



RESEARCH REPORT

**Intermediate housing market and housing
affordability trends in Auckland**

Prepared for Auckland Council

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1. Executive Summary

In accordance with your instructions, we have prepared our report analysing the intermediate housing market¹. The focus of this research is Auckland's intermediate housing market including a breakdown of households' demographic profiles and their geographic distribution within Auckland. In addition, analysis of the movement of households in and out of Auckland, intermediate households' workplace geography, and property market affordability statistics. This report should not be used for any other purpose or by any other party. The assignment's objective is to provide detailed analysis of the intermediate housing demand by a range of demographic characteristics.

Auckland, like most larger cities, which have undergone strong population growth over the last two decades has experienced a significant decline in housing affordability. House prices in particular, and to a less extent rents, has increased significantly faster than household incomes. The fall in housing affordability, particularly for first homebuyers, has resulted in growth in the number renter households unable to affordably buy a dwelling. This research focuses on these households which form the intermediate housing market.

Table 1.1 presents the level of income required for a household to affordably² pay either the lower quartile or median rent or service a mortgage associated with buying a dwelling at the lower quartile house sale price between 2001 and 2018.

Table 1.1: Incomes required to affordably pay lower quartile rent, median rent, or service a mortgage on a lower quartile priced dwelling between 2001 and 2018

	Income required to affordably pay rent or service a mortgage at:						Median gross household income	
	Lower quartile rent		Median rent		Lower quartile house price			
	Income Required	% Change	Income Required	% Change	Income Required	% Change	Median	% Change
2001	\$40,100		\$45,100		\$52,800		\$49,000	
2006	\$51,900	29%	\$57,000	26%	\$92,200	75%	\$63,400	29%
2013	\$70,200	35%	\$78,800	38%	\$95,000	3%	\$76,500	21%
2018	\$90,000	28%	\$99,000	26%	\$132,300	39%	\$90,900 ³	19%
Change 01 to 18	+\$49,900	124%	+\$53,900	120%	+\$79,500	+151%	+\$41,900	+86%

Source: Modelled based on data from Statistics New Zealand, Corelogic and RBNZ

¹ The intermediate housing market is defined as "private renter households with at least one person in paid employment, unable to affordably purchase a house at the lower quartile house sale price for the local authority area at standard bank lending conditions¹."

² The affordability criteria assumes no more than 30% of gross household income is spent on either paying rent or servicing a mortgage.

³ Assumes household incomes increase at 3.5% per annum between 2013 and 2018.



In 2001, households earning the median household income could almost affordably purchase a dwelling at the lower quartile house price and could easily pay the median and lower quartile rents. By 2018, as a result of house prices and rents increasing faster than incomes, they could just affordably pay the lower quartile rent and would require 146% of median income to be able to affordably buy at the lower quartile house sale price. This has led to a significant decline in housing affordability within Auckland. The result has been a growth in the size of Auckland's intermediate housing market.

Table 1.2 presents the projected trend in the intermediate housing market in Auckland between 2001 and 2028 along the ratio of the intermediate market as a percentage of all households. These projections assume household incomes increase at 3.5% per annum, house prices increase at an average of 4.0% per annum and interest rates remain unchanged between 2018 and 2028.

Table 1.2: The projected trend in the size of the intermediate housing market 2001 to 2028

	Number of intermediate households		Intermediate households as a % of total households	
	No of households	Change	% of total	% point change
2001	45,500		10.8%	
2006	68,900	23,400	14.8%	4.0%
2013	66,200	-2,700	13.3%	-1.5%
2018	95,350	29,150	16.5%	3.2%
2023	109,980	14,630	17.1%	0.6%
2028	123,350	13,370	17.7%	0.6%

Source: Modelled based on data from Statistics New Zealand, Corelogic and RBNZ

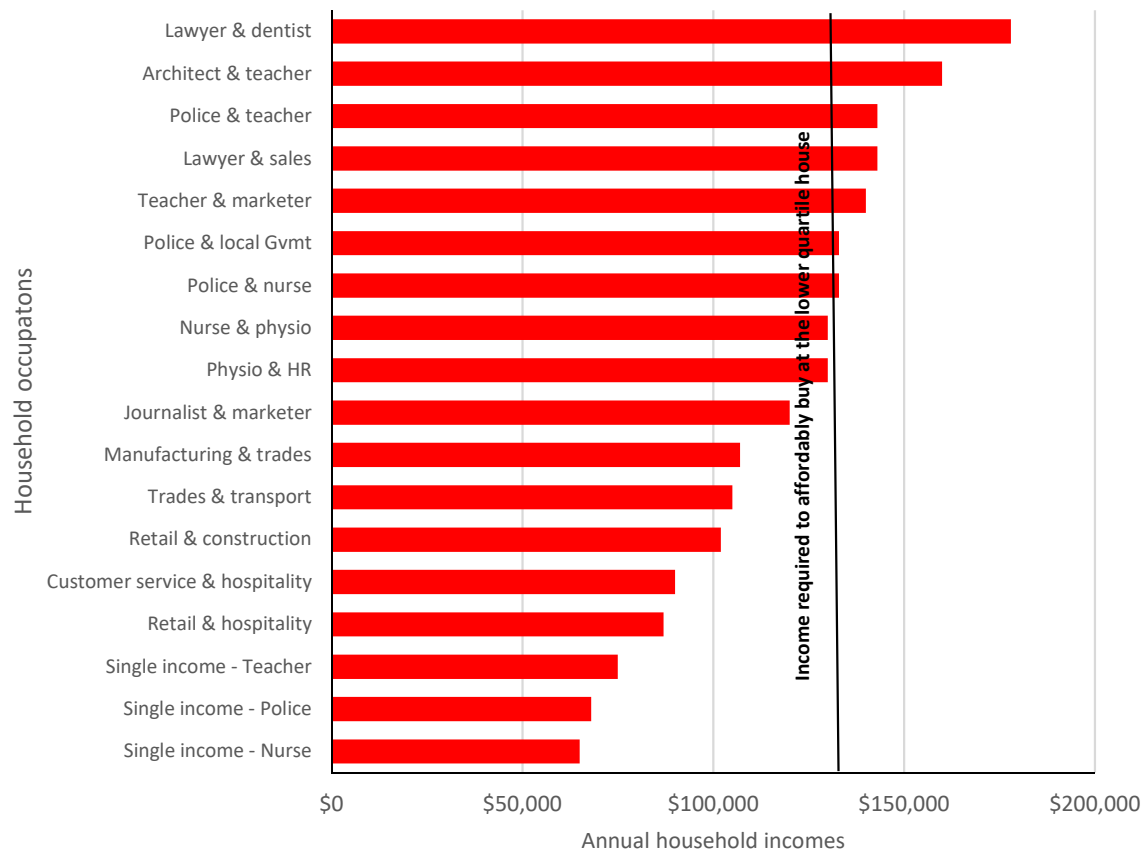
The intermediate housing market is expected to continue to increase over the next ten years and by 2028 account for 17.7% of all households, up from 10.8% in 2001. The age profile of intermediate households is also expected to change between 2018 and 2028. Projected growth suggests there will be a decline in the number of intermediate households with reference people aged less than 30 years and strong growth in those aged between 30 and 39 years (accounting for 58% of total growth). Pressures within the rental market are projected to result in strong growth in the number of intermediate couples with children households, which are expected to account for 58% of total growth. The number of one-person intermediate households is also expected to experience strong growth.

Poor housing affordability is one of the key drivers behind the growth in the intermediate market. In 2018, households required incomes in excess of \$130,000 per annum to affordably service a mortgage associated with buying a property at the lower quartile house sale price.



Figure 1.1 presents households' ability to affordably pay mortgage costs buying at the lower quartile house price by a range of different occupations. The income levels assume one or two full time incomes for the different occupations presented.

Figure 1.1: Auckland – Relative housing affordability by occupation in 2018.



Source: Modelled from data sourced from Headway Systems, MBIE, RBNZ, & Statistics NZ

All of the two household incomes by occupations presented are higher than Auckland's median household income. Households with single incomes typically cannot affordably buy at the lower quartile house sale price. Housing affordability has become a key issue for a range of essential worker households. Effectively they need two full time incomes to affordably buy at the lower quartile house price. These housing costs have the potential to impact on the region's ability to attract essential workers and for staff retention.



Poor housing affordability may have impacted on the level of Auckland's inter-regional migration. Table 1.3 presents the flow of New Zealanders into Auckland from other parts of New Zealand and the outward flow of Aucklanders to other parts of New Zealand between 2014 and 2017.

