



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



Auckland Housing Accord Final report for the first year October 2013 to September 2014

Based on:

- building consent data to month ended September 2014
- new sections data to week ended 30 September 2014
- Housing project Office consenting activity to 30 September 2014



Executive summary

- The Year 1 Auckland Housing Accord target of 9,000 sections created or new dwellings consented has been exceeded
- The net number of new sections created and new dwellings consented in Accord Year 1 was 11,060, exceeding the target by 2,060
- There were 7,366 new dwelling building consents in the Accord Year, the highest annual total since the year ending September 2006
- There were 5,523 new residential sections created in Accord Year 1
- Master planning for plan variations is advancing in Special Housing Areas with:
 - 4 plan variations lodged, capable of producing 5,200 dwellings
 - 13 master planning variation pre-applications in progress for 10,710 dwellings
- Consenting activity where no variation is required has commenced and is increasing in Special Housing Areas with:
 - 41 qualifying developments (QDs) approved for 477 dwellings
 - 21 qualifying developments in progress for 628 dwellings
 - 42 pre-applications under consideration for 3,031 dwellings

Executive summary

- A total of 80 Special Housing Areas have been created during the first year of the Accord, covering a combined area of 4,182 hectares:
 - 2,822 hectares are inside the 2010 Metropolitan Urban Limit and 1,360 hectares are outside
- Over time, the 80 Special Housing Areas are expected to accommodate 43,000 new dwellings, with about 11,000 sections or dwellings expected during the Accord itself.
- Over 2 years' worth of additional greenfield land has been made available, taking land supply above the minimum target of 5 years' supply for the first time since the Auckland Plan was adopted.
- The SHAs outside the Metropolitan Urban Limit represent 13% of a 30-year supply of new greenfield land for residential housing:
 - Land in these SHAs will all become available within the next 18 months, once plan changes are complete under the accelerated process facilitated by the Housing Accords & Special Housing Areas Act.
 - The dwelling capacity of this land will raise greenfield land supply above the 7 year average required by the Auckland Plan.
- The number of new apartments consented during the first year of the Accord is more than double the year before and is the highest number consented in any 12 month period since 2006.
- In total, 7,366 new dwellings were consented to 30 September 2014 – up from 5,647 in the previous year. This is the highest number consented in any 12 month period since the 12 months to October 2006.

Meeting Accord targets



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**

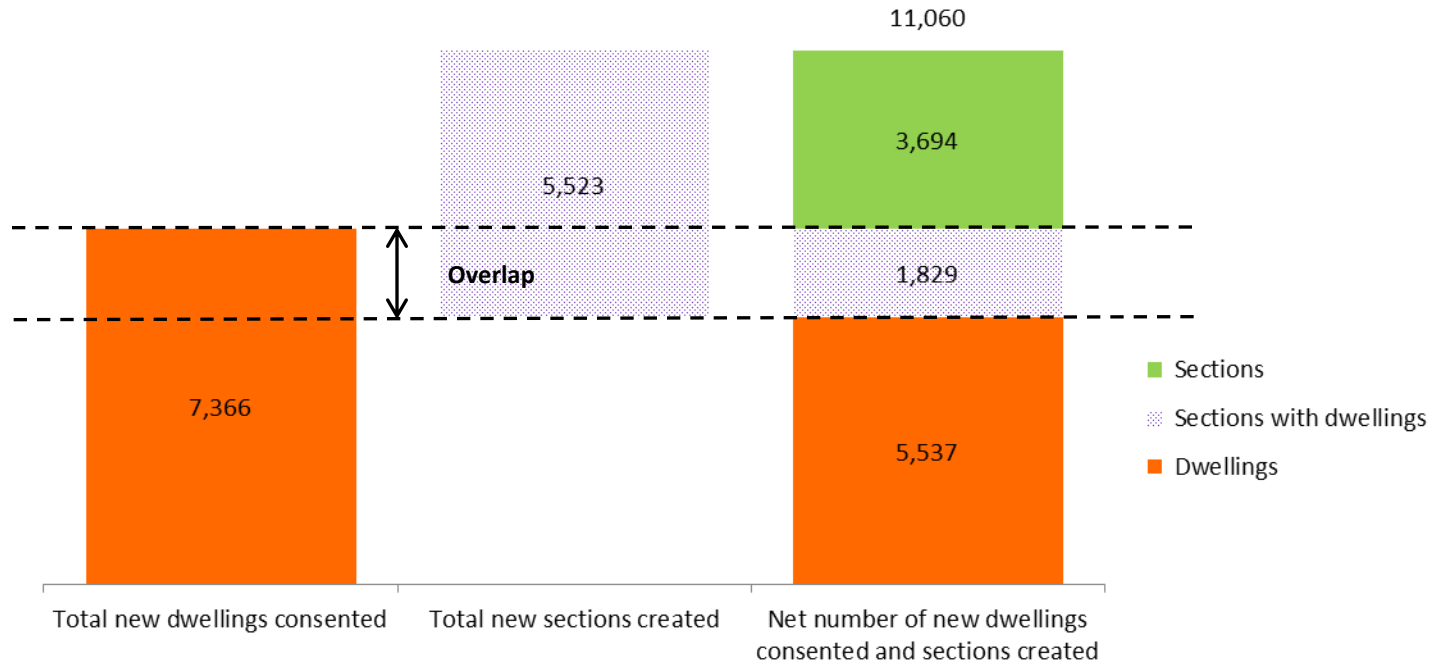
- The number of new residential sections of up to 5,000m² that are legally created in the land register, as recorded weekly by Land Information New Zealand.

Net total Dwellings and Sections in Accord Year 1

The number of new dwellings consented and the number of new sections created in Accord Year 1 must each be adjusted for the 1,829 occasions on which they overlap. After adjustment there were net 11,060 dwellings consented and sections created.

Net number of new dwellings and sections created*

Auckland; Oct 2013 – Sep 2014; adjusted for dwelling/section combinations; Statistics NZ (dwellings); Land Information NZ (sections)



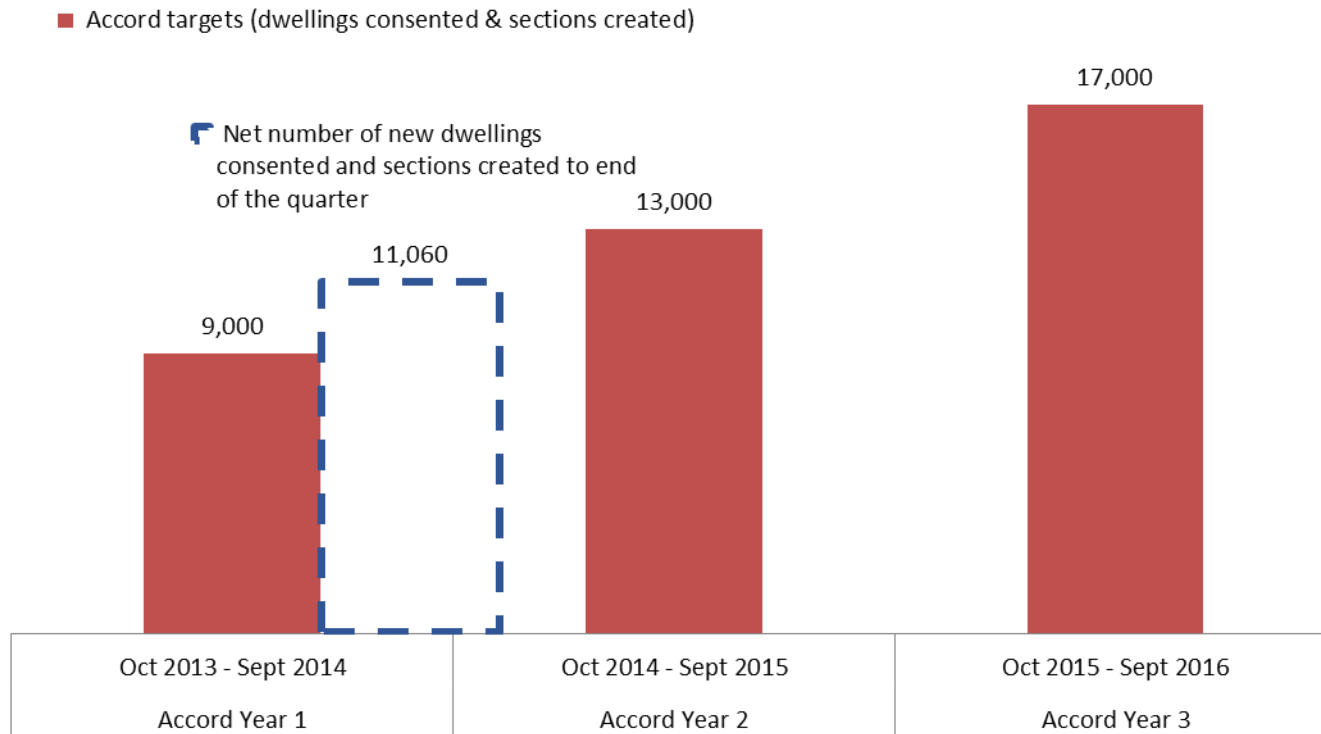
* As illustrated in the graph above, **the net total** adjusts for any overlap between new sections created and the dwellings that are consented on those sections (i.e. it avoids double-counting). Where a newly created section has a dwelling consented on it, the section and dwelling are counted as one. If more than one dwelling is consented on the section, then the additional dwellings are also counted. In the first year of the Accord, this overlap is minimal, but will become more pronounced in Years 2 & 3 as more new sections are converted into dwellings.

Overview

The net number of new sections created and dwellings consented (11,060) exceeded the Accord Year 1 target (9,000)

