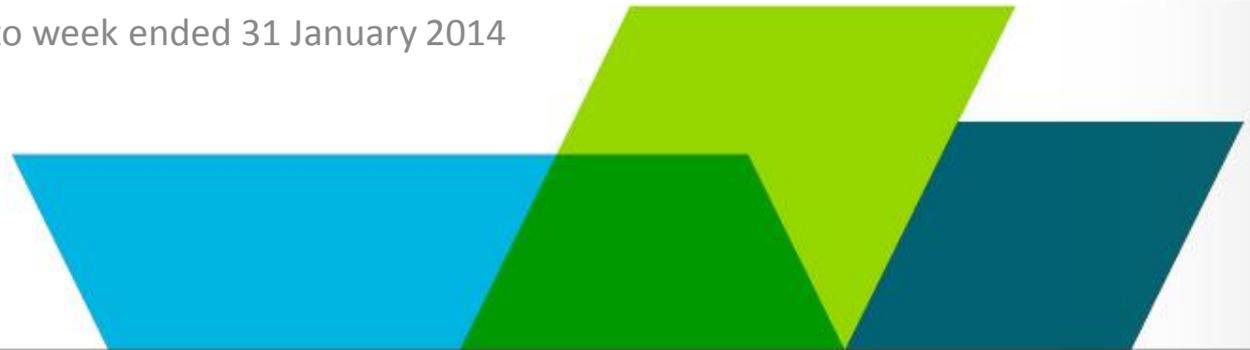


Auckland Housing Accord Monitoring Report #1

Oct 2013 – Jan 2014

Based on:

- building consent data to month ended January 2014
- new sections data to week ended 31 January 2014



Executive summary

Accelerating growth in newly consented dwellings (particularly new apartments) is increasing the net number of new dwellings and sections in Auckland.

- In the four months since the Auckland Housing Accord took effect, a net total of 3,600 new sections have been created and dwellings consented in Auckland.
- More new dwellings were consented in the 12 months to the end of January 2014 than in any 12 month period since the 12 months to September 2007; and the December 2013 monthly annual growth rate of 38% was the highest since March 2003.
- At this rate, the Year 1 target of 9,000 dwellings and sections is likely to be exceeded by almost 1,800 (20%).
- Despite this good start, development activity will need to continue to accelerate in order to meet the more ambitious targets in the second and third years of the Accord, and to meet the long-run supply task identified in the Auckland Plan (of 10,000 dwellings per year in the first decade, rising after that).
- Capacity from land in the pipeline has increased. There is currently enough zoned, water-and-transport-enabled greenfield land for approximately 24,900 dwellings (up from 15,000 a year ago), or about 5.4 years' worth of greenfield land supply. This is below the Auckland Plan target of an average of 7 years' capacity, but above its minimum level of 5 years' supply. Market factors will determine the speed with which this capacity is converted into new residential sections and dwellings.
- Within the 22 special housing areas created so far, activity is increasing, but as expected this is yet to impact the headline figures. The Housing Project Office is working on over 50 pre-applications with customers (for over 2000 sites/dwellings), has approved 13 consents (for 120 sites/dwellings), and is facilitating master-planning of a further 15 developments.
- Despite the upturn in residential development activity the median house price has continued to increase in Auckland. This is partly the result of other factors that affect house prices, but is also because the recent surge in dwelling consents is still only half the previous peak and is really only addressing the current dwelling shortfall, rather than responding to the underlying demand from population growth.

Targets

The Auckland Housing Accord targets are based on the net number of new dwellings consented and sections created in Auckland each year.

Auckland Housing Accord

Paragraph 26

“The agreed goals, set out below, include all new dwellings and new sites consented under existing regulations or through the application of the new tools enabled through this Accord and are based on new building and subdivision consents in greenfield and brownfield areas.”

Year 1	Year 2	Year 3	Total
Oct 2013 – Sep 2014	Oct 2014 – Sep 2015	Oct 2015 – Sep 2016	Oct 2013 – Sep 2016
9,000	13,000	17,000	39,000

- **Dwellings**

- The number of new dwellings that receive building consent, as recorded in the monthly building consent data available from Statistics New Zealand.

- **Sections**

- The number of new residential sections of up to 5,000m² that are legally created in the land register, as recorded weekly by Land Information New Zealand.

Overview

In the 4 months since the Accord took effect, a net total* of 3,600 new sections have been created and dwellings consented in Auckland.