Table 1.3: Auckland's net migration flows 2014 to 2017

12 months ended	Inward migration	Outward migration	Net flow	Change in net flow
June 2014	30,558	33,285	-2,727	
June 2015	32,319	39,243	-6,924	-4,197
June 2016	32,856	43,188	-10,332	-3,408
June 2017	31,764	44,706	-12,942	-2,610
Total 4 years ended June 2017	127,497	160,422	-32,925	

Source: Statistics New Zealand

The number of New Zealanders shifting to Auckland has remained reasonably constant over the four years ended June 2017. However, the number of Aucklanders relocating to other parts of the country increased by 34% or 11,421 people. The net annual flow increased from -2,727 in the June 2014 year to -12,972 people in the June 2017 year. Although the net number of people leaving Auckland has continued to increase the rate of increase has slowed. In total Auckland lost 32,925 people to the rest of the country over the four years ended June 2017. Over the same time period Auckland gained over 118,000 people from overseas net migration.



Auckland's housing affordability is poor across the whole urban area. Table 1.4 presents the trend in the ratio of lower quartile dwelling sale price to median household income by local board.

Table 1.4: Lower quartile dwelling sale price to median household income ratio

	Lower quartile dwelling price to median household income ratio			
	2001	2006	2013	2018
Rodney	4.0	5.4	5.5	7.9
Hibiscus and Bays	4.4	5.9	6.6	8.3
Upper Harbour	3.9	5.8	6.8	7.5
Kaipatiki	3.6	5.2	6.1	7.9
Devonport-Takapuna	4.4	6.1	7.3	9.1
Great Barrier	-	-	-	-
Henderson-Massey	2.9	4.3	4.8	6.9
Waitakere Ranges	8.2	12.5	13.5	18.3
Waiheke	6.3	9.0	8.3	12.4
Waitemata	3.0	3.0	3.0	4.4
Whau	4.1	5.5	6.3	8.6
Albert-Eden	4.1	4.9	5.7	7.7
Puketapapa	4.6	6.2	7.5	9.3
Orakei	4.2	5.4	6.4	8.6
Maungakiekie-Tamaki	3.8	4.9	6.2	8.7
Howick	4.1	5.5	6.7	8.5
Mangere-Otahuhu	3.6	4.9	5.5	8.4
Otara-Papatoetoe	3.6	4.7	5.0	7.7
Manurewa	3.1	4.0	4.4	7.0
Papakura	3.4	4.5	4.9	7.4
Franklin	3.1	4.3	4.3	6.1

Source: Modelled based on data from Statistics New Zealand and Corelogic

Excluding the Waitakere Ranges and Waiheke local boards, the locations with the highest ratio (least affordable dwellings relative to incomes) were Devonport Takapuna, Albert-Eden, Puketapapa, and Orakei. The most affordable local boards include Manurewa, Papakura, Waitemata and Franklin. Waitemata's result is influenced by the high proportion of apartments sold within the local board area.



In summary, the challenge for Auckland, like other fast-growing cities, is to manage the growth in such a way housing costs do not impact on the city's ability to attract and retain key workers and the talent it requires to maintain its economic development. Clearly the current market trends in Auckland are unsustainable with the growth in the intermediate housing market a reflection of poor housing affordability which has the potential to impact on the quality of Auckland's future economic wellbeing. Ultimately, if dwellings are to become more affordable to private sector renters, house prices have to increase at a lower rate than household incomes. An increase in the supply of more affordable smaller dwellings in different dwelling typologies could assist with this adjustment.

The growth in the intermediate housing market and need for adequate affordable housing has implications for economic development. Failure to provide adequate, affordable, local housing options for those in the intermediate housing market can impact upon not only the efficiency of the local labour market and in particular labour availability, but also can lead to sub-optimal settlement and commuter patterns.

The economic consequences of a growing intermediate housing market for the mainstream economy include the growing inability of workers in "essential" occupations such as police, nurses and teachers to buy in areas in which they work. Again, failure to provide the desired local housing options for these "key workers" can impact upon the efficiency of the local labour market and in particular labour availability in these key occupations.

Declines in renters' ability to purchase dwellings and subsequent falls in home ownership rates impact on the traditional notions of housing careers. Increasingly renter households are unable to transition to home ownership. Over the last two decades New Zealand has done well increasing the supply of the dwellings in the private rental stock at a pace which has limited the growth in rents to close to the rate at which household incomes have been increasing. To some extent Government has achieved this by not overly regulating the market. Changes in regulations focused on the private rental market could potentially slow the growth in the private rental housing stock and consequently have a positive impact on the rate of growth in rents.

The breakdown of the traditional housing pathway in Auckland is likely to result in a growing number of households who will never attain home ownership. Renter households on fixed incomes, particularly those with people aged 65 years and older, are particularly vulnerable to changes in the level of market housing costs (rents). Consequently, one of the issues in need of consideration is how to ensure that there is appropriate affordable housing available to these households. In addition, the growth in the number of renter households could place ongoing pressure for the accommodation supplement, lead to increased crowding, and clustering of low income renters in areas with lower housing costs which may or may not have access to good public transport links and employment nodes.



2. Introduction

In accordance with your instructions, we have prepared our report analysing the intermediate housing market. Our report is a detailed analysis on the intermediate housing market in Auckland including a breakdown of households' demographic profiles and their geographic distribution within Auckland. In addition, analysis on the movement of households in and out of Auckland, intermediate households' workplace geography, and some property market and affordability statistics. This report should not be used for any other purpose or by any other party.

The assignment's objective is to provide detailed analysis of the intermediate housing demand by a range of demographic characteristics including:

- Age of the household reference person;
- Household composition;
- Ethnicity of the household reference person;
- Trends by occupation; and
- Intermediate market by dwelling typology.



3. Intermediate housing market in Auckland

3.1 Introduction

The objective of this section of the report is to provide an overview of key trends in the intermediate housing market and includes:

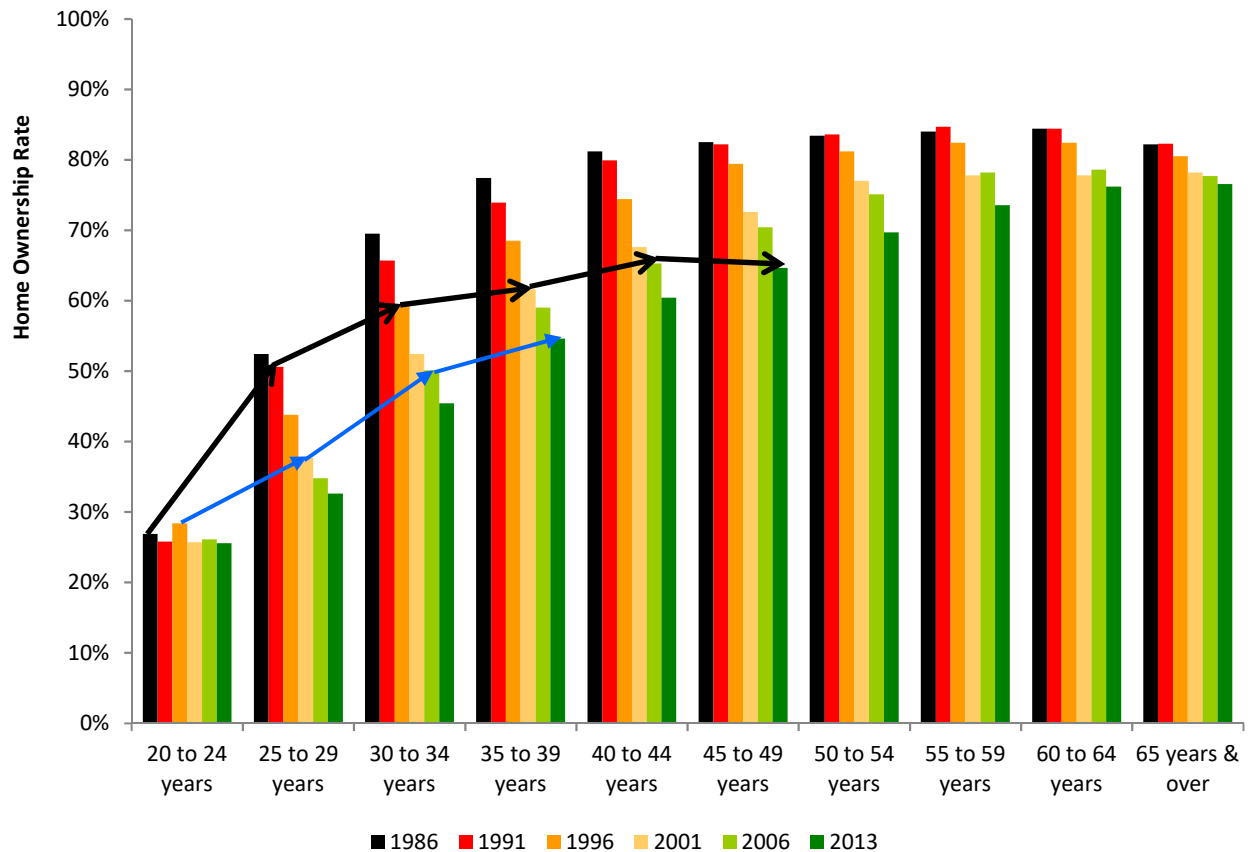
- Trends in the number of intermediate households by demographic characteristics
- Intermediate households as a proportion of all households by demographic characteristics
- Intermediate households by dwelling typology;
- Analysis of intermediate households by quality of the dwelling; and
- The geographic distribution of intermediate households within Auckland by local board and demographic characteristics; and
- Projection of the potential growth in the number of intermediate households from 2018 to 2028 by local board and demographic characteristics.