Net number of new dwellings consented and sections created

Auckland; Oct 2013 – Sep 2014; adjusted for dwelling /section combinations

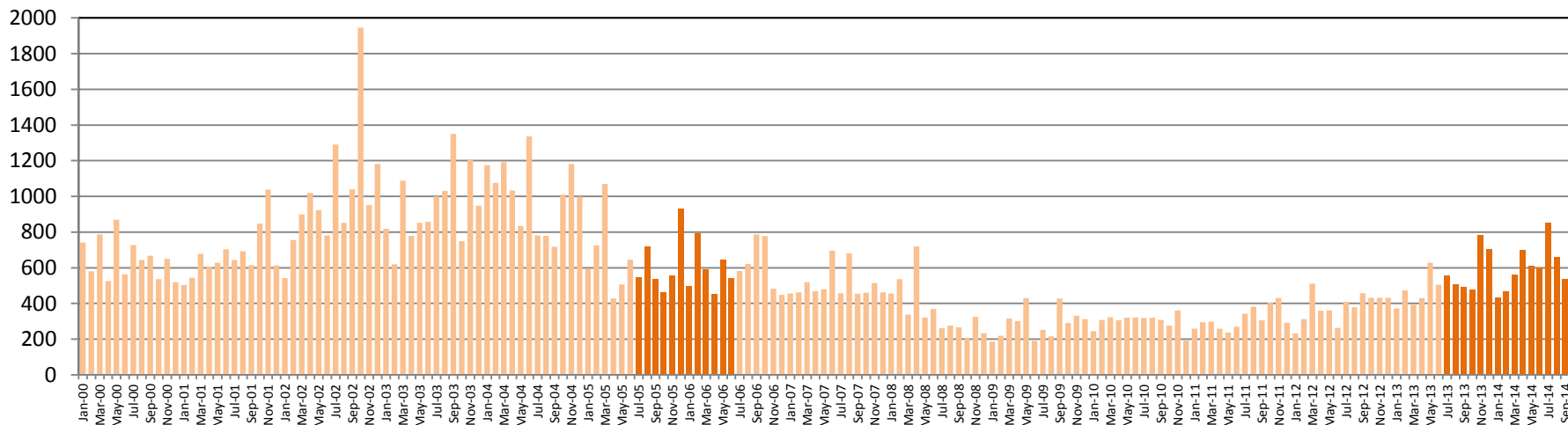
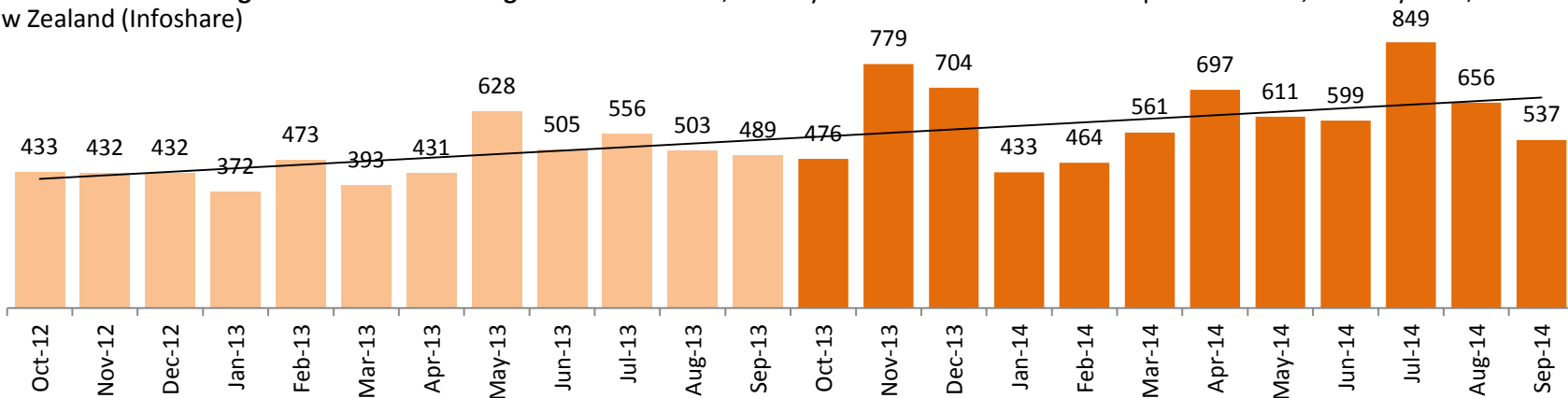


Dwellings

Consented dwellings – monthly

For the Accord Year starting Oct-13, **7,366** new dwellings were consented to 30 September 2014 – up from **5,647** in the previous year. This was the highest annual total for any year to September since 2006

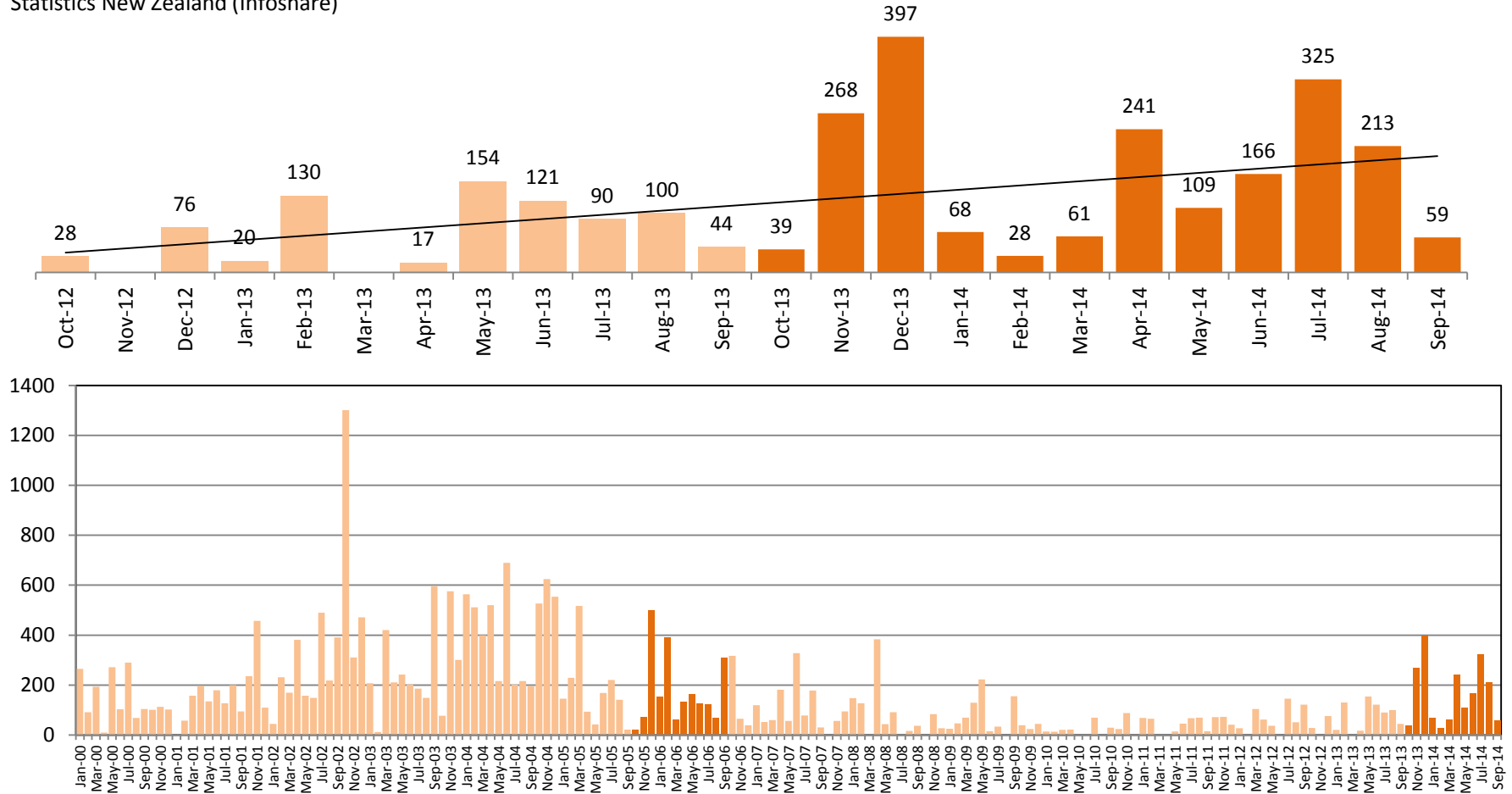
Number of new dwellings that received building consent Auckland; January 2000 and October 2012 – September 2014; monthly total; Statistics New Zealand (Infoshare)



Consented apartments – monthly

For the Accord Year starting Oct-13, **1,974** new apartments were consented to 30 September 2014 – up from **780** in the previous year. This was the highest annual total for any year to September since 2006 but apartments still comprise only 27% of the total dwellings for the year.

Number of new apartment dwellings that received building consent Auckland; January 2000 and October 2012 – September 2014; monthly total; Statistics New Zealand (Infoshare)



Higher density types of dwellings are increasing

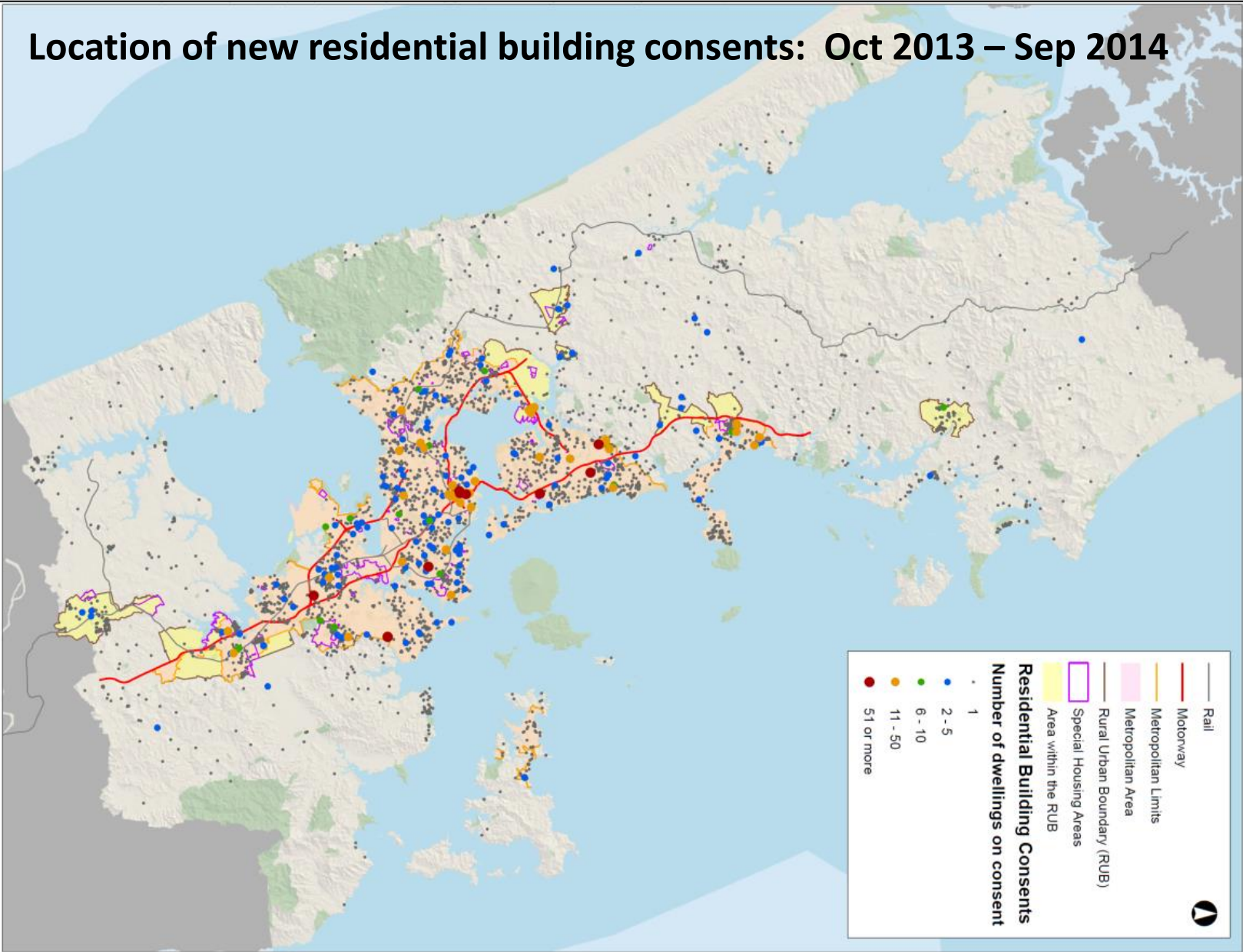
Along with the increase in apartments, the number of flats and townhouses has also increased. Detached housing now accounts for 66% of the total, the lowest since 2006.