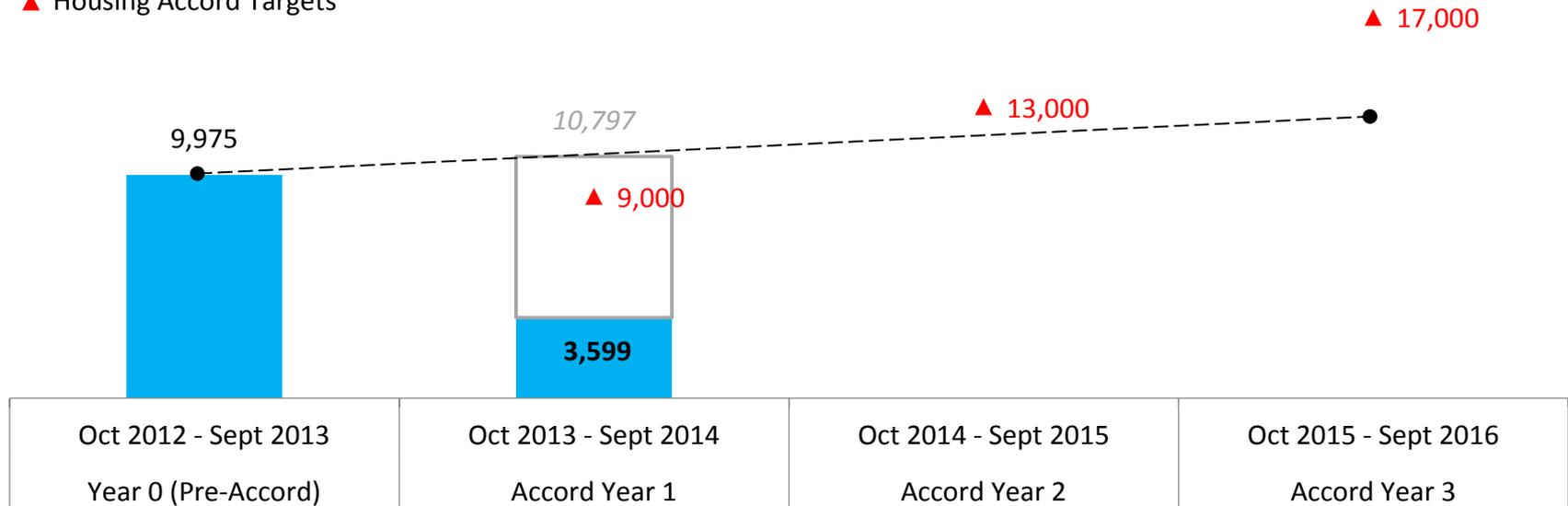
Net number of new dwellings consented and sections created

New dwellings, new sections & new dwelling/section combinations; Oct 2012 – Jan 2014; Statistics NZ (dwellings); Land Information NZ (sections)

□ Likely total (based on monthly average)

■ Net number of new dwellings consented and sections created

▲ Housing Accord Targets



* **The net total** adjusts for any overlap between new sections created and the dwellings that are consented on those sections (i.e. it avoids double-counting). Where a section created during the Accord period has a dwelling consented on it during the Accord period, the section and dwelling are counted as one. If more than one dwelling is consented on the section, then the additional dwellings are also counted.

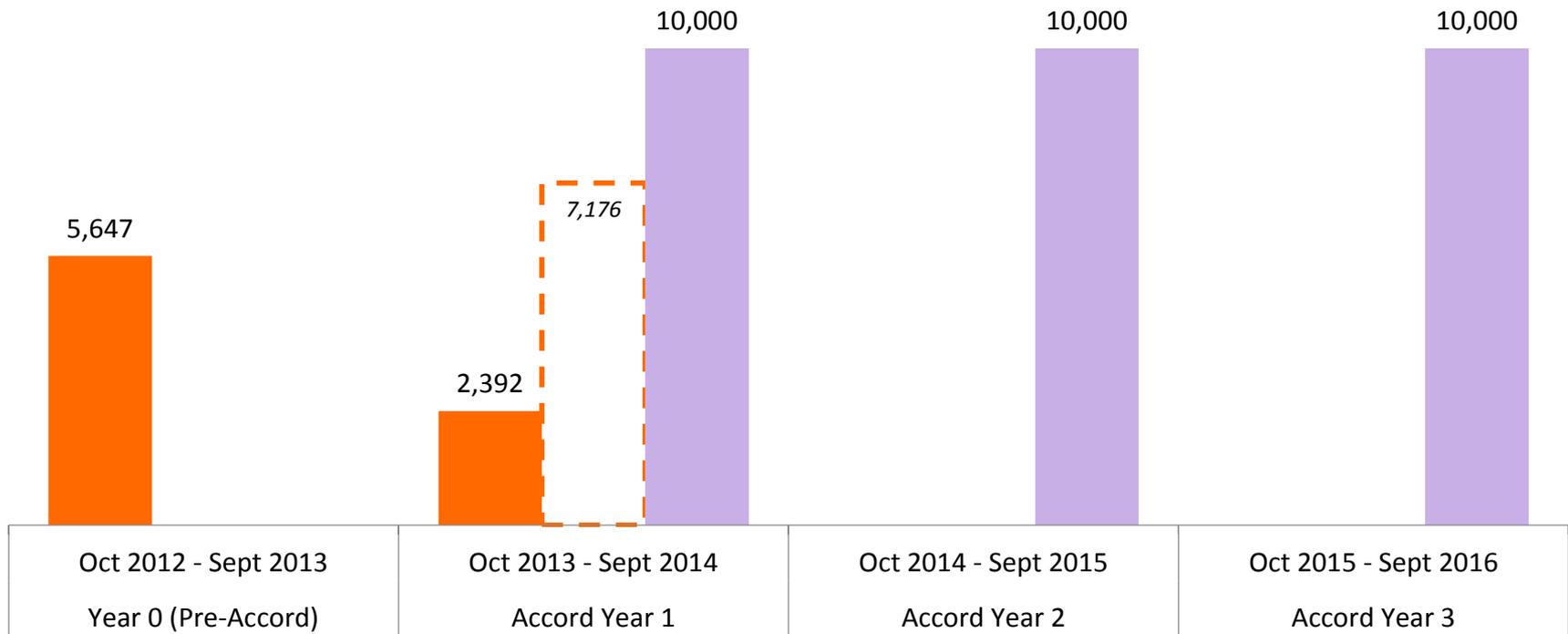
New dwellings

The number of new dwellings being consented is rising quickly, and will need to continue to do so to reach the number of new dwellings called for in the Auckland Plan.