3.2 Context

New Zealand has experienced significant structural and regulatory reforms since the late 1980s. These have impacted on the way in which our economy and various markets (including housing) have evolved. The housing outcomes we see today are a product of this environment. New Zealand's experience has not been unique with other similar western economies experiencing similar housing outcomes which have included:

- Housing costs have increased faster than household incomes particularly in larger metroplottian areas with strong population growth;
- Rates of owner occupation have fallen particularly for younger households;
- As younger households subsequently aged they have failed to achieve the same levels of owner occupation relative to their older peers; and
- As housing costs have risen relative to household incomes, people in a growing number of jobs have found it difficult to live in their preferred suburbs within larger cities. This trend has had a disproportionate impact on households with low incomes.

Figure 3.1 presents the trend in the rate of owner occupation of Auckland households that had reference people aged between 20 and 24 years of age in 1986 at each subsequent census.

**Figure 3.1: Auckland households' rate of owner occupation by age of household reference person**

Source: Statistics New Zealand

The black line in Figure 3.1 tracks the rate of owner occupation for households that were aged 20 to 24 years of age in 1986. Relative to their older peers, by 2013, they had achieved rates of owner occupation 18 percentage points lower than those achieved by people 20 years older than them. The blue line presents the trend in the rate of owner occupation for households that were aged 20 to 24 years in 1996. Their experience suggests they are achieving rates of owner occupation 6 percentage points lower than those were aged 20 to 24 years in 1986.

These trends have led to a breakdown of the traditional housing pathway in Auckland and resulted in a growing number of households who are likely to never attain home ownership. As a result, over the last two decades there has been a steady increase in the number of renters in older age groups.

The concept of the intermediate housing market was developed as one measure of tracking the growth in the number of households unable to achieve owner occupation. Renter households with incomes too low to purchase a dwelling have become identified as “intermediate market households”. The growth in the intermediate housing market and need for adequate affordable housing has implications for economic development. Failure to provide adequate, affordable, local housing options for those in the intermediate housing market can impact upon not only the efficiency of the local labour market and in particular labour availability, but also can lead to sub-optimal settlement and commuter patterns.



The economic consequences of a growing intermediate housing market for the mainstream economy include the growing inability of workers in “essential” occupations such as police, nurses and teachers to buy in areas in which they work. Again, failure to provide the desired local housing options for these “key workers” can impact upon the efficiency of the local labour market and in particular labour availability in these key occupations.

Declines in renters’ ability to purchase dwellings and subsequent falls in home ownership rates impact on the traditional notions of housing careers. Increasingly renter households are unable to transition to home ownership. Over the last three decades New Zealand has done well increasing the supply of the dwellings in the private rental stock at a pace which has limited the growth in rents to close to the rate at which household incomes have been increasing. To some extent Government has achieved this by not overly regulating the market although this has changed over the last three years. Changes in regulations focused on the private rental market could potentially slow the growth in the private rental housing stock and consequently have a positive impact on the rate of growth in rents.

Traditionally, home ownership and the stability it provides has been associated with a range of positive educational, health and social outcomes. A key challenge for government housing policy is how, in the context of a growing intermediate housing market, with growing numbers of life-long renters, these benefits might also be secured by those unable for reasons of affordability to secure home ownership.

Home ownership has also been one of households’ key wealth building strategies. Growth in the intermediate housing market limits the ability of those households (in the intermediate housing market) to save and accumulate wealth for old age via home ownership. This has implications for the quantum and type of consumption support Government may have to provide during old age for those confined for most of their lives to the private rental market. Older renter households with fixed incomes primarily from superannuation are one of the most vulnerable groups within the housing market.

Many of the factors contributing to housing affordability problems arise within the housing system such as the failure to provide an adequate supply of well-located affordable housing. Other contributing factors arise from outside the housing system and housing policy settings. There are no easy answers in developing the appropriate policy responses to these trends, particularly in an Auckland context. It is important that future policy development considers their impact on the housing market whether it relates to issues directly associated with the housing market or in a more general economic context.



3.3 Intermediate market overview and summary of methodology used

The concept of the intermediate housing market was developed in the United Kingdom largely by Stephen Wilcox of the Centre for Housing Policy at the University of York. He published a number of reports between 2003 and 2010 developing the concept which focused on the geographical distribution of affordable and unaffordable housing and the ability of working households to become owner occupiers. DTZ (2005) and (2008) adopted this approach to housing affordability analysis and adapted it to a New Zealand context taking into account data availability and defined the intermediate housing market in a New Zealand context as *“private renter households with at least one person in paid employment, unable to affordably purchase a house at the lower quartile house sale price for the local authority area at standard bank lending conditions⁴.”* This report uses the same definition to calculate the size of the intermediate housing market in Auckland.

The intermediate housing market reflects only one portion of the housing continuum. Figure 3.2 presents a more detailed view of the housing continuum.

Figure 3.2: The housing continuum

Social Renters	Private Renters							Owner Occupiers
	Not in work	In Work						
		Unable to affordably					Able to affordably buy at median house sale price	
		Pay rent at the			Buy at			
		lower quartile	median	upper quartile	lower quartile house sale price	median house sale price		
Social Renters	Not in Work Private renters	The Intermediate Housing Market				Relatively Well Off Private Sector Renters		Owner Occupiers

NB: Note that this diagram is not to scale and does not represent the relative size of each subgroup

⁴ Standard bank lending conditions were defined as a 25 year table mortgage assuming no more than 30% of the household's gross income is used to service the debt, a 10% deposit, and the one year fixed mortgage interest rate.



The approach used in this report to model the size of the intermediate market includes a number of steps and these include:

- Step 1: A profile of Auckland's and each local boards' households (by demographic characteristics) from 2001 to 2013 is developed using customised data sets from Statistics New Zealand which identify the number of private renter households with at least one person in paid employment by household income;
- Step 2: The level of income required to affordably pay the mortgage on a dwelling purchased at the lower quartile house sale price is estimated. Standard bank lending conditions are assumed along with the average first mortgage interest rate for new lending. Households are assumed to use no more than 30% of their gross household income in servicing the loan;
- Step 3: The number of employed private renter households (by demographic characteristics) unable to affordably service the loan required to buy a dwelling at the lower quartile house sale price is modelled based on the outputs from step 1 and 2;
- Step 4: Profile of Auckland's and each local board's households from 2018 to 2028 are modelled using the profiles developed in step 1 and Statistics New Zealand's population and household projections between 2013 and 2028;
- Step 5: Synthetic age/household cohorts are modelled to track tenure change over time and project forward future rates of owner occupation by age and household composition;
- Step 6: Combine the results from stages 5 and 6 to provide the projected number of renters by local board areas;
- Step 7: Estimate the affordable income required to purchase a lower quartile sale priced dwelling using the assumptions listed below;
- Step 8: Model the number of employed private renter households unable to affordably purchase a dwelling by local board, and demographic characteristic between 2018 and 2028; and
- Step 9: The propensity of households to live in different dwelling typologies is estimated from census data by local board area, tenure and demographic characteristics and used to model the demand for different types of dwellings by location for the intermediate market and by tenure and their demographic characteristics.

Key data inputs and assumptions used to estimate the size of the intermediate market between 2001 and 2018 include:

- Customised census data sets for Auckland broken down by local board areas, tenure, household incomes employment status, dwelling typology, and key demographic characteristics, sourced from Statistics New Zealand;
- Population and household projections by local board area, sourced from Statistics New Zealand;
- House sale price data by local board areas was sourced from Corelogic (see Appendix Two);
- First mortgage interest rates for new borrowers was sourced from Reserve Bank of New Zealand; and
- Household incomes are assumed to increase at 3.5% per annum between 2013 and 2018.



In terms of modelling the projections of the size of the intermediate housing market from 2018 to 2028 the following assumptions were used:

- Age, tenure, demographic structure of households by local board area developed in the first stage of the model (modelling the size of the intermediate market between 2001 and 2018) is used as the basis for modelling future change out to 2028;
- The increase in Auckland's and the local boards' populations is consistent with Statistics New Zealand's medium level projections for population growth and change in the number of households;
- Household incomes increase at 3.5% per annum between 2018 and 2028;
- Lower quartile house prices are assumed to increase at 4.0% per annum between 2018 and 2028;
- Tenure change is modelled using a synthetic age household type cohort approach which suggests a decline in the rate of owner occupation of 2.7 percentage points between 2018 and 2028; and
- Interest rates remain consistent at 2018 levels over the forecast period.