New dwellings consented in Auckland, by dwelling type

Annual; 2003 to 2014 (year to Sept); Statistics NZ: building consent data



Location of new residential building consents: Oct 2013 – Sep 2014



Auckland Housing Accord:

New residential dwellings consented to between
1 October 2013 and 31 September 2014

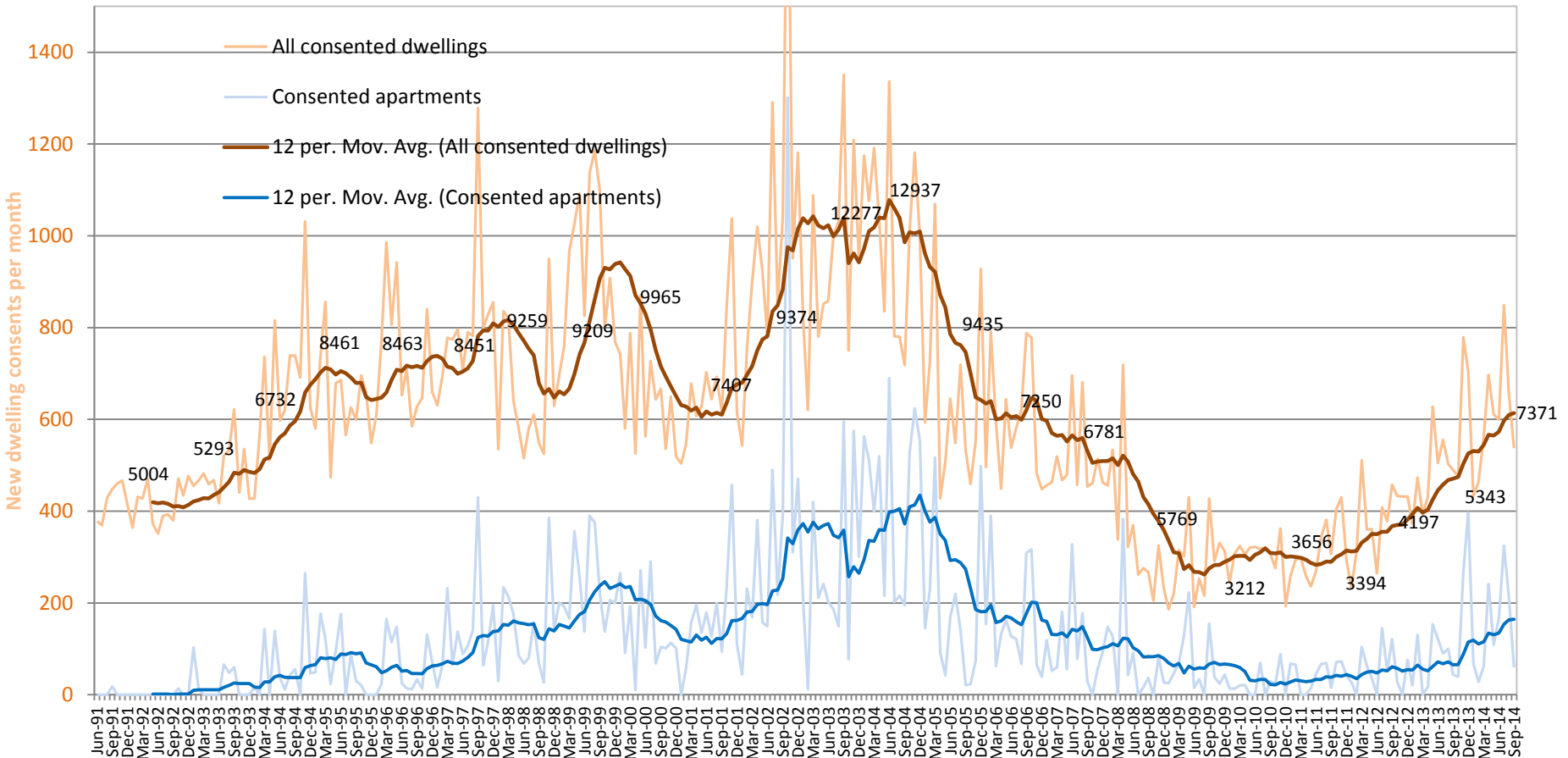
Map Produced by
Research, Investigations
& Monitoring, Regional Strategy,
Auckland Council



Consented dwellings – yearly

More new dwellings were consented in the 12 months to September 2014 (7,366) than in any 12 months to September since 2006, but this is still only half of the previous peak of 12,937 in June 2004

Number of new dwellings that received building consent in the last 12 months Auckland; Jun 1991 – Sep 2014; 12-month moving average; Statistics New Zealand (Infoshare)

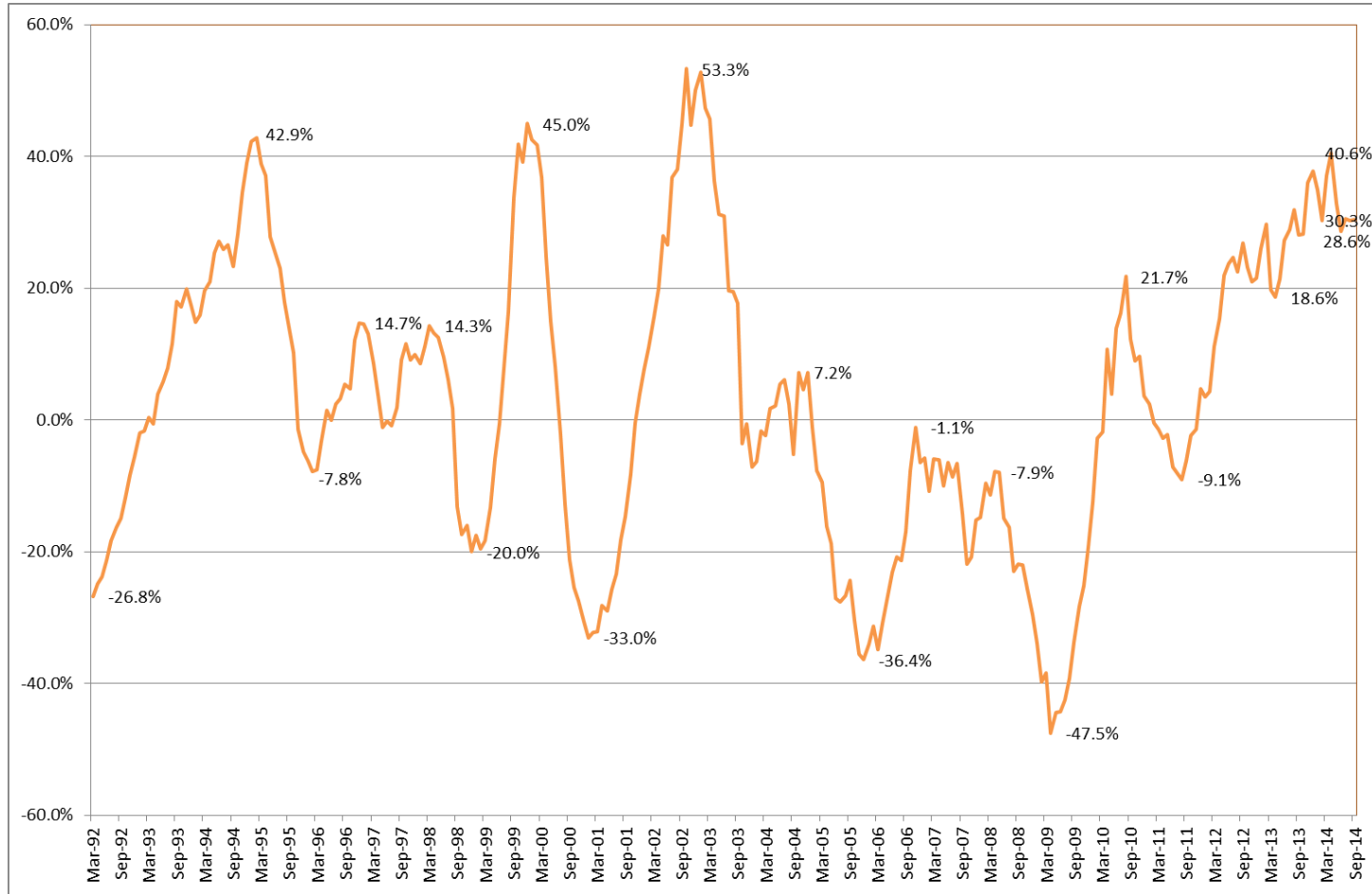


Consented dwellings – growth

The monthly annual growth rate continues to average 33% since the Accord took effect, peaking in April at 41%.

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

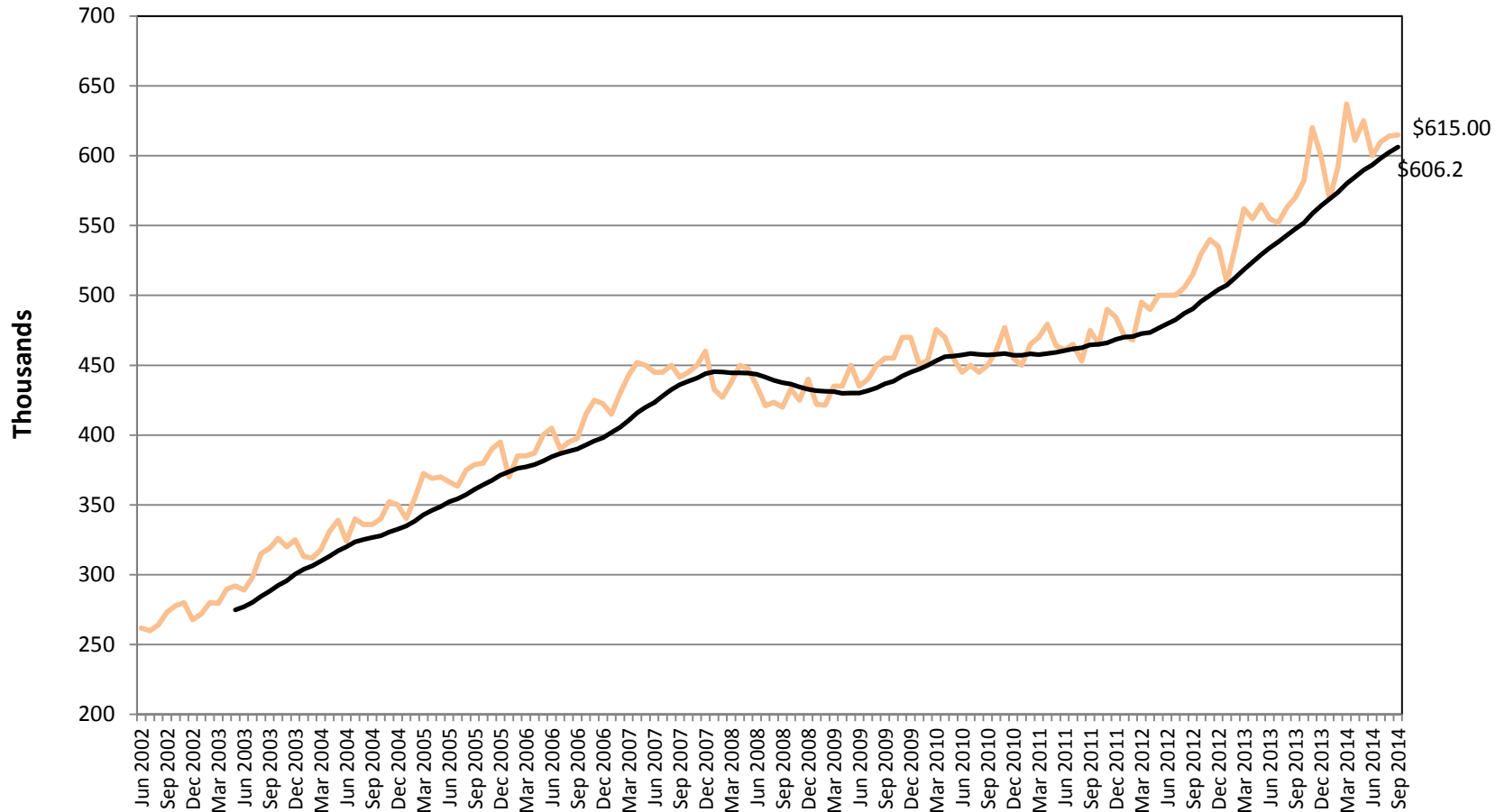
Auckland; June 1992 – Sep 2014: change in the number of consented dwellings; Statistics New Zealand (Infoshare)



Dwelling sales prices

Dwelling prices in Auckland continue to trend upwards, with the average median price for the last 12 months increasing to \$606,000.