Number of new dwellings that received building consent

Oct 2012 – Jan 2014; Auckland; cumulative totals to Jan 2014; Statistics New Zealand (Infoshare)

- Actual dwellings consented so far
- Likely total (based on monthly average so far)
- Required dwellings (Auckland Plan)



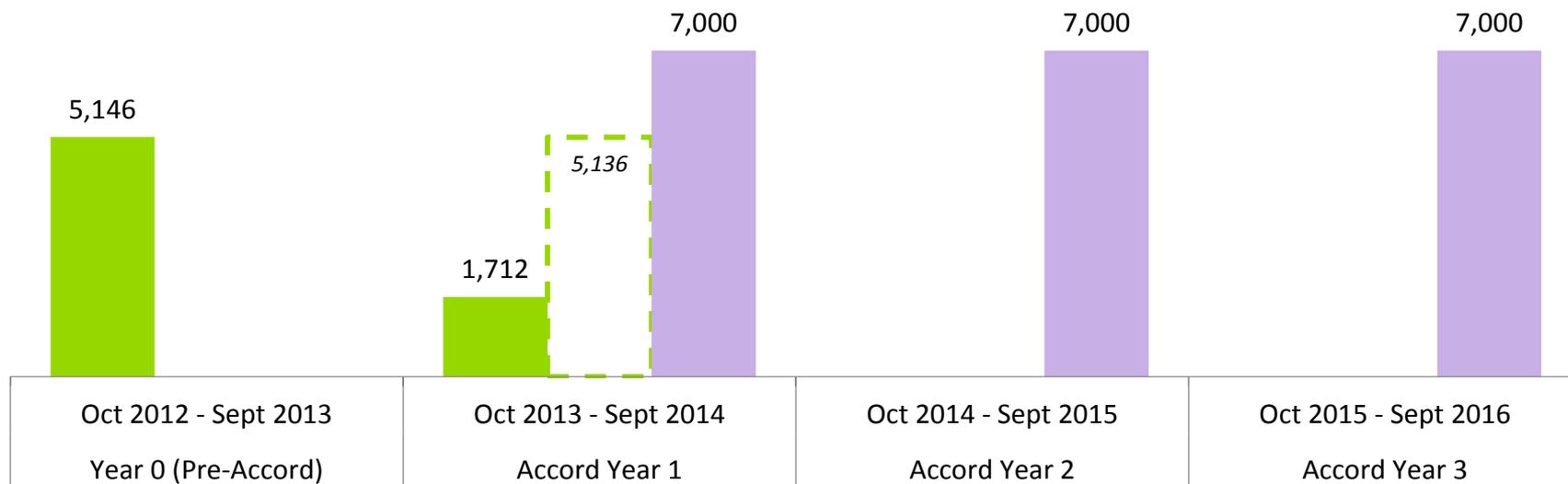
New sections

New sections are being created at a steady rate, but will need to increase to support the number of new dwellings called for in the Auckland Plan.

Number of new residential sections legally created

New sections < 5,000m² in areas zoned for residential housing; Auckland; cumulative totals to Jan 2014; Land Information New Zealand

- Actual sections created so far
- ▨ Likely total (based on monthly average)
- Indicative requirement to achieve the Auckland Plan*



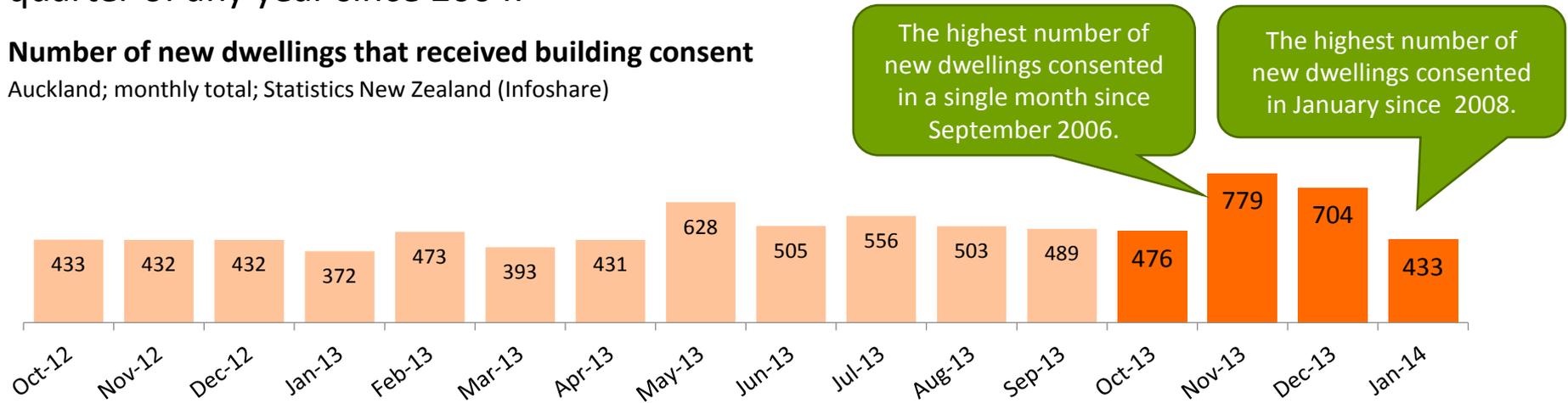
* Each new dwelling doesn't necessarily need a new section. For example, some new dwellings are apartments in multi-dwelling buildings that sit on single land parcels. In 2013, 22% of new dwellings were apartments. To allow for apartments to be an increasing share of new dwellings, and to allow for those instances where multiple horizontally attached dwellings are also built on a single land parcel, the indicative number of sections suggested here is 30% less than the total number of new dwellings called for in the Auckland Plan each year.