3.4 Overview of the trends in the intermediate housing market

The number of households in the intermediate housing market has increased over the past 27 years by approximately 152% nationally and 231% in the Auckland region. There are now 210,000 intermediate households⁵ nationally and 95,400 of these are located in Auckland. Table 3.1 presents the trend in the number of intermediate households in Auckland and nationally as well as their proportion of renter and total households.

Table 3.1: Intermediate housing market in Auckland and nationally

	Auckland			New Zealand		
	No of	Intermediate as a % of		No of	Intermediate as a % of	
	intermediate households	Renter households	Total households	intermediate households	Renter households	Total households
2001	45,750	31.7%	10.9%	121,930	27.1%	8.5%
2006	68,840	41.9%	14.8%	187,420	37.2%	12.1%
2013	66,208	34.8%	13.3%	150,630	26.2%	9.1%
2018	95,350	40.2%	16.5%	210,040	31.3%	11.5%

Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand

Auckland's intermediate households as a percentage of all households has increased from 10.9% in 2001, to 16.5% in 2018. Nationally, intermediate households as a proportion of all households increased from 8.5% in 2001 to 11.5%.

Intermediate households as a proportion of all renter households increased from 31.7% in 2001 to 40.2% in 2018. Nationally, intermediate households as a proportion of all renter households followed a similar trend and increased from 27.1% in 2001 to 31.3% in 2018.

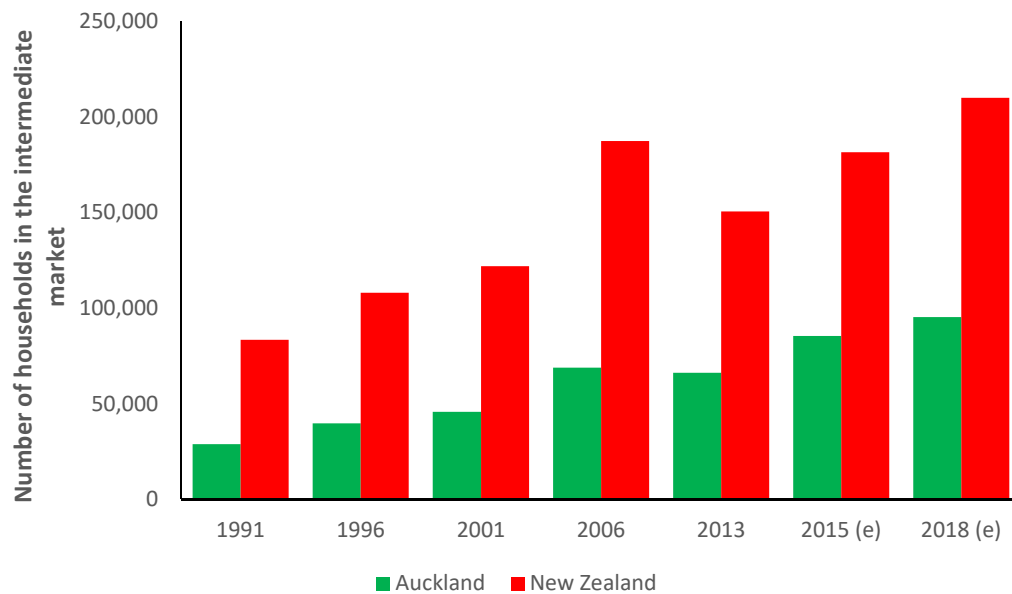
The difference in the trend of intermediate households as a proportion of renters as a proportion of all households reflects the fall in the rate of owner occupation resulting in faster growth in the number of renter households compared to all households. Overall these trends reflect the ongoing decline in first home buyer affordability in Auckland. Housing for first home buyers is less affordable in Auckland compared to the national average.

⁵ As at 30th June 2018



Figure 3.3 presents the trends in the size of the intermediate housing market nationally and in the Auckland region between 1991 and 2018⁶.

Figure 3.3: Intermediate housing market 1991 to 2018



Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand

The proportion of intermediate households located in the Auckland region relative to the national total increased from 34% in 1991 to 45% in 2018. Over the last three years Auckland's intermediate households as a percentage of the national total declined. This was caused by lower house price growth in Auckland while house sale prices increased at a higher rate outside Auckland reflecting the difference in the timing of each regions' property growth cycles.

⁶ Household incomes are assumed to have increased by 3.5% per annum between 2013 and 2018.



Table 3.2 summarises the drivers influencing the change in the size of Auckland's intermediate housing market between 2001 and 2018.

Table 3.2: Factors influencing the size of Auckland's intermediate housing market⁷

	2001 to 2006	2006 to 2013	2013 to 2018	Total change 2001 to 2018
Growth in total households	5,500	5,600	10,600	21,700
Growth as a result of tenure change (excluding population growth)	6,600	5,000	9,300	20,900
Change in interest rates	3,400	-16,700	-1,200	-14,500
House sale price appreciation	29,500	22,600	27,100	79,200
Income growth & change in distribution	-22,800	-19,200	-16,670	-58,670
Total change	22,200	-2,700	29,130	48,630

Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand

House price appreciation has had the largest impact on the size of the intermediate market between 2001 and 2018. Population growth and the decline in the rate of owner occupation has also had a significant positive impact on the size of the intermediate market. Offsetting these drivers has been a fall in mortgage interest rates and growth in household incomes.

⁷ Table 3.2's outcomes are modelled using scenario type analysis varying each key variable individually within the intermediate housing market model to gauge their impact on the total number of intermediate households. The sum of the different scenarios (each variable individually) is then used to generate the number of households by time period and key variable presented in Table 3.2.



3.5 Auckland's intermediate households by demographic characteristic

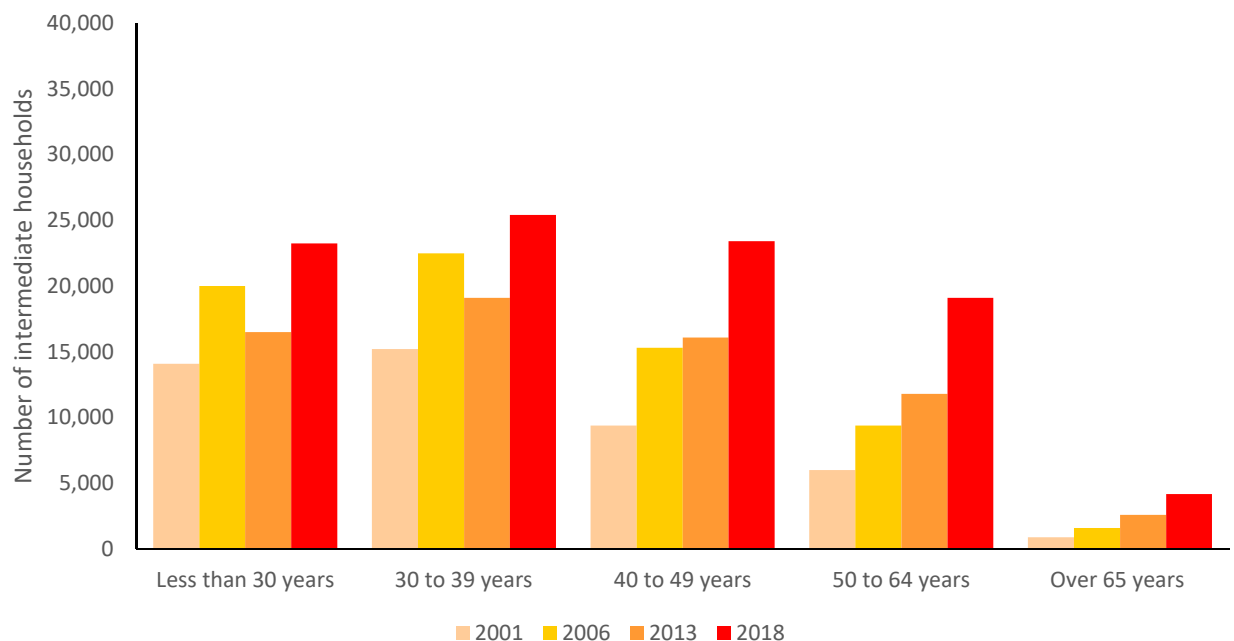
The objective of this section of the report is to present a profile of intermediate market households by demographic characteristics and compare these trends with all households living in Auckland. The demographic characteristics included are:

- Age of the household reference person;
- Household composition;
- Ethnicity of the household reference person;
- Trends by occupation; and
- Intermediate market by dwelling typology.

3.5.1 Intermediate market by age and household composition

The growth in the number of intermediate households has been unevenly distributed across the different age groups in Auckland. Figure 3.4 presents the trend in the number of intermediate households in Auckland between 2001 and 2018 by age of the household reference person.

Figure 3.4: Intermediate households by age of the household reference person 2001 to 2018



Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand

Between 2001 and 2018 the number of intermediate households increased by 109% with the strongest growth in intermediate households in those with household reference people aged between 40 to 64 years of age. Over the same time period, households with reference people aged 40 to 49 years increased by 149% (or 14,010 households) and those with reference people aged 50 to 64 years increased by 219%. These trends reflect the change in the age profile of all renter households living in Auckland.