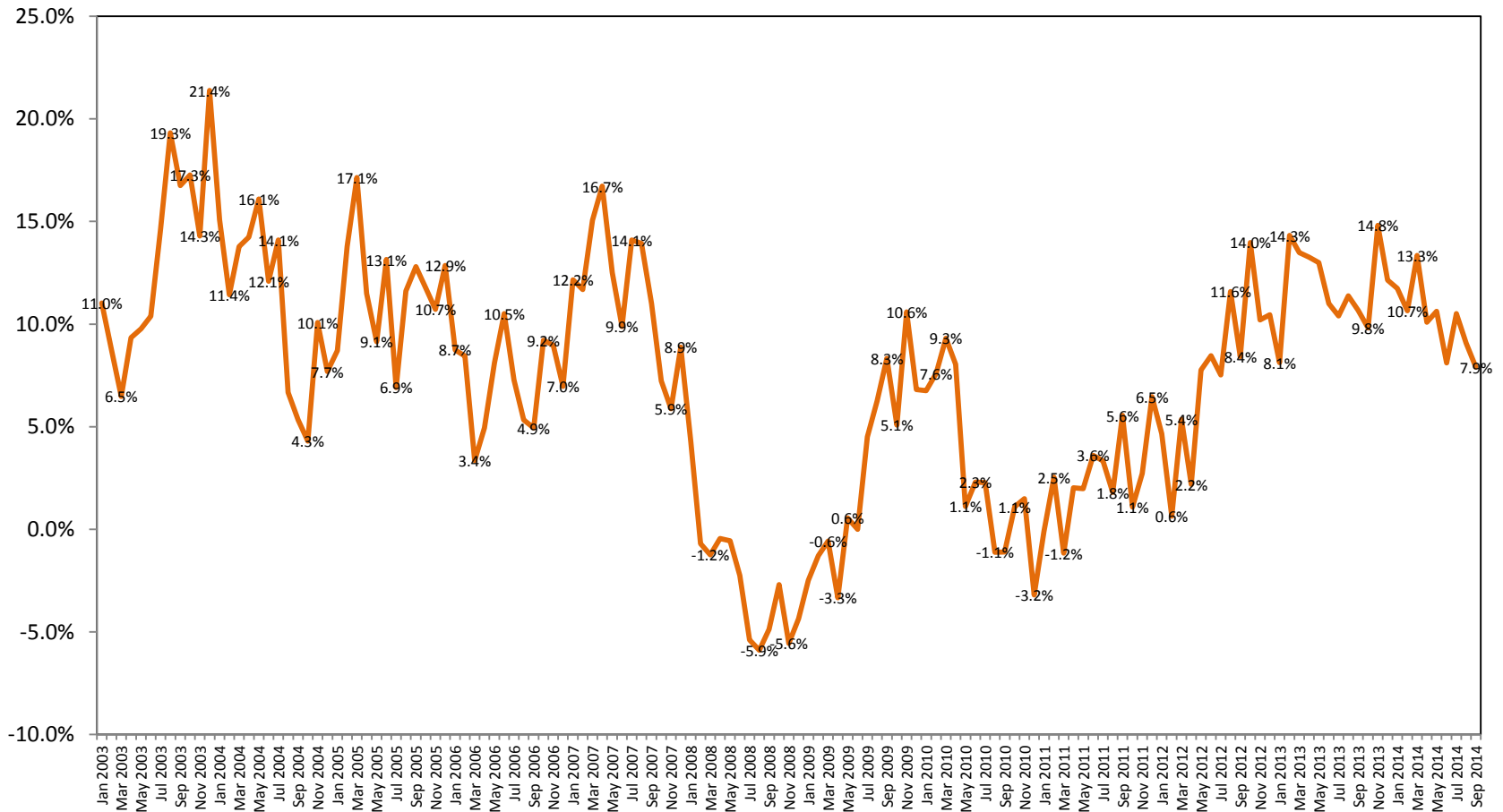
Median dwelling price Auckland; Jan 2002 – Sep 2014; monthly median and 12-month moving average; Real Estate Institute of New Zealand



Dwelling sales prices – growth

The monthly annual growth rate in the median sales price for dwellings in Auckland has trended downward since November 2013 – after the start of the Accord Year 1 to a low of 7.9% in September 2014

Growth in the median sales price compared to the same month in the previous year Auckland; Jan 2003 – Sep 2014; change in the median sales price; Real Estate Institute of New Zealand