Consented dwellings – monthly

More new dwellings were consented in the last quarter of 2013 (1,959) than in the last quarter of any year since 2004.

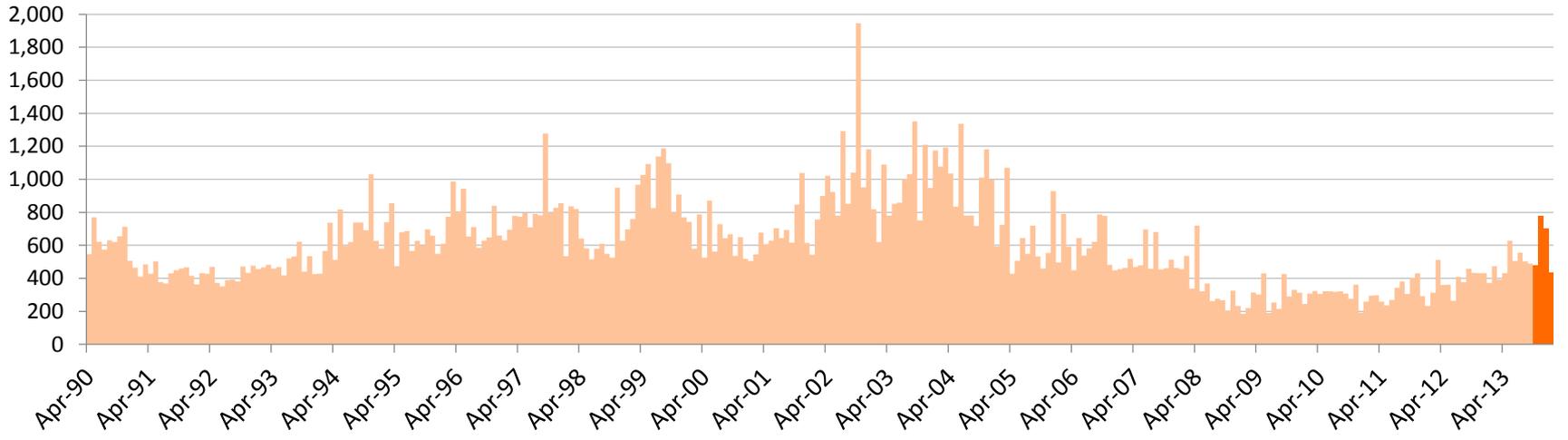
Number of new dwellings that received building consent

Auckland; monthly total; Statistics New Zealand (Infoshare)



The highest number of new dwellings consented in a single month since September 2006.

The highest number of new dwellings consented in January since 2008.

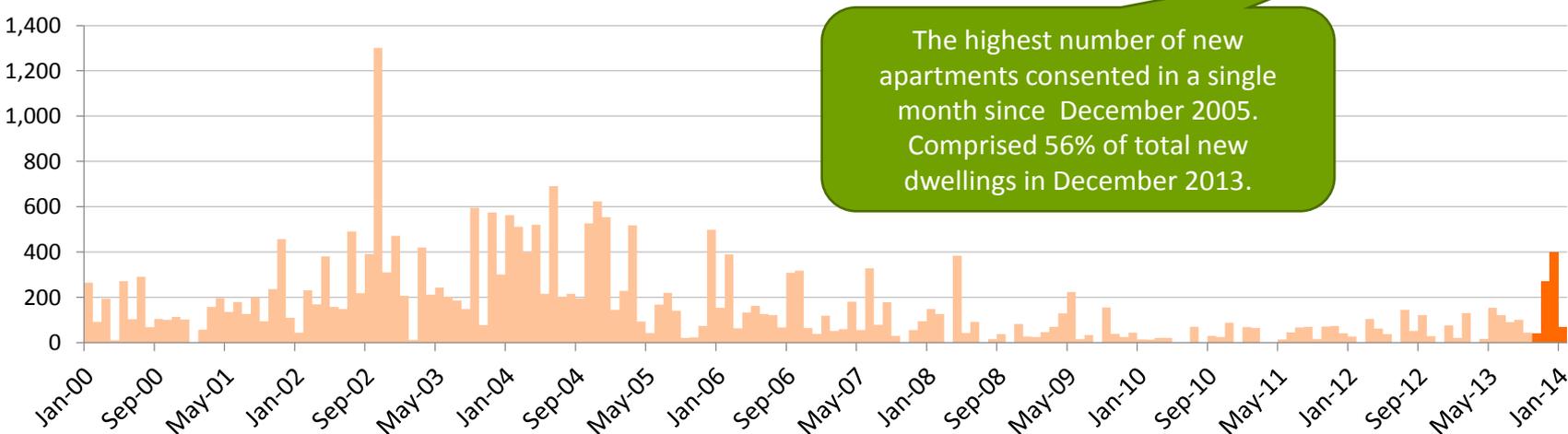
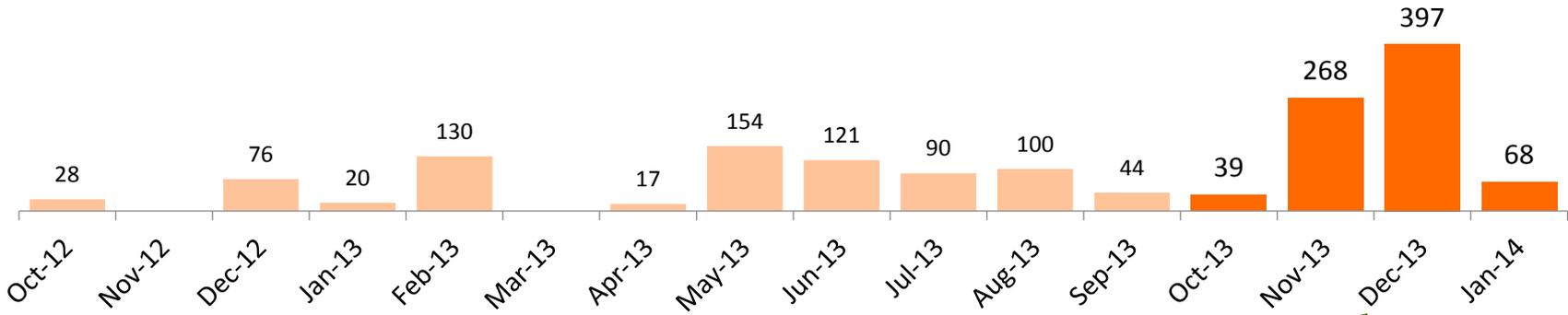