Table 3.3 presents the trend in the number of intermediate households by age of the household reference person for 2001, 2006, 2013 and 2018.

Table 3.3: Intermediate housing market by household reference person's age

	2001		2006		2013		2018	
	Households	% of Total	Households	% of Total	Households	% of Total	Households	% of Total
Intermediate market								
Less than 30 years	14,100	31%	20,000	29%	16,500	25%	23,240	24%
30 to 39 years	15,200	33%	22,500	33%	19,100	29%	25,420	27%
40 to 49 years	9,400	21%	15,300	22%	16,100	24%	23,410	25%
50 to 64 years	6,000	13%	9,400	14%	11,800	18%	19,110	20%
Over 65 years	900	2%	1,600	2%	2,600	4%	4,170	4%
Total	45,600	100%	68,800	100%	66,100	100%	95,350	100%
All Auckland households								
Less than 30 years	63,550	15%	65,130	14%	62,280	13%	89,490	16%
30 to 39 years	101,010	24%	105,180	23%	96,440	19%	114,460	20%
40 to 49 years	91,810	22%	109,760	24%	114,980	23%	110,690	19%
50 to 64 years	92,700	22%	109,170	23%	131,670	26%	147,840	26%
Over 65 years	70,340	17%	76,270	16%	92,620	19%	114,520	20%
Total	419,400	100%	465,500	100%	498,000	100%	577,000	100%

Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand

The number of intermediate households increased in all age groups between 2001 and 2018. The strongest growth occurred in households with reference people aged between 40 and 49 years old (up 14,010 households or 149% between 2001 and 2018) and households with reference people aged between 50 and 64 years of age (up 13,110 households or 219% between 2001 and 2018). To some extent this reflects the underlying trends in the rental market with owner occupation harder to achieve, and as a consequence, a growing number of families living in rented accommodation for longer resulting in an increased number of older renter households which then is reflected in the intermediate housing market.

Other trends include:

- Intermediate households with reference people aged less than 30 years, relative to all households with reference people aged less than 30 years, make up the highest proportion of households at 26% (23,240 divided by 89,490 total households) in 2018. This compares to 22% for households aged 30 to 39 years, 21% for households aged 40 to 49 years, 13% for households aged 50 to 64 years and 4% for households aged over 65 years; and
- The proportion of intermediate households with reference people aged 40 to 49 years of age as a percentage of total households increased from 10% in 2001 to 21% in 2018. This was the highest growth across the different age groups.



Table 3.4 presents the number of intermediate households by age of the household reference person and intermediate households as a percentage of all households by age of the household reference person between 2001 and 2018.

Table 3.4: Intermediate households as a percentage of all households by age of the household reference person

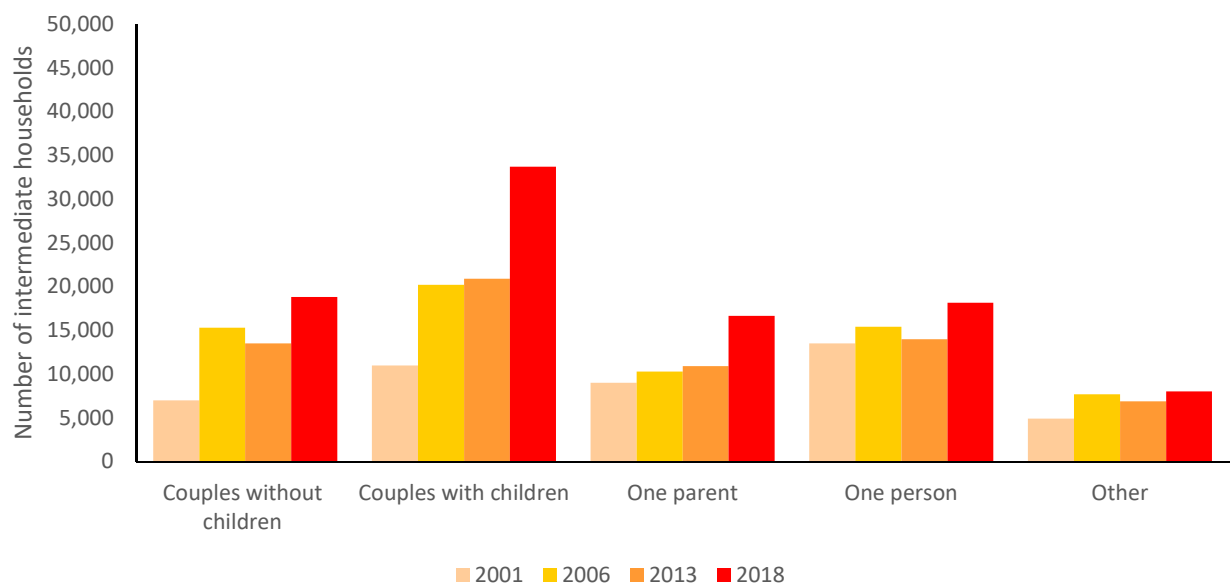
Age of reference person	Intermediate households				Intermediate households as a percentage of all households by age			
	2001	2006	2013	2018	2001	2006	2013	2018
Less than 30 years	14,100	20,000	16,500	23,240	22%	31%	26%	26%
30 to 39 years	15,200	22,500	19,100	25,420	15%	21%	20%	22%
40 to 49 years	9,400	15,300	16,100	23,410	10%	14%	14%	21%
50 to 64 years	6,000	9,400	11,800	19,110	6%	9%	9%	13%
Over 65 years	900	1,600	2,600	4,170	1%	2%	3%	4%
Total	45,600	68,800	66,100	95,350	11%	15%	13%	17%

Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand

Intermediate households as a percentage of all households by age of the reference person increased by 11 percentage points for households with reference people aged between 40 and 49 years between 2001 and 2018 and by seven percentage points for those with reference people aged from 30 to 39 years and 50 to 64 years.

Figure 3.5 presents the trend in the number of intermediate households by household composition between 2001 and 2018.

Figure 3.5: Intermediate households by household composition 2001 to 2018



Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand



Intermediate households with couple with children composition increase the fastest between 2001 and 2018 growing by 206% and accounted for 46% of all the increase in the intermediate market. The second fastest growing group were couples without children which increased in number by 169% and accounted for 24% of all the increase in the intermediate market.

Table 3.5 presents the trends in the number of intermediate households by household composition for 2001, 2006, and 2013.

Table 3.5: Intermediate housing market by household composition

	2001		2006		2013		2018	
	Households	% of Total	Households	% of Total	Households	% of Total	Households	% of Total
Intermediate market								
Couples without children	7,000	15%	15,300	22%	13,500	20%	18,810	20%
Couples with children	11,000	24%	20,200	29%	20,900	32%	33,690	35%
One parent	9,000	20%	10,300	15%	10,900	17%	16,660	17%
One person	13,500	30%	15,400	22%	14,000	21%	18,160	19%
Other	4,900	11%	7,700	11%	6,900	10%	8,030	8%
Total	45,500	100%	68,900	100%	66,200	100%	95,350	100%
All Auckland households								
Couples without children	103,090	25%	120,700	26%	134,480	27%	162,040	28%
Couples with children	154,230	37%	163,460	35%	172,770	35%	195,400	34%
One parent	63,930	15%	68,320	15%	72,260	15%	80,150	14%
One person	85,660	20%	91,650	20%	96,400	19%	111,600	19%
Other	12,490	3%	21,380	5%	21,900	4%	27,690	5%
Total	419,400	100%	465,500	100%	497,810	100%	576,880	100%

Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand

The number of intermediate households increased for all household types between 2001 and 2018. The strongest growth was for couples with children households which accounted for 35% of the intermediate market and this is up from 24% in 2001. The number of intermediate couples with children households increased by 22,690 between 2001 and 2018 or 206%. Couples without children intermediate households also experienced strong growth increasing by 169% between 2001 and 2018 and now account for 20% of the intermediate market up from 15% in 2001.