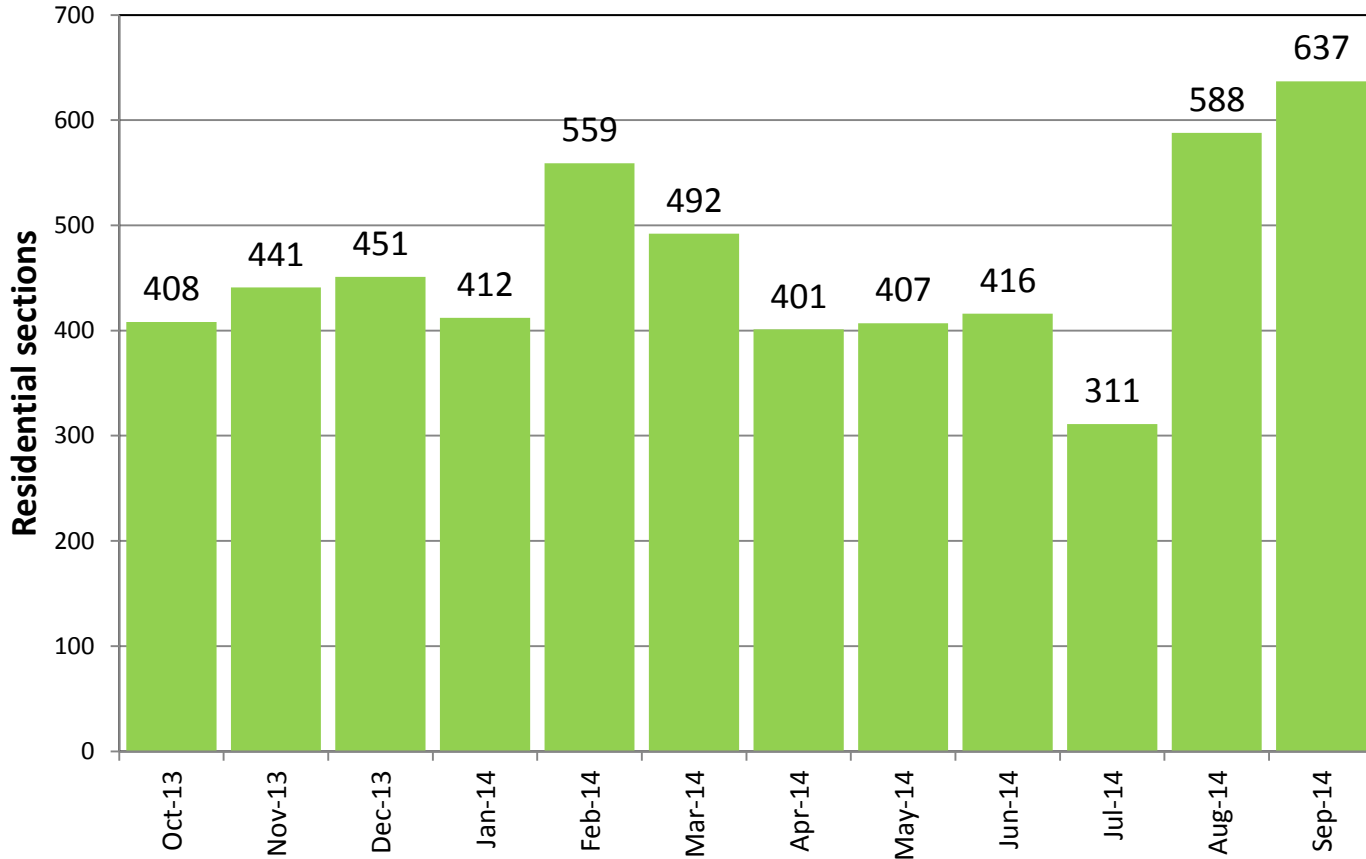
Sections

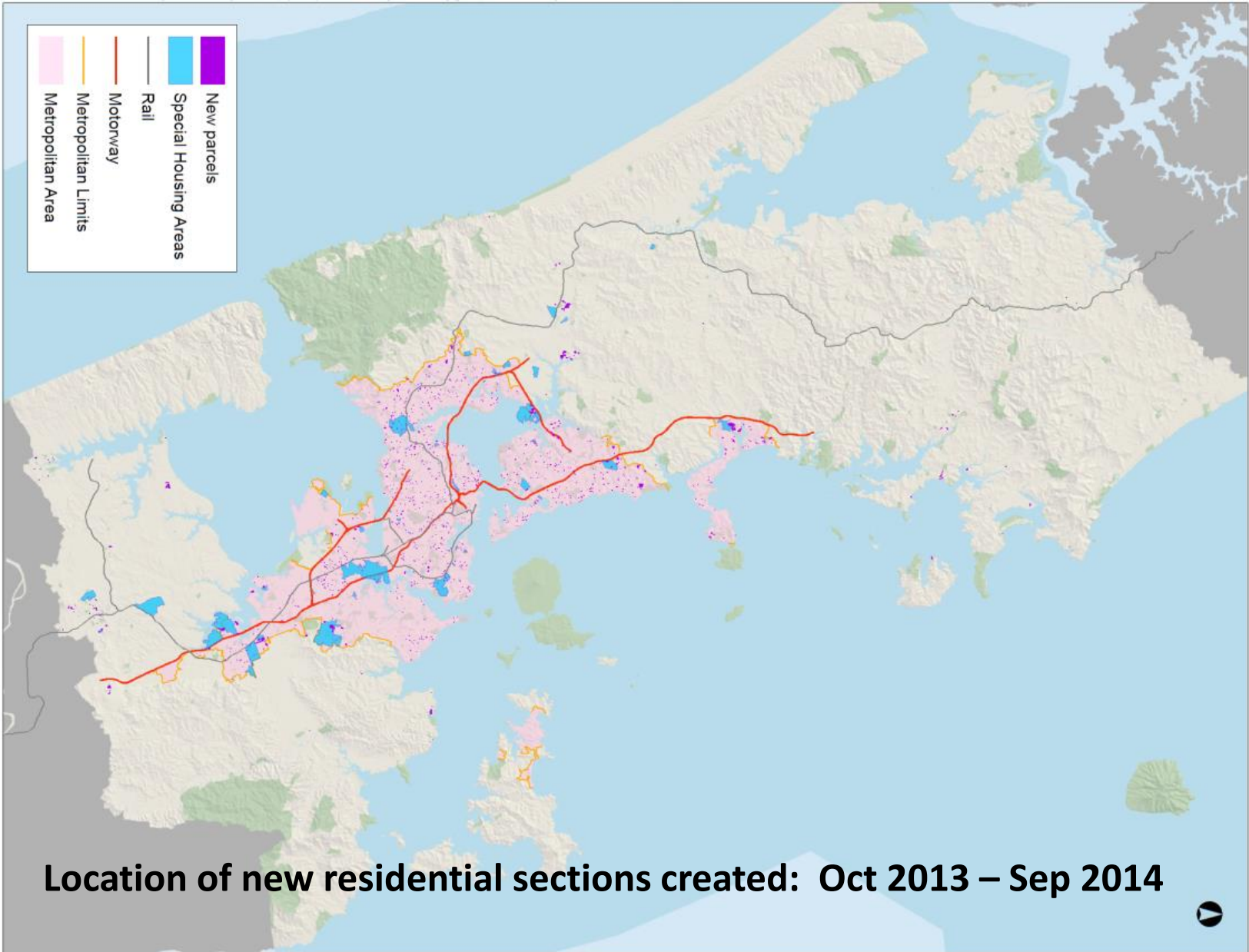


New residential sections – monthly

The **average** monthly number of new sections created has increased from 428 per month in the year prior to the Accord to 460 in Accord Year 1 the Accord. Note – many of these sections were consented prior to the Accord and indicate a general upturn in activity. Numbers are expected to accelerate as sections are created by Accord processed subdivisions.

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





Location of new residential sections created: Oct 2013 – Sep 2014

Auckland Housing Accord:

New parcels created between 03/11/2014 and 01/11/2014 (smaller than 5000 m² and in UP Zone Group 'Residential').

Parcel data sourced from Land Information New Zealand. Note that parcel boundaries have been enhanced in order to enhance visibility.

Map Produced by
Research, Investigations
& Monitoring, Regional Strategy,
Auckland Council

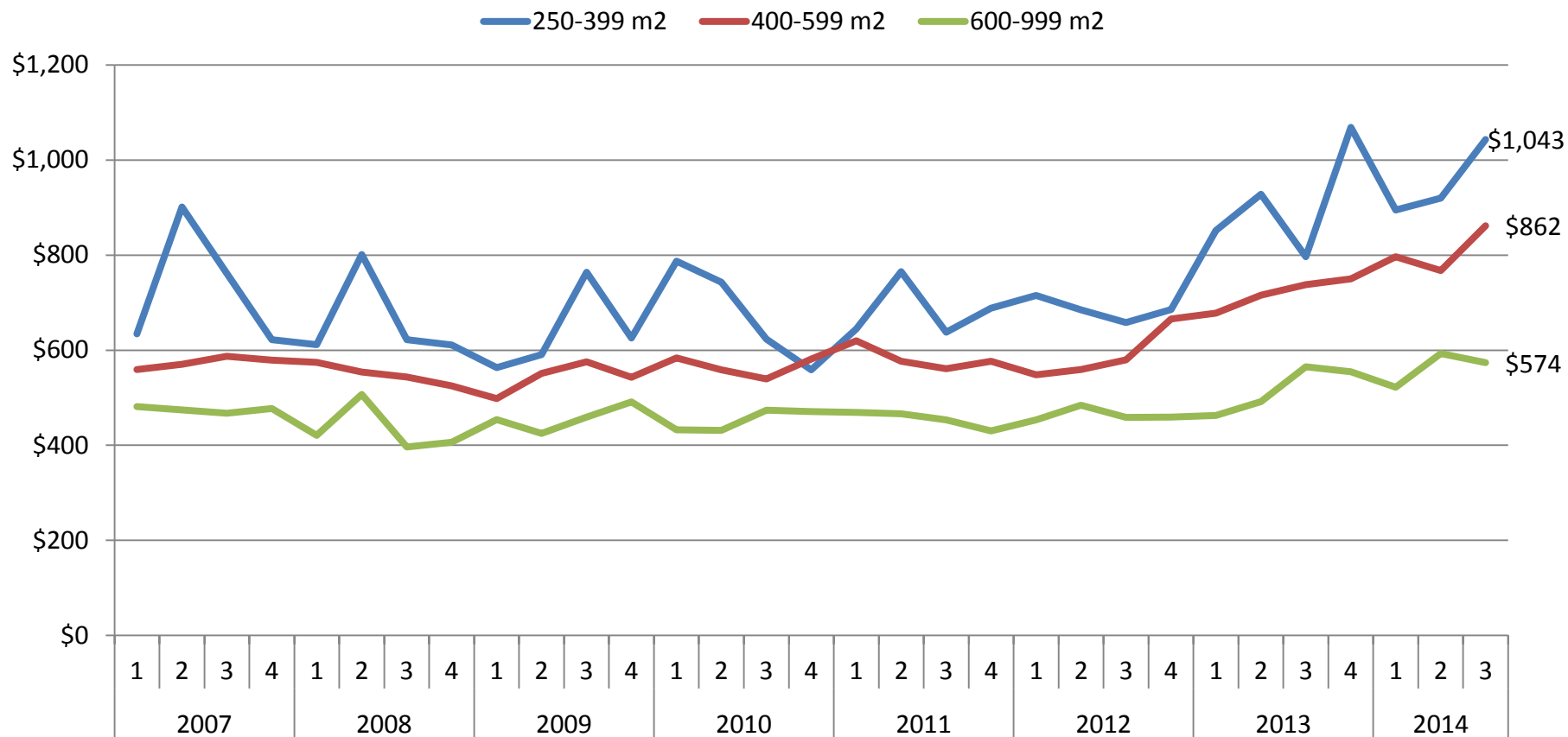


The price of land is rising

The average price of vacant land that is ready for residential dwellings has grown over the last two years.

Average price per m2 of vacant residential land in Auckland

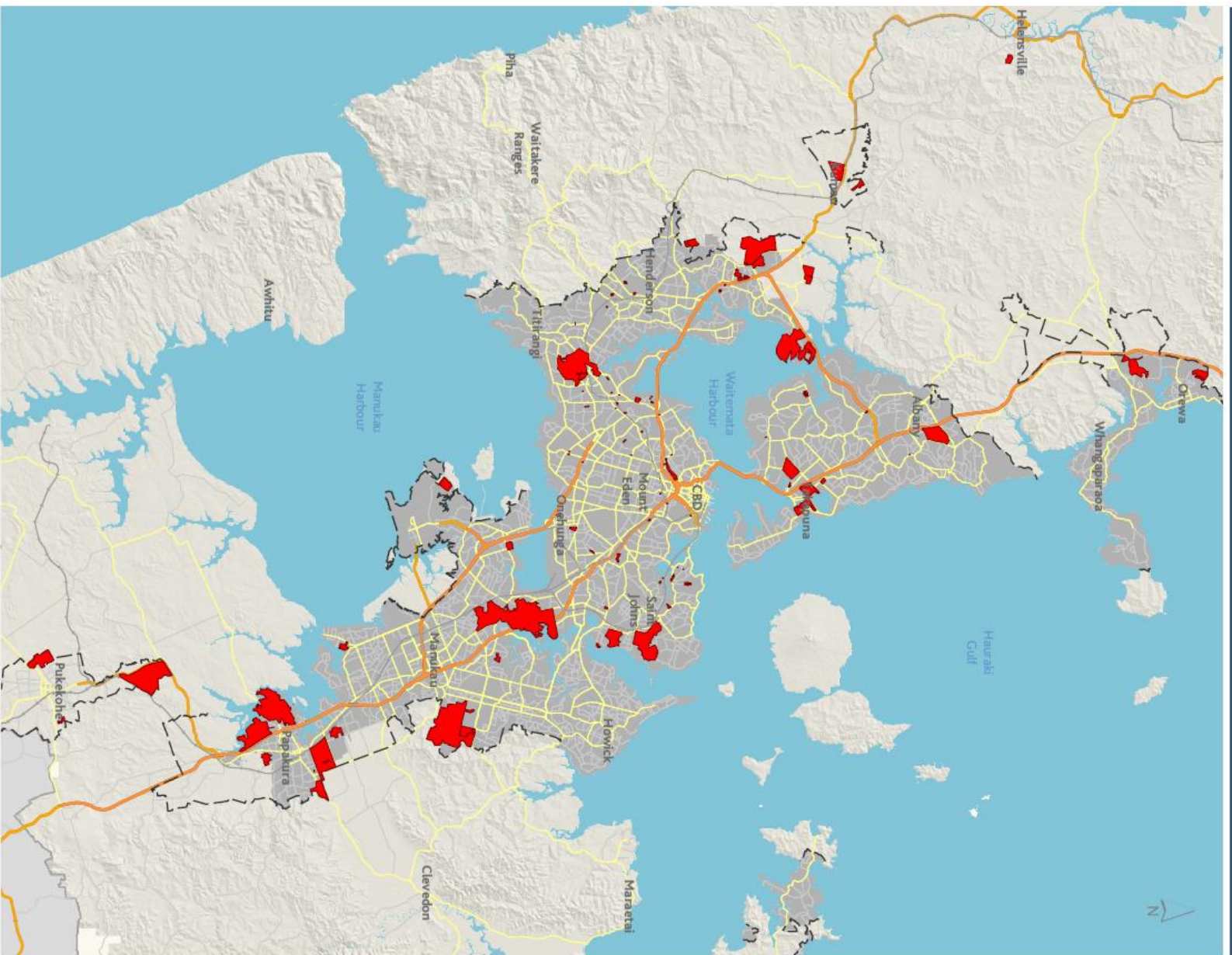
Quarterly from Q1 2007; CoreLogic



Special housing areas



Special Housing Areas (Tranches 1 - 4)