Consented apartments – monthly

The high number of new dwellings consented in November and December 2013 was the result of high numbers of new apartments being consented.

Number of new apartment dwellings that received building consent

Jan 2000 – Jan 2014; Auckland; monthly total; Statistics New Zealand (Infoshare)

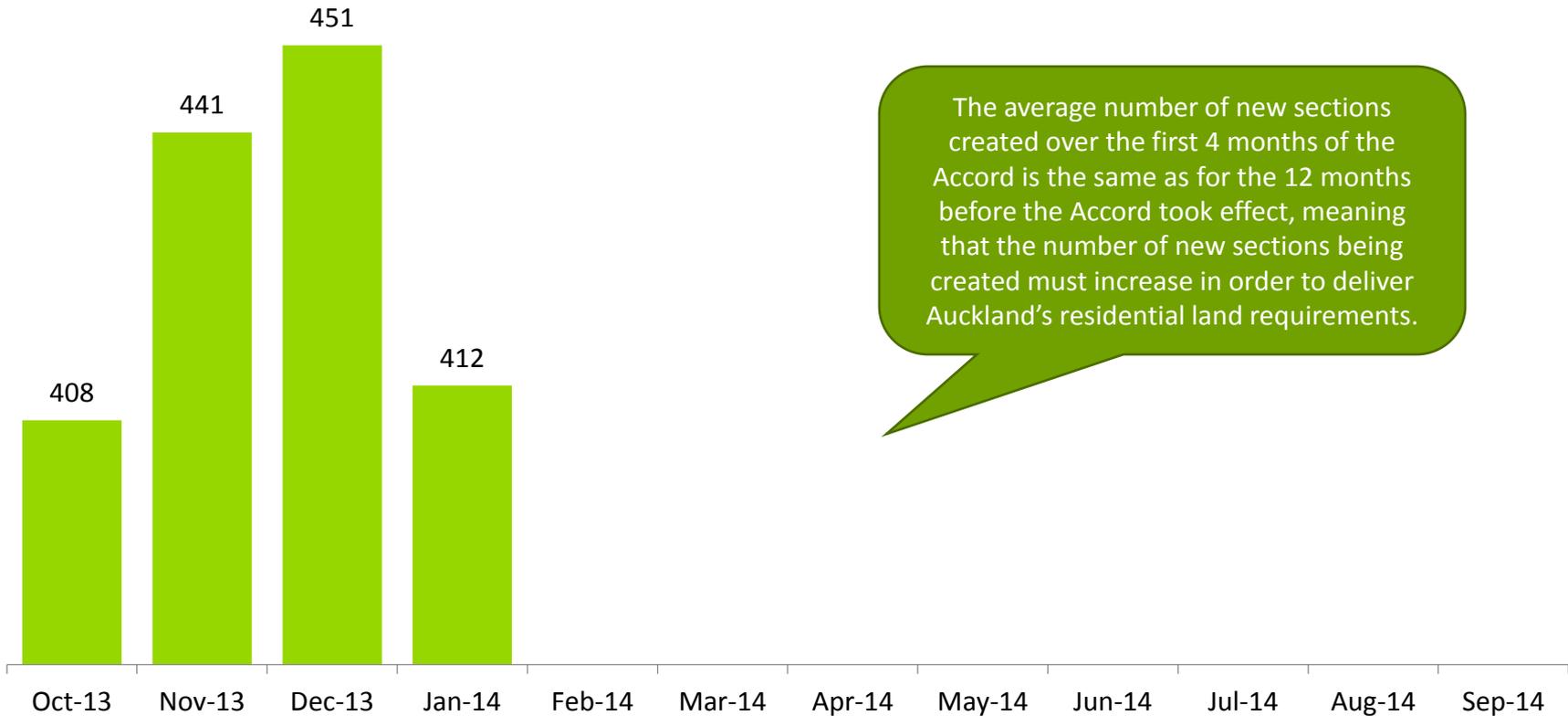


New sections – monthly

In the 4 months since the Accord took effect, an average of 428 new residential sections have been created in Auckland each month.