Table 3.6 presents the number of intermediate households by household composition and intermediate households as a percentage of total households by composition between 2001 and 2018

Table 3.6: Intermediate households by composition and as a percentage of total households by composition

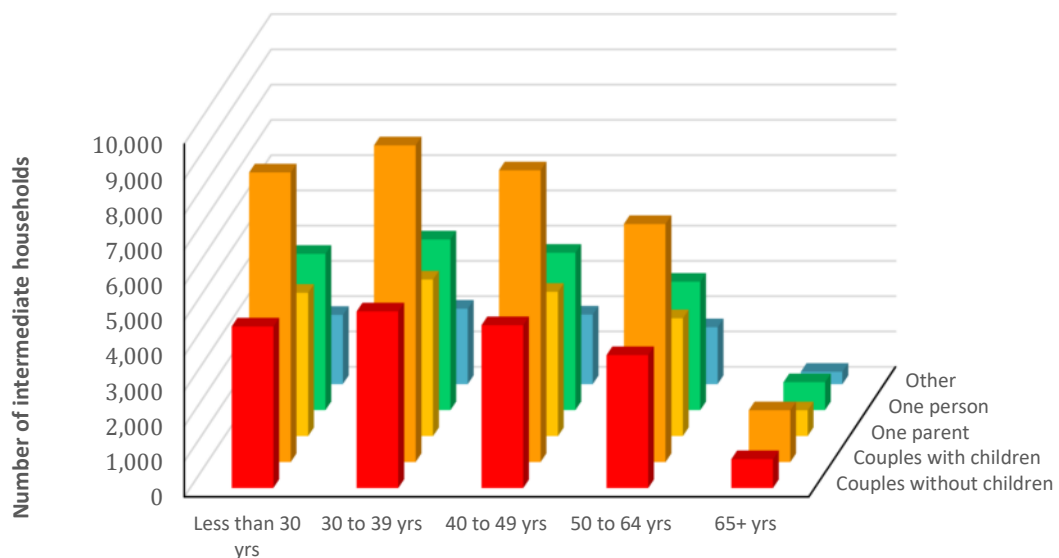
Household composition	Intermediate households				Intermediate households as a percentage of all households by household composition			
	2001	2006	2013	2018	2001	2006	2013	2018
Couples without children	7,000	15,300	13,500	18,810	7%	13%	10%	12%
Couples with children	11,000	20,200	20,900	33,690	7%	12%	12%	17%
One parent	9,000	10,300	10,900	16,660	14%	15%	15%	21%
One person	13,500	15,400	14,000	18,160	16%	17%	15%	16%
Other	4,900	7,700	6,900	8,030	39%	36%	32%	29%
Total	45,500	68,900	66,200	95,350	11%	15%	13%	17%

Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand

One parent households has the highest proportion of intermediate households in 2018 while couples with children households experienced the strongest increase in the proportion of intermediate households between 2001 and 2018 (an increase of 10 percentage points).

Figure 3.6 presents the demographic mix of intermediate households by age of the reference person and household composition in 2018.

Figure 3.6: Intermediate households by demographic characteristic in 2018



Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand



Couples with children dominate intermediate households across all age groups. Table 3.7 presents intermediate market households by age of the reference person and household composition in 2018.

Table 3.7: The proportion of intermediate market households by age and household composition in 2018

	Less than 30 yrs		30 to 39 yrs		40 to 49 yrs		50 to 64 yrs		65+ yrs		Total	
	Hhld	%	Hhld	%	Hhld	%	Hhld	%	Hhld	%	Hhld	%
Intermediate market												
Couples without children	4,580	5%	5,010	5%	4,620	5%	3,770	4%	820	1%	18,800	20%
Couples with children	8,210	9%	8,980	9%	8,270	9%	6,750	7%	1,470	2%	33,680	35%
One parent	4,060	4%	4,440	5%	4,090	4%	3,340	4%	730	1%	16,660	17%
One person	4,430	5%	4,840	5%	4,460	5%	3,640	4%	790	1%	18,160	19%
Other	1,960	2%	2,140	2%	1,970	2%	1,610	2%	350	0%	8,030	8%
Total	23,240	24%	25,410	27%	23,410	25%	19,110	20%	4,160	4%	95,330	100%
All Auckland households												
Couples without children	33,970	6%	23,110	4%	12,060	2%	44,990	8%	47,910	8%	162,040	28%
Couples with children	19,030	3%	58,050	10%	61,320	11%	49,060	9%	7,940	1%	195,400	34%
One parent	14,030	2%	16,270	3%	20,620	4%	20,280	4%	8,950	2%	80,150	14%
One person	9,040	2%	11,850	2%	13,560	2%	29,700	5%	47,450	8%	111,600	19%
Other	13,750	2%	4,130	1%	2,080	0%	3,470	1%	4,260	1%	27,690	5%
Total	89,480	16%	114,440	20%	110,670	19%	147,820	26%	114,500	20%	576,910	100%

Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand

The cohorts which are proportionally over-represented in the intermediate housing market include:

- Couples without children aged between 40 and 49 years of age;
- Couples with children aged less than 30 years of age;
- One parent households aged less than 39 years of age; and
- One person households aged less than 49 years of age.



Table 3.8 presents intermediate households as a proportion of all households by age of the reference person and household composition in 2018.

Table 3.8: Intermediate households as a proportion of total households by age of the reference person and household composition in 2018

	Less than 30	30 to 39 yrs	40 to 49 yrs	50 to 64 yrs	65+ yrs	Total
Couples without children	13%	22%	38%	8%	2%	12%
Couples with children	43%	15%	13%	14%	19%	17%
One parent	29%	27%	20%	16%	8%	21%
One person	49%	41%	33%	12%	2%	16%
Other	14%	52%	95%	46%	8%	29%
Total	26%	22%	21%	13%	4%	17%

Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand

Younger couples with children and one person households along with other households had the highest proportion of intermediate households in 2018.



3.5.2 Intermediate market by ethnicity

Table 3.9 presents the trend in the number of intermediate households by the ethnicity of the household reference person. Note that people can respond and identify with more than one ethnicity. This means the numbers presented in the following ethnicity tables will not equate with the number of households presented in the previous sections of the report.

Table 3.9: Intermediate households by ethnicity – 2001 to 2013

	2001		2006		2013	
	Hhlds	% of total	Hhlds	% of total	Hhlds	% of total
Intermediate market						
European	27,090	61%	36,160	50%	36,310	50%
Asian	5,270	12%	12,330	17%	15,910	22%
Pacific Peoples	5,400	12%	8,210	11%	9,560	13%
Māori	5,770	13%	8,630	12%	8,060	11%
Middle Eastern/Latin Am /African	700	2%	1,340	2%	1,790	2%
Other Ethnicity	10	0%	4,800	7%	720	1%
Not Elsewhere Included	290	1%	370	1%	270	0%
Total Stated	44,530	100%	71,840	100%	72,620	100%
All households						
European	284,720	70%	264,350	58%	299,450	60%
Asian	38,960	10%	62,540	14%	85,360	17%
Pacific Peoples	29,210	7%	34,030	7%	38,640	8%
Māori	31,010	8%	34,190	7%	36,700	7%
Middle Eastern/Latin Am /African	3,400	1%	4,920	1%	7,050	1%
Other Ethnicity	90	0%	39,020	9%	6,010	1%
Not Elsewhere Included	17,830	4%	19,300	4%	23,420	5%
Total Stated	405,200	100%	458,350	100%	496,620	100%

Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand

The ethnicities which are overrepresented in the intermediate market in 2018 include:

- Asian households account for 22% of all households in the intermediate market compared to 17% of total households;
- Pacifica households being 13% of all households in the intermediate market compared to 8% of total households; and
- Māori households being 11% of all households in the intermediate market compared to 7% of total households.

Households with reference people of European descent were underrepresented in the intermediate market accounting for 50% of households compared to 60% of total households.



Table 3.10 presents intermediate households as a proportion of total households by the ethnicity of the household reference person between 2001 and 2013.

Table 3.10: Intermediate households as a proportion of total households by the ethnicity of the reference person

	Number of intermediate households			Intermediate households as a proportion of total households by ethnicity		
	2001	2006	2013	2001	2006	2013
European	27,090	36,160	36,310	10%	14%	12%
Asian	5,270	12,330	15,910	14%	20%	19%
Pacific Peoples	5,400	8,210	9,560	18%	24%	25%
Māori	5,770	8,630	8,060	19%	25%	22%
Middle Eastern/Latin Am /African	700	1,340	1,790	21%	27%	25%
Other Ethnicity	10	4,800	720	11%	12%	12%
Not Elsewhere Included	290	370	270	2%	2%	1%
Total Stated	44,530	71,840	72,620	11%	16%	15%

Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand

Households with reference people identifying with Pacific People, Māori and Middle Eastern/Latin American and African households had the highest proportion of intermediate households as a proportion of total households. To some extent these trends reflect the income profile of the households by ethnicity and households with lower income profiles being relatively overrepresented in the intermediate market.



3.5.3 Intermediate market by occupation

Tables 3.11 presents the trends in the number of intermediate market households by the occupation of the reference person for 2001 and 2013 in the Auckland.