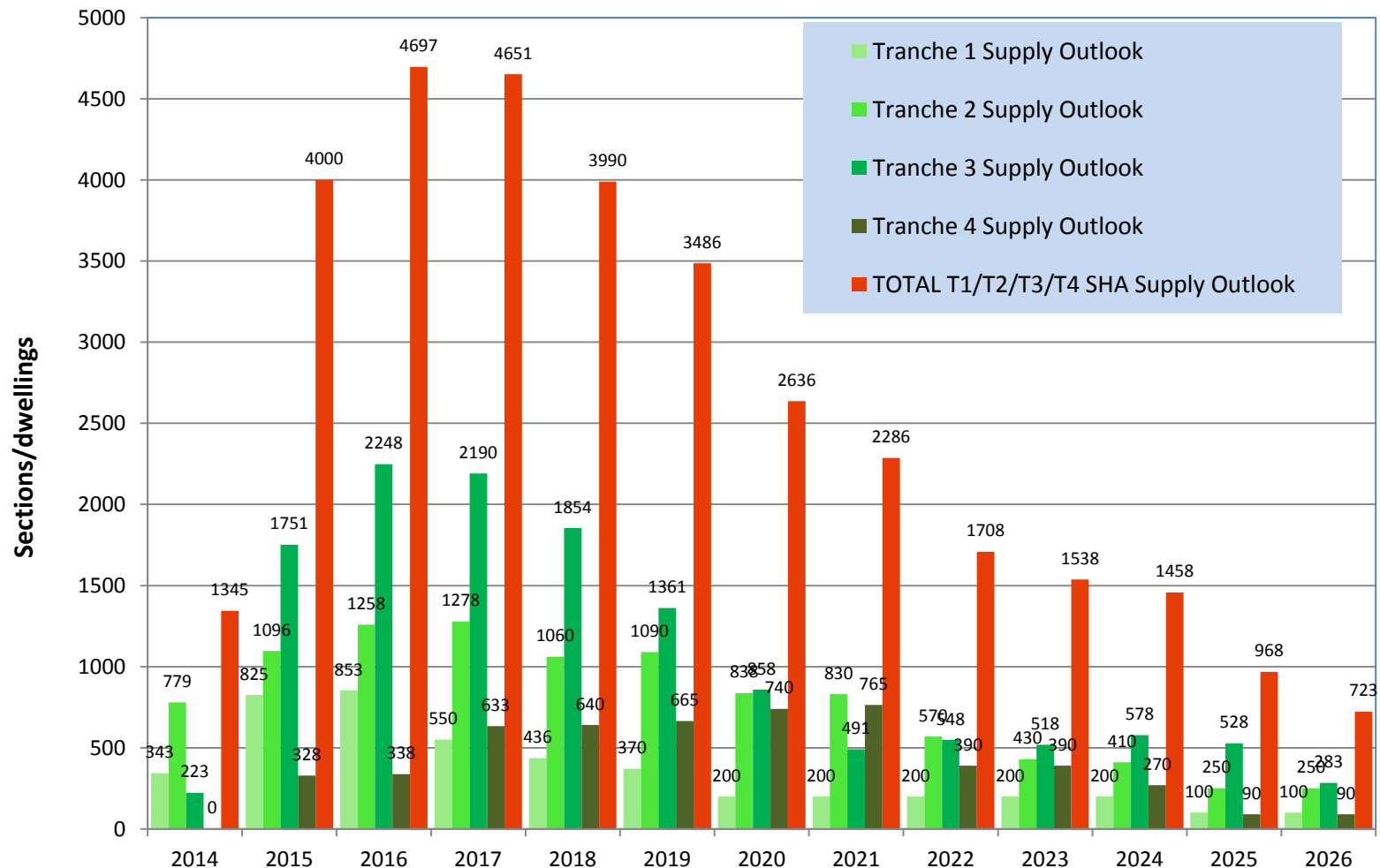
- Special Housing Area (SHA)
- Metropolitan Urban Area
- Rural Urban Boundary (RUB)
- Motorway
- Major Road
- Arterial Road
- Medium Road
- Railway



Special housing areas – expected supply

The 80 special housing areas are expected to supply about 11,000 dwellings or sections over the 3 years of the Accord. Over time, these will eventually deliver some 43,000 new dwellings.

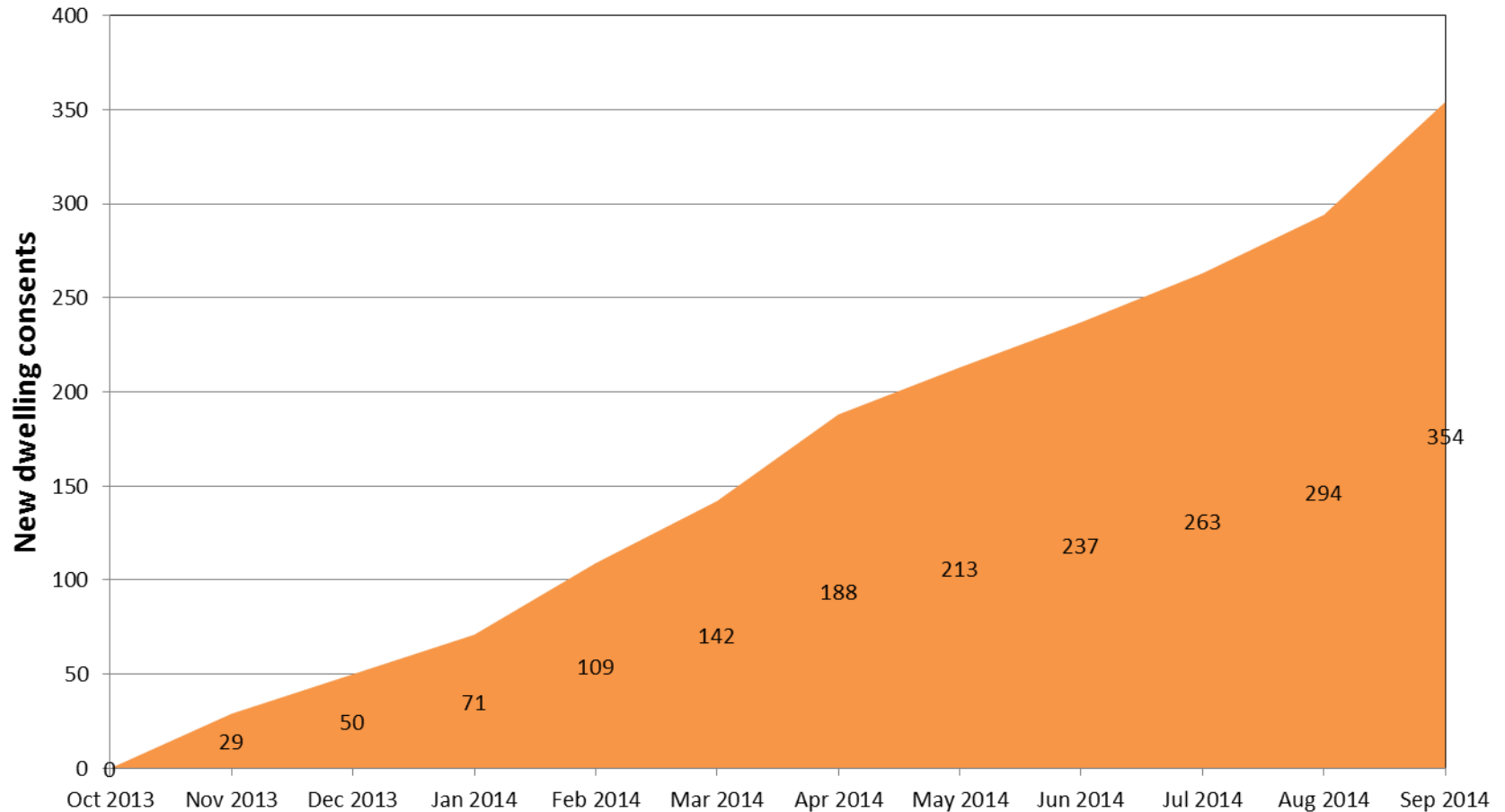
Potential section/dwelling delivery from Tranche 1-4 Special Housing Areas 2014-2026



Dwelling creation in special housing areas

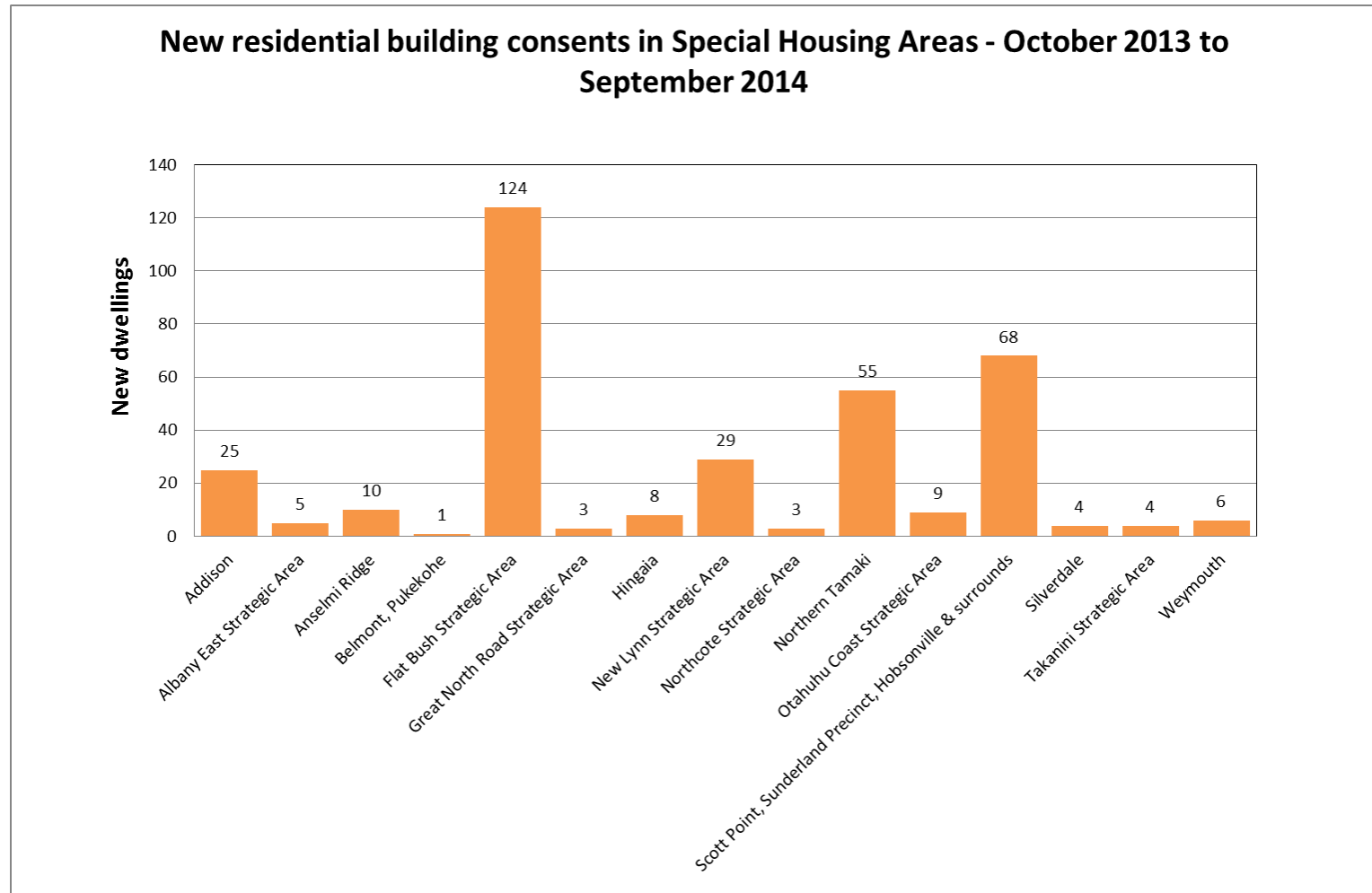
In the Accord Year to September 2014, consents for **354** new dwellings were issued in Special Housing Areas
(Source RIMU, Auckland Council)