Number of new residential sections legally created

New sections < 5,000m² in areas zoned for residential housing; Auckland; monthly from Oct 2013; Land Information New Zealand



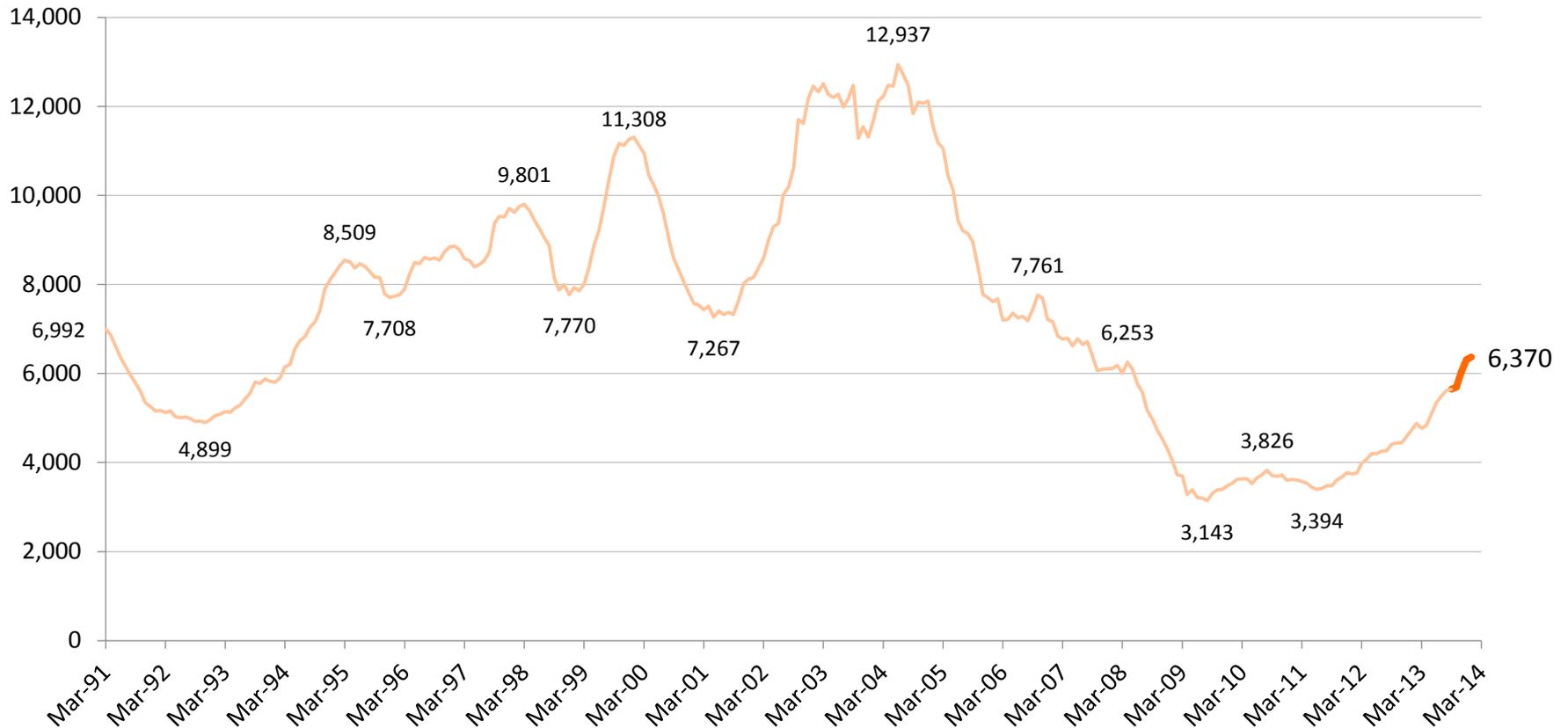
The average number of new sections created over the first 4 months of the Accord is the same as for the 12 months before the Accord took effect, meaning that the number of new sections being created must increase in order to deliver Auckland's residential land requirements.

Consented dwellings – yearly

More new dwellings were consented in the 12 months to January 2014 than in any 12 month period since 2007, but this is still only half the previous peak in 2004.

Number of new dwellings that received building consent in the last 12 months

Mar 1991 – Jan 2014; Auckland; 12-month running total; Statistics New Zealand (Infoshare)