Table 3.11: Auckland's intermediate housing market by the occupation of the reference person

	2001		2013		Change 2001 to 2013	
	Households	% of Total	Households	% of Total	Households	% of Total
Legislators and Administrators	200	0.4%	300	0.5%	100	0.0%
Corporate Managers	4,500	9.8%	9,000	13.6%	4,500	3.8%
Total Managers	4,700	10.3%	9,300	14.0%	4,600	3.8%
Physical, Mathematical & Engineering	1,200	2.6%	2,800	4.2%	1,600	1.6%
Life Science and Health	1,000	2.2%	1,600	2.4%	600	0.2%
Teaching	1,800	3.9%	3,200	4.8%	1,400	0.9%
Other	1,800	3.9%	3,100	4.7%	1,300	0.7%
Physical Science & Eng. Associate	1,300	2.8%	1,900	2.9%	600	0.0%
Life Science and Health Associate	500	1.1%	700	1.1%	200	0.0%
Other Associate	4,300	9.4%	8,500	12.8%	4,200	3.4%
Total Professionals	11,900	26.0%	21,800	32.9%	9,900	6.9%
Office Clerks	5,200	11.4%	5,800	8.8%	600	-2.6%
Customer Services Clerks	2,200	4.8%	2,400	3.6%	200	-1.2%
Total Clerks	7,400	16.2%	8,200	12.4%	800	-3.8%
Personal and Protective Services	4,500	9.8%	6,900	10.4%	2,400	0.6%
Salespersons, Demonstrators	3,200	7.0%	3,500	5.3%	300	-1.7%
Total service and sales	7,700	16.8%	10,400	15.7%	2,700	-1.1%
Agricultural and Fishery Workers	1,000	2.2%	1,100	1.7%	100	-0.5%
Building Trades	2,000	4.4%	2,200	3.3%	200	-1.0%
Metal and Machinery Trades	1,200	2.6%	1,500	2.3%	300	-0.4%
Precision Trades	400	0.9%	300	0.5%	-100	-0.4%
Other Craft and Related Trades	700	1.5%	700	1.1%	0	-0.5%
Total Trades	4,300	9.4%	4,700	7.1%	400	-2.3%
Industrial Plant Operators	400	0.9%	400	0.6%	0	-0.3%
Stationary Machine and Assemblers	1,900	4.2%	1,600	2.4%	-300	-1.7%
Drivers and Mobile Machinery	1,500	3.3%	1,900	2.9%	400	-0.4%
Building and Related Workers	300	0.7%	300	0.5%	0	-0.2%
Total Plant and Related workers	4,100	9.0%	4,200	6.3%	100	-2.6%
Labourers & Elementary Service	3,000	6.6%	4,100	6.2%	1,100	-0.4%
Not Elsewhere Included	1,600	3.5%	2,400	3.6%	800	0.1%
	45,750	100.0%	66,200	100.0%	20,450	0.0%

Source: Modelled from data sourced from Corelogic, Headway Systems, RBNZ, and Statistics New Zealand

Managers and professionals accounted for 71% of the growth in the intermediate housing market. These are traditionally higher paying areas of employment are likely to increasingly account for growth in the intermediate housing market if the affordability of buying a dwelling continues to decline.



A significant proportion of the change in the composition of the intermediate housing market in Auckland can be explained by the changes in the overall composition of the labour market by occupation. However, some of the changes in the proportion of different occupations are larger in the intermediate housing market.

The proportion of professionals as a percentage of all intermediate market households increased by 6.9 percentage points between 2001 and 2013. Over the same time period the ratio of professionals in the intermediate housing market increased by 5.4 percentage points for all in-work private sector renters and 5.8 percentage point for all households. Consequently, professional intermediate market households are increasing at a faster rate than across the market as a whole. This pattern is repeated across the majority of occupations with households with people employed in typically higher paid occupations increasing as a proportion of total intermediate market households. Comparatively the households with people in the lower paid occupations, while increasing in total number, are falling as a proportion of total intermediate housing households.

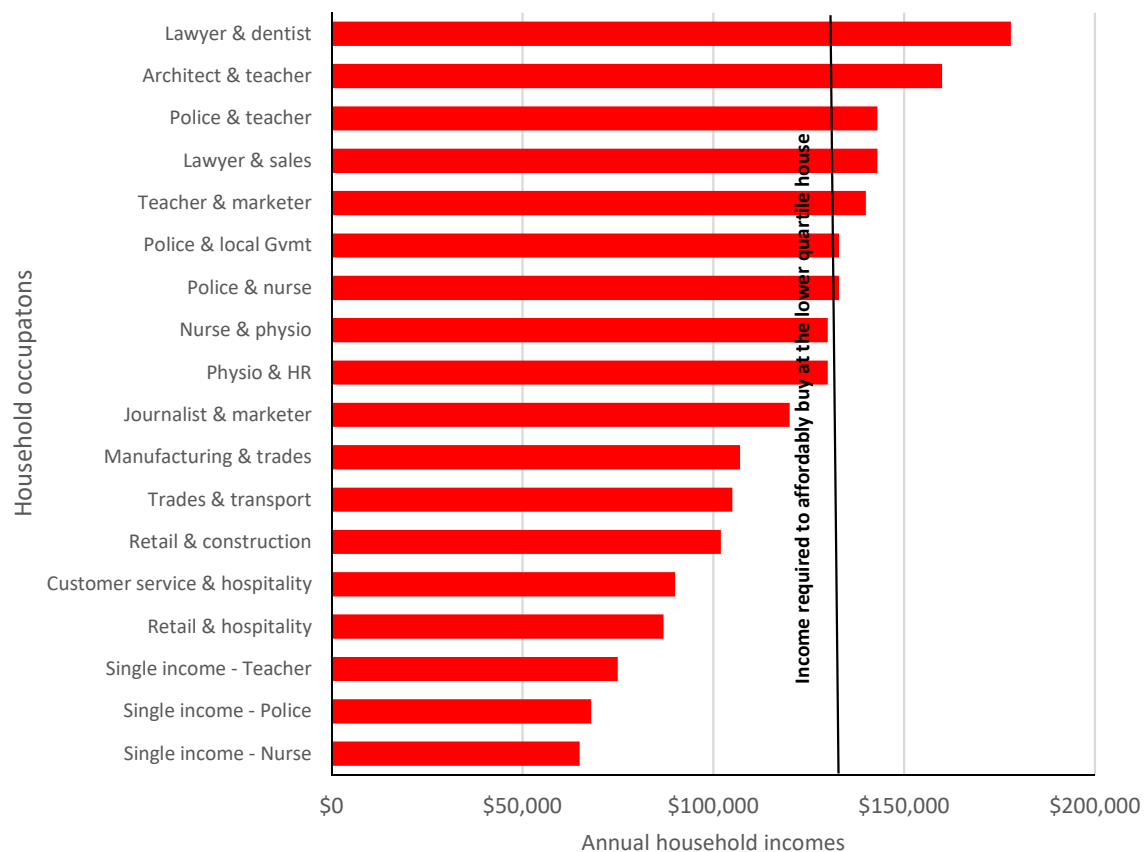
The trend post the 2013 census is challenging to model. However, we can examine the likely impact that growth in house prices, household incomes and changes in interest rates have had on households' ability to be able to buy at the lower quartile house sale price. In 2018, housing affordability was poor even for households earning more than the median household income. Auckland's median household income is estimated at \$90,900⁸ per annum while the income required to affordably service a mortgage associated with buying a property at the lower quartile house sale price is in excess of \$130,000 per annum.

⁸ This assumes the median household income has increased at 3.5% per annum since the 2013 census,



Figure 3.7 presents households' ability to affordably pay mortgage costs buying at the lower quartile house price. The income levels⁹ assume one or two full time incomes for the different occupations presented.

Figure 3.7: Auckland – Relative housing affordability by occupation in 2018¹⁰.



Source: Modelled from data sourced from Headway Systems, MBIE, RBNZ, & Statistics NZ

All of the two household incomes by occupations presented are higher than Auckland's median household income. Households with single incomes typically cannot affordably buy at the lower quartile house sale price. Housing affordability has become a key issue for a range of essential worker households. Effectively they need two full time incomes to affordably buy at the lower quartile house price. These housing costs have the potential to impact on the region's ability to attract essential workers and for staff retention.