Cumulative dwelling consents in SHAs - October 2013-September 2014



Dwelling creation in special housing areas

Most new dwelling consents were issued in areas already under development such as Flat Bush, Northern Tamaki and Hobsonville – although the first new dwelling consents are starting to be seen in strategic SHAs like Albany East, Northcote, Great North Road, Otahuhu Coast and Takanini

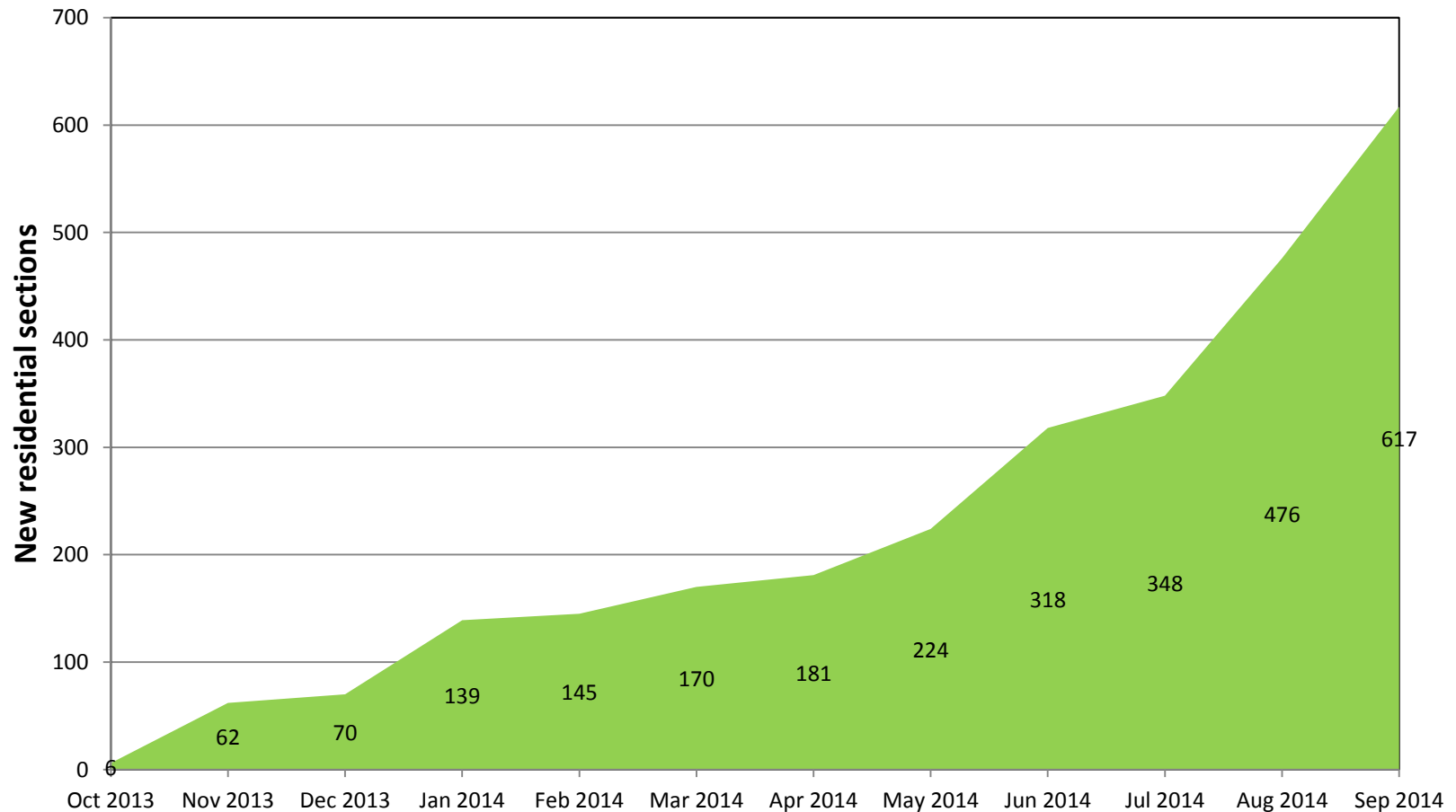


Section creation in special housing areas

In the Accord Year to September 2014, 617 new residential parcels were created in Special Housing Areas

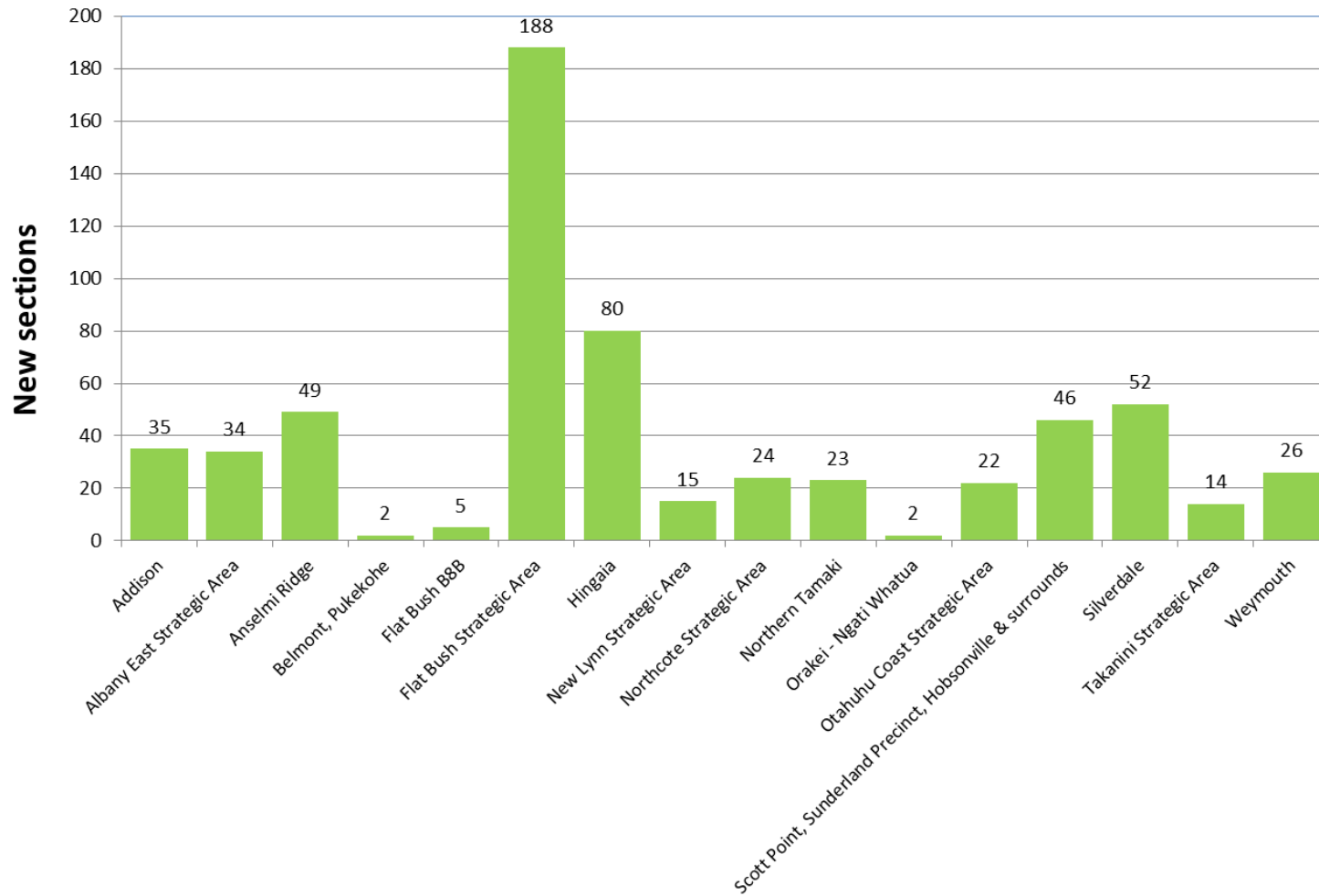
(Source RIMU, Auckland Council)

Cumulative new parcels in SHAs - October 2013-September 2014



Section creation in special housing areas

New residential sections in Special Housing Areas - October 2013 to September 2014