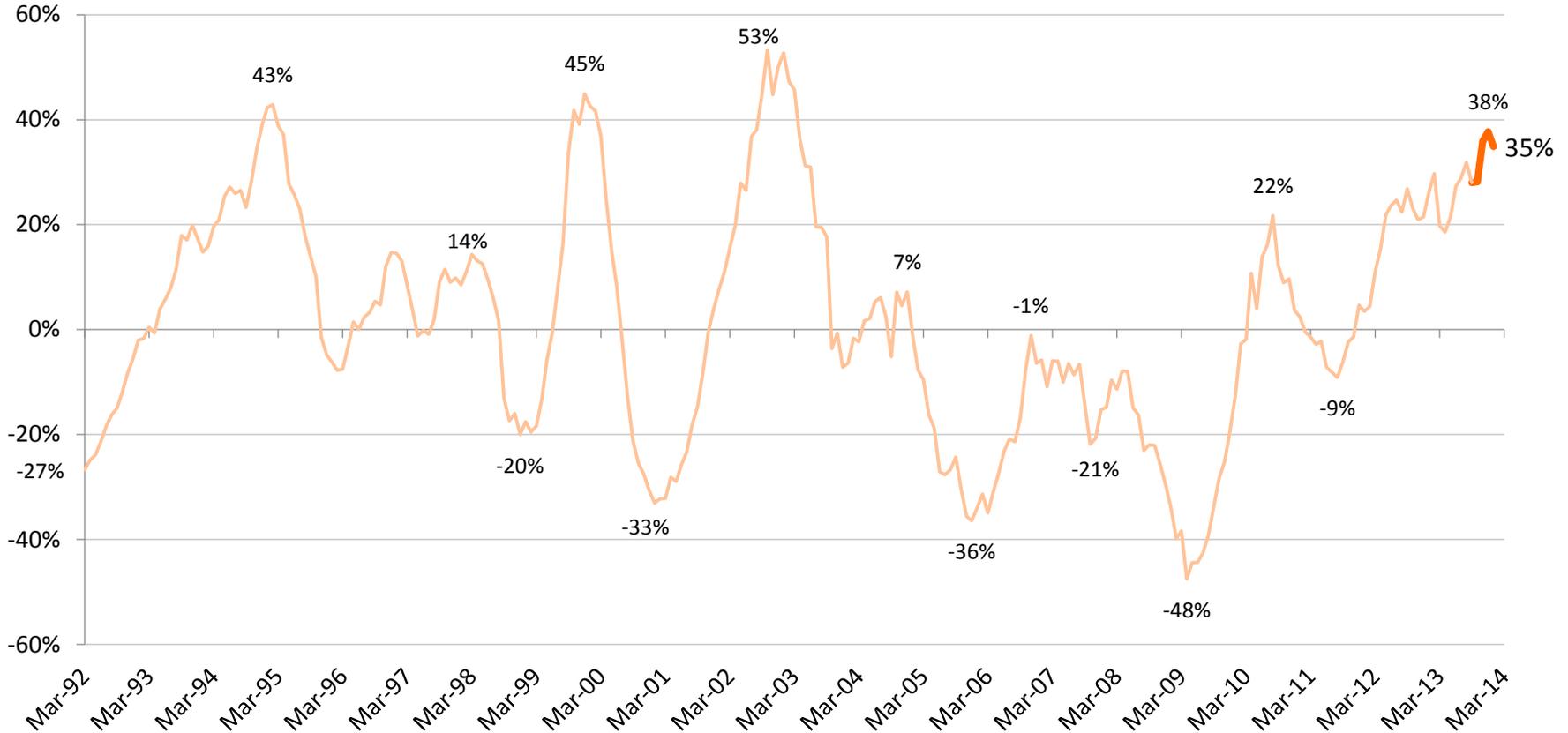


Consented dwellings – growth

The monthly annual growth rate has averaged 34% since the Accord took effect, peaking in December at 38% – its highest level since March 2003.

Growth in consented new dwellings compared to the same month in the previous year

Change in the number of consented dwellings; Mar 1992 – Jan 2014; Auckland; Statistics New Zealand (Infoshare)

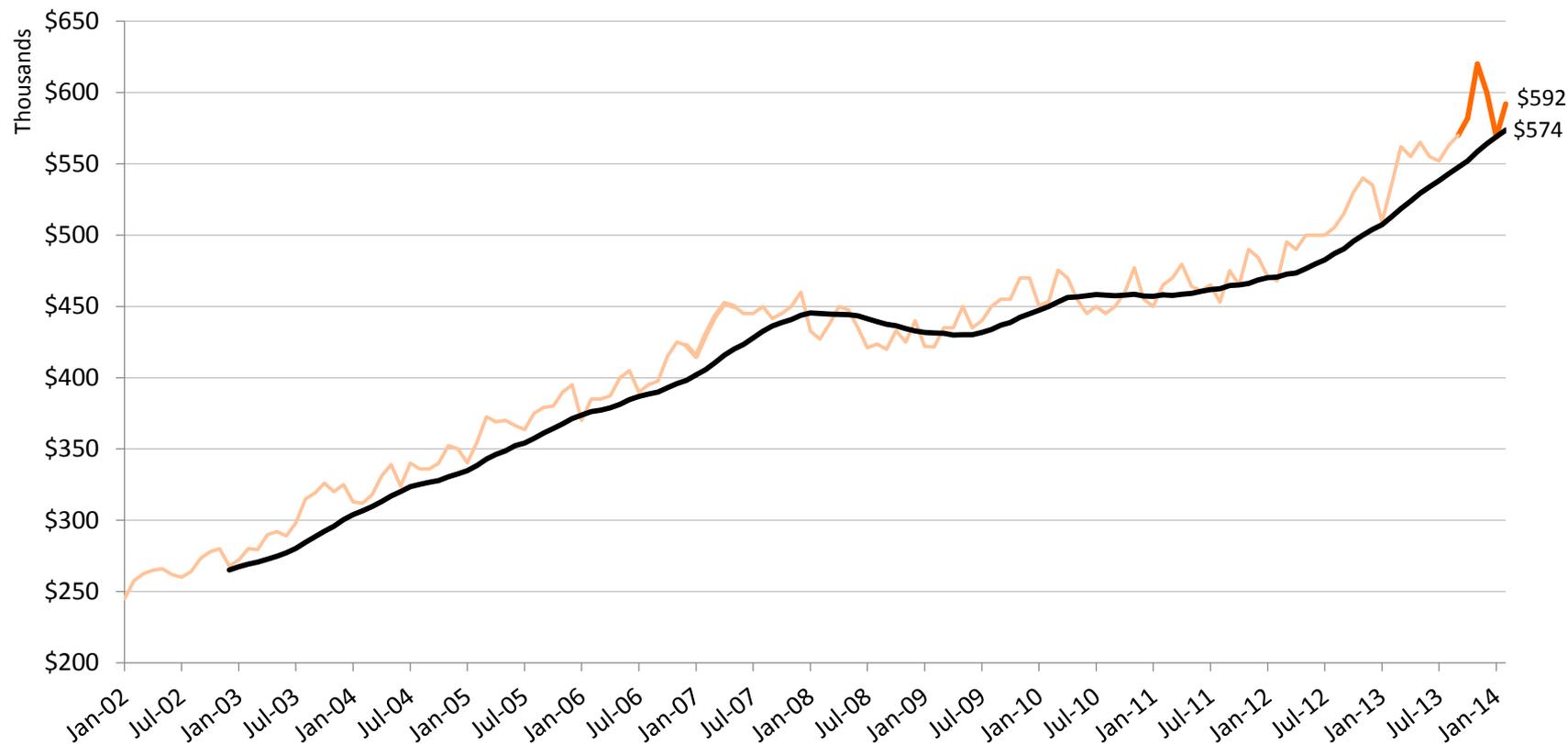


Sales prices

Dwelling prices in Auckland continue to trend upwards, with the median price averaging \$573,750 over the last 12 months.

Median dwelling price

Jan 2002 – Feb 2014; Auckland; monthly median; Real Estate Institute of New Zealand

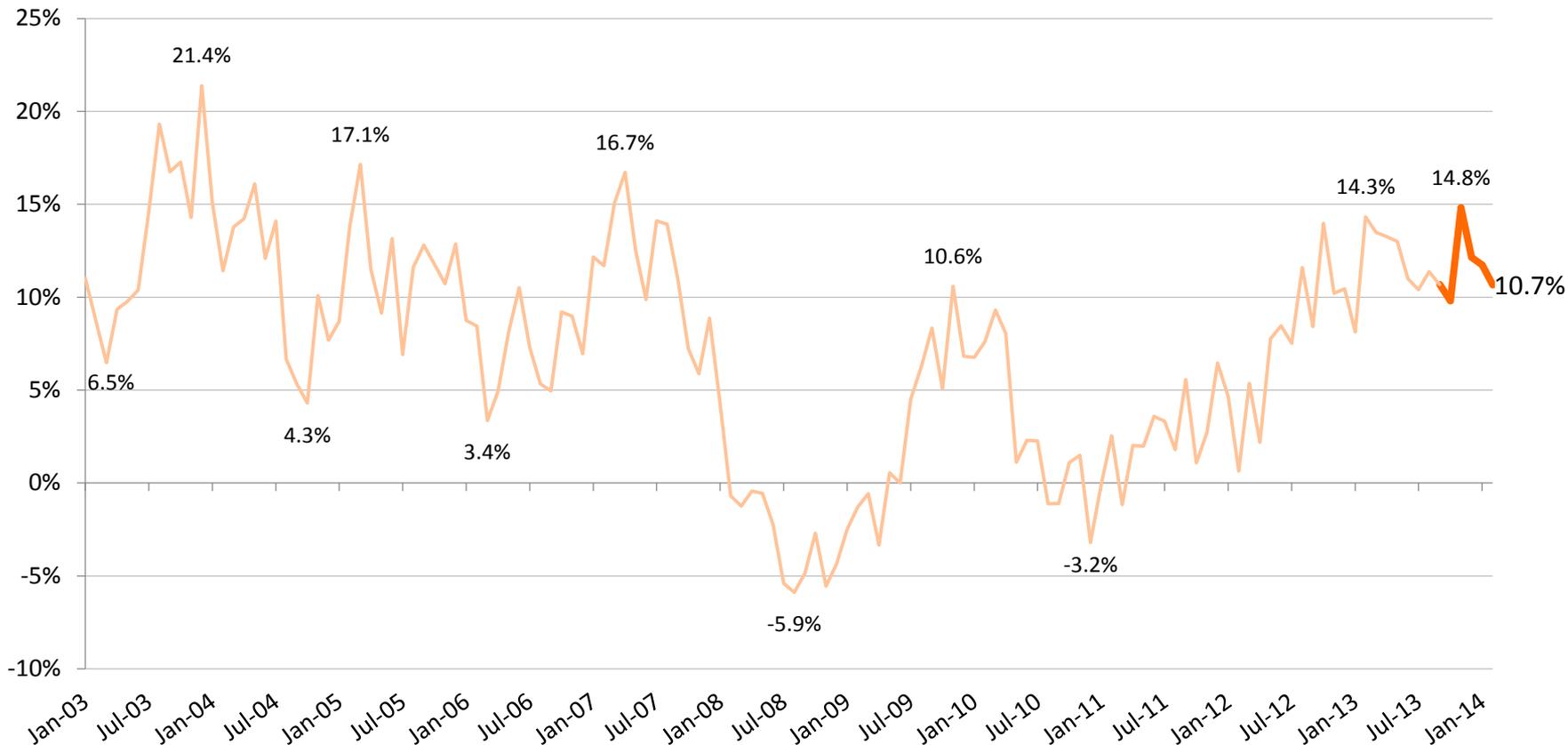


Sales prices – growth

The monthly annual growth rate in the median sales price for dwellings in Auckland has remained above 10% for all but 3 months since August 2012, averaging 11.6%.

Growth in the median sales price compared to the same month in the previous year

Change in the median sales price; Oct 2008 – Feb 2014; Auckland; Real Estate Institute of New Zealand



Planning activity in special housing areas

Developers in the 22 special housing areas that have been created since October 2013 have begun lodging consent applications, with much more activity expected shortly.

Special housing areas	Expected dwellings / sections during the Accord period	Total expected new dwellings / sections over the long term
22 created to date	5,850	15,350

Consenting activity in special housing areas

Oct 2013 – Mar 2014; Auckland Council (Housing Project Office)

Stage	Under consideration	Approved	Total expected new dwellings / sections
Pre-application meetings	Over 50		2,223
Consent applications	2	13 resource consents	120
Master planning	15 areas		