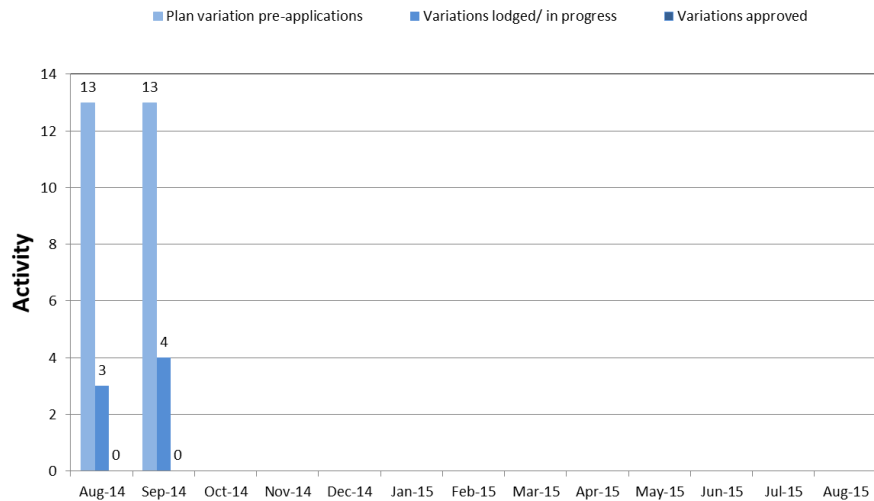


HPO Master planning and consenting

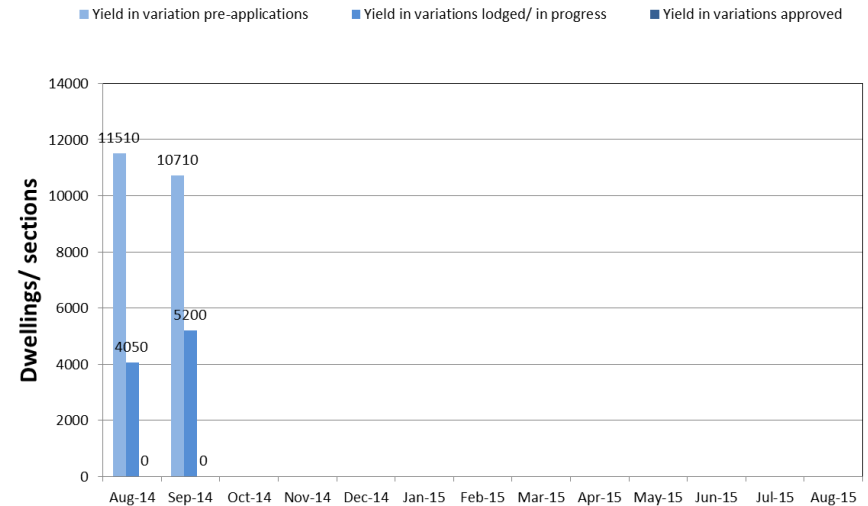


HPO Master planning activity – Accord Year 1

Housing Project Office - Master Planning Activity



Master Planning Activity - Dwelling/ section yields

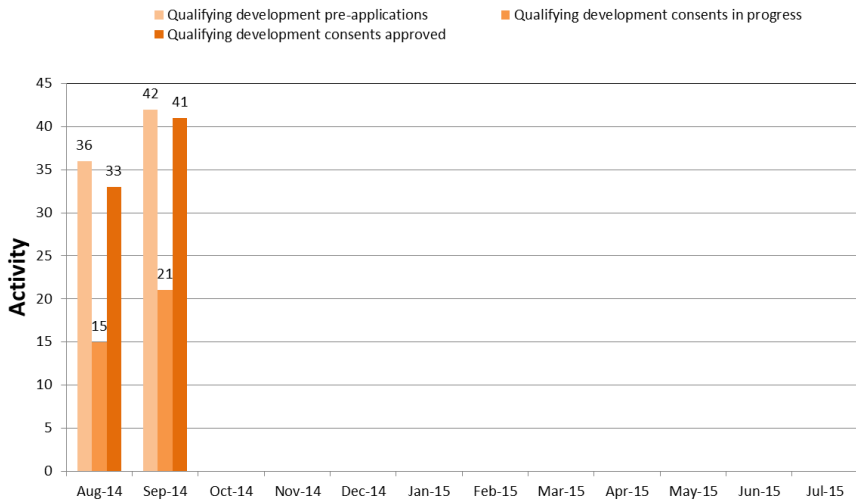


At the end of Accord Year 1

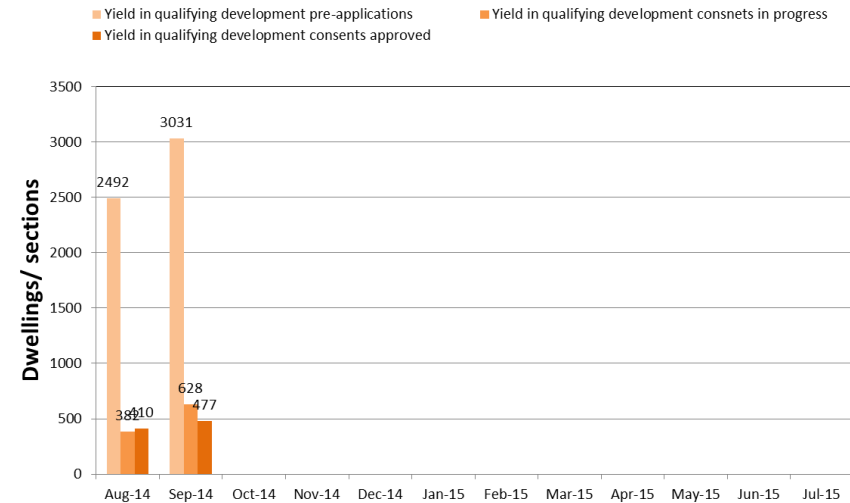
- 13 Master planning variation pre-applications in progress for 10,710 dwellings/ sections
- 4 variations lodged and in progress for 5,200 dwellings/ sections
- No variations yet approved

HPO Consenting Activity - Accord Year 1

Housing Project Office - Consenting Activity



Consenting Activity - Dwelling/ section yields

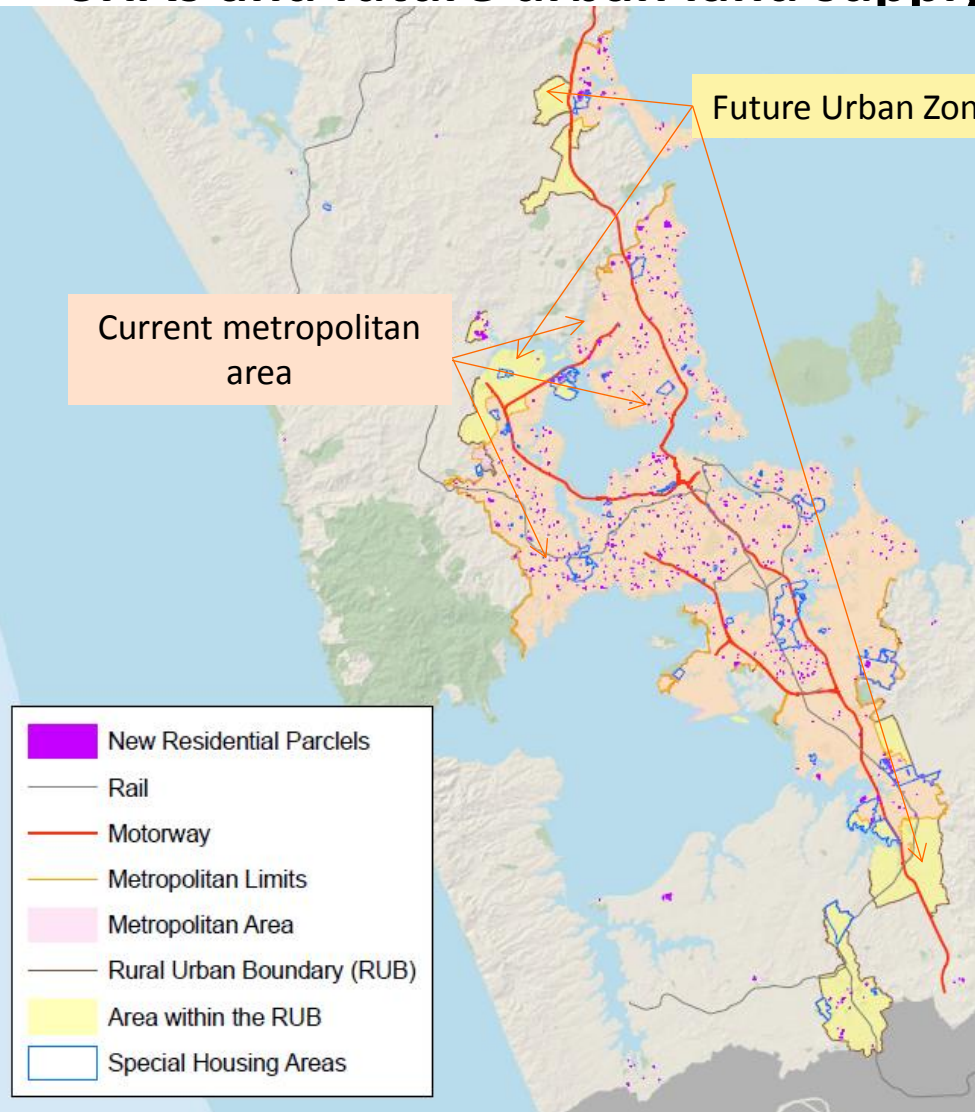


At the end of Accord Year 1

- 42 Qualifying development pre-applications under consideration for 3,031 dwellings/ sections
- 21 Qualifying development consents in progress for 628 dwellings/ sections
- 41 Qualifying development consents approved for 477 dwellings / sections

Land supply

SHAs and future urban land supply outside the 2010 MUL



There are 10,508 ha of Future Urban Zoned land *outside* the 2010 Metropolitan Urban Limit (MUL), nearly 20% more than the extent of the current metropolitan area.

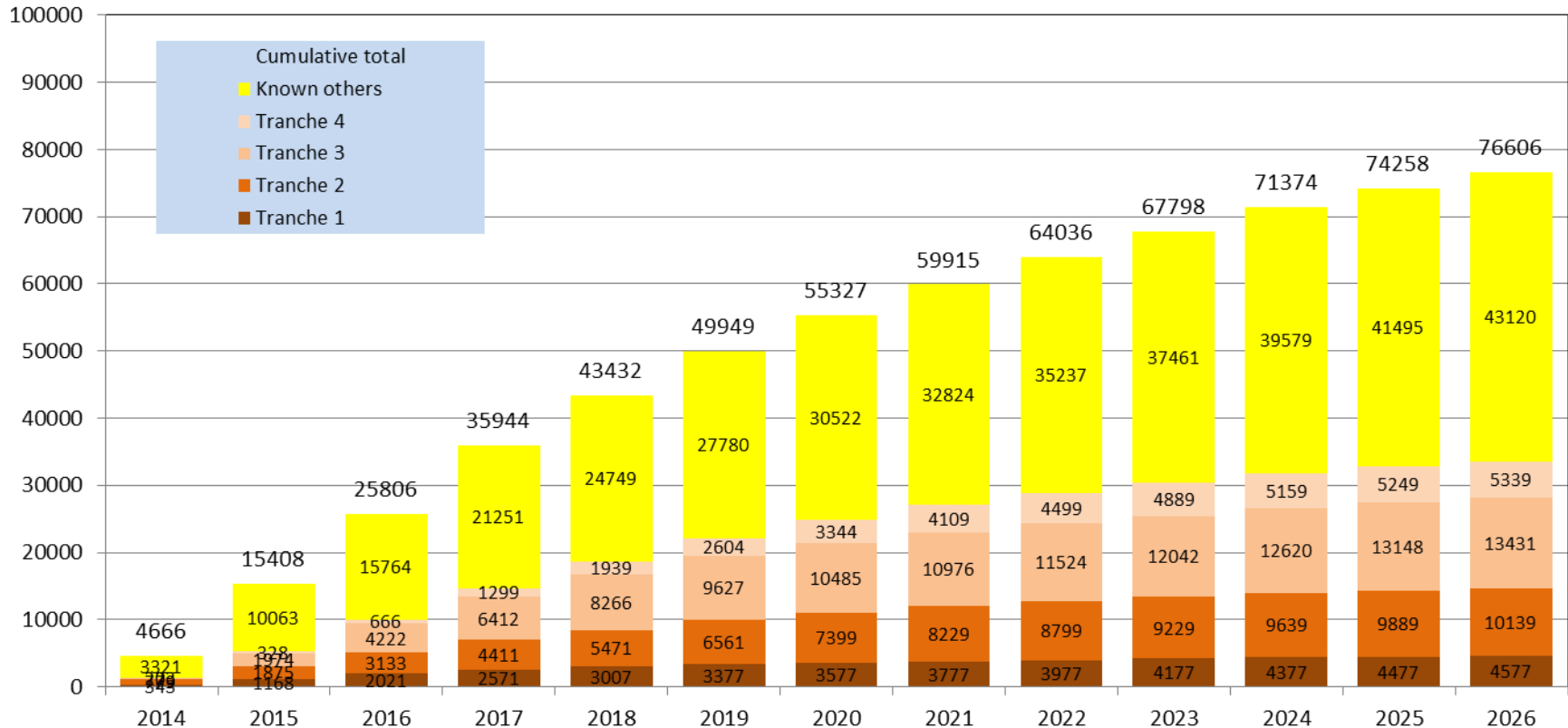
- This could accommodate around 200,000 people, close to the current population of Hamilton, New Zealand's fourth biggest city.
- 10 of the 80 declared SHAs are *outside* the 2010 MUL and make up 1,360 ha of the Future Urban Zone. These SHAs could accommodate 14,116 dwellings or 35,000 people
- At the end of Accord Year 1, Auckland had between **5.9 and 6.5** years' worth of G1 greenfield land supply – land zoned and serviced with bulk infrastructure.
- Following plan variations under the Accord, a number of Future Urban Zoned SHAs will combine to provide another **3.3 to 3.6** years of G1 supply.

Cumulative long term dwelling supply forecast

Over the next 12 years, nearly 77,000 new greenfield and brownfield dwellings and sections are known to be in the pipeline.

Number of new dwellings that developers are known to be planning*

Auckland; 2014–2026; cumulative; calendar years; Auckland Council (Forward Land & Infrastructure Programme)



* Known developments understate dwelling supply, as these figures only capture known developments of 5 or more dwellings.