⁹ Incomes are based on the 2018 median incomes by occupation published by www.careers.govt.nz

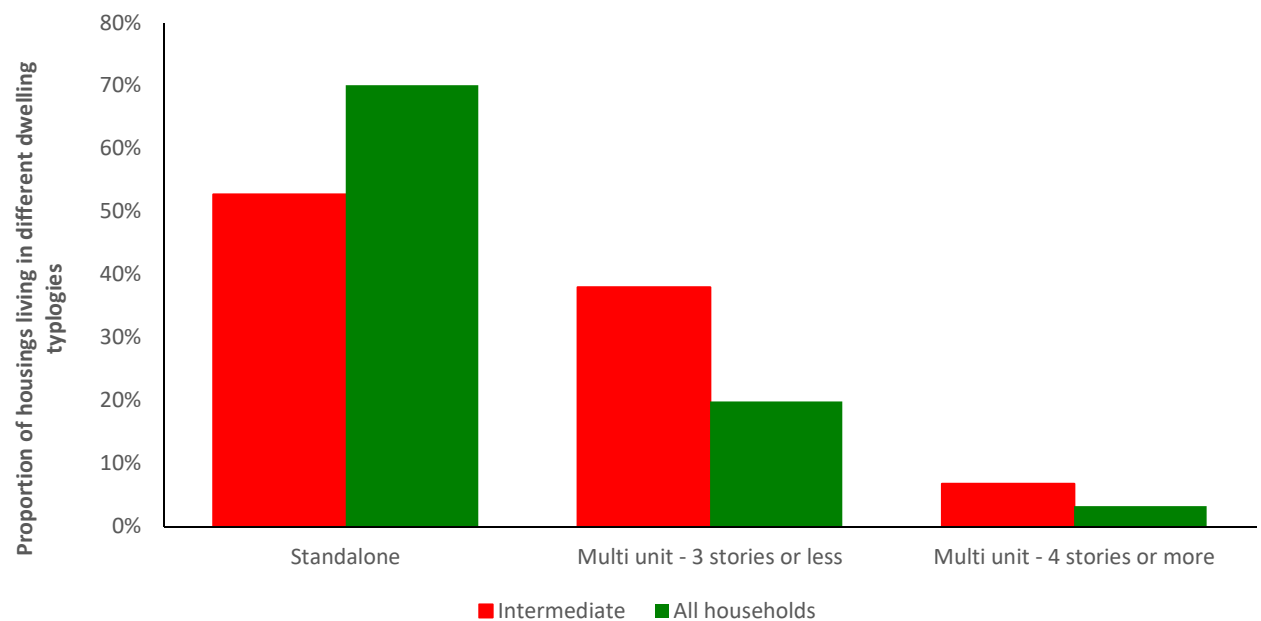
¹⁰ A summary of the incomes used is presented in appendix 3.



3.5.4 Intermediate market by dwelling typology

Intermediate households have a higher propensity to live in multi-unit dwellings than Auckland's general population. Figure 3.8 presents the proportion of intermediate households living in different dwelling typologies in 2013 and compares intermediate households with all households living in Auckland.

Figure 3.8: The proportion of intermediate and total Auckland households living in different typologies



Source: Statistics New Zealand

A total of 45% of intermediate households lived in multi-unit dwellings in 2013 compared to 23% of all households. This in part reflects multi-unit dwellings making up a larger proportion of the rental stock in Auckland compared to the overall dwelling stock.



Table 3.12 presents the number of households living in different dwelling typologies in 2001 and 2013 for both intermediate and all households living in Auckland.

Table 3.12: The proportion of intermediate and total Auckland households living in different typologies

	2001				2013			
	Intermediate		All households		Intermediate		All households	
	No	% of Total	No	% of Total	No	% of Total	No	% of Total
Separate house	23,180	51%	279,405	72%	35,060	53%	327,980	70%
<i>Multi-unit</i>								
3 stories or less	16,430	36%	70,800	18%	25,250	38%	93,000	20%
4 stories or more	1,400	3%	7,377	2%	4,490	7%	15,000	3%
<i>Total multi-unit</i>	17,830	39%	78,177	20%	29,750	45%	108,000	23%
Other/NFD	4,740	10%	28,581	7%	1,650	2%	32,030	7%
Total	45,750	100%	386,163	100%	66,460	100%	468,010	100%

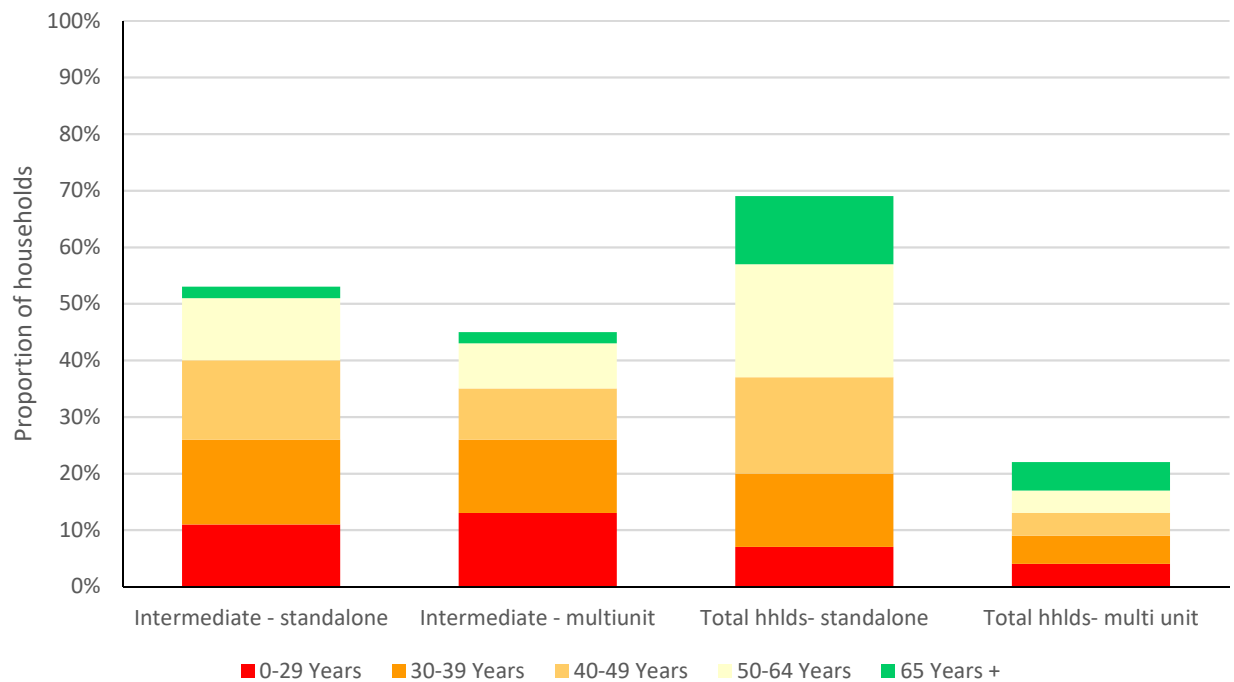
Source: Statistics New Zealand

These trends reflect the changing nature of the dwelling stock in Auckland and suggest proportionally more intermediate households live in multi-unit dwellings when compared to all households. One of the more significant trends between 2001 and 2013 is the increased propensity of intermediate households to live in multi-unit buildings of four stories or more. This increased from 3% in 2001 to 7% of all intermediate households in 2013.

Figure 3.9 presents the proportion of intermediate and total households by age of the household reference person and dwelling typology in 2013.



Figure 3.9: Proportion of intermediate and total households by dwelling typology and age of the household reference person



Source: Statistics New Zealand

Proportionally more intermediate households live in multi-unit dwellings than for all households combined. Intermediate households with younger reference people have a high propensity to live in multi-unit dwellings.



Table 3.13 presents the number of households living in different dwelling typologies in 2013 for both intermediate and all households living in Auckland by age of the household reference person.

Table 3.13: The proportion of intermediate and total Auckland households living in different typologies by age of the household reference person

	0-29 Years		30-39 Years		40-49 Years		50-64 Years		65 Years +		Total	
	No	%	No	%	No	%	No	%	No	%	No	%
Intermediate												
Separate house	7,260	11%	9,700	15%	9,580	14%	7,010	11%	1,500	2%	35,050	53%
<i>Multi units</i>												
-3 stories	6,380	10%	7,290	11%	5,550	8%	4,690	7%	1,340	2%	25,250	38%
-4 stories	2,140	3%	1,310	2%	560	1%	400	1%	70	0%	4,480	7%
Other	330	0%	380	1%	420	1%	410	1%	120	0%	1,660	2%
Total	16,110	24%	18,680	28%	16,110	24%	12,510	19%	3,030	5%	66,440	100%
All households												
Separate house	33,620	7%	61,810	13%	81,570	17%	93,370	20%	57,620	12%	327,990	70%
Multi Units												
-3 stories or less	15,380	3%	19,030	4%	16,930	4%	19,340	4%	22,320	5%	93,000	20%
- 4 stories or more	5,380	1%	3,290	1%	1,840	0%	2,230	0%	2,270	0%	15,010	3%
Other/NFD	5,740	1%	6,090	1%	6,820	1%	7,930	2%	5,470	1%	32,050	7%
Total	60,120	13%	90,220	19%	107,160	23%	122,870	26%	87,680	19%	468,050	100%

Source: Statistics New Zealand

Key trends include:

- Proportionally more intermediate households (those aged 39 years or less) live in standalone dwellings than for all households. At the same time proportionally, fewer intermediate households aged over 40 years live in standalone dwellings;
- Intermediate households have a greater propensity to live in multi-unit dwellings than for all households with one exception (households aged 65 years and older living in multi-unit dwellings with three or more stories).



3.6 Auckland's intermediate housing market by local board and key demographic characteristics

Intermediate market households are not evenly distributed across the urban areas. The objective of this section of the report is to present analysis of where these households live in the Auckland housing markets. The results of the analysis will be summarised at a local board level. The geographic boundaries of the local boards are presented in Appendix One.

The results of the modelling are presented in a number of stages. First, the geographic distribution of intermediate households is presented using statistical area units. The results of the analysis by demographic characteristics is summarised at a local board level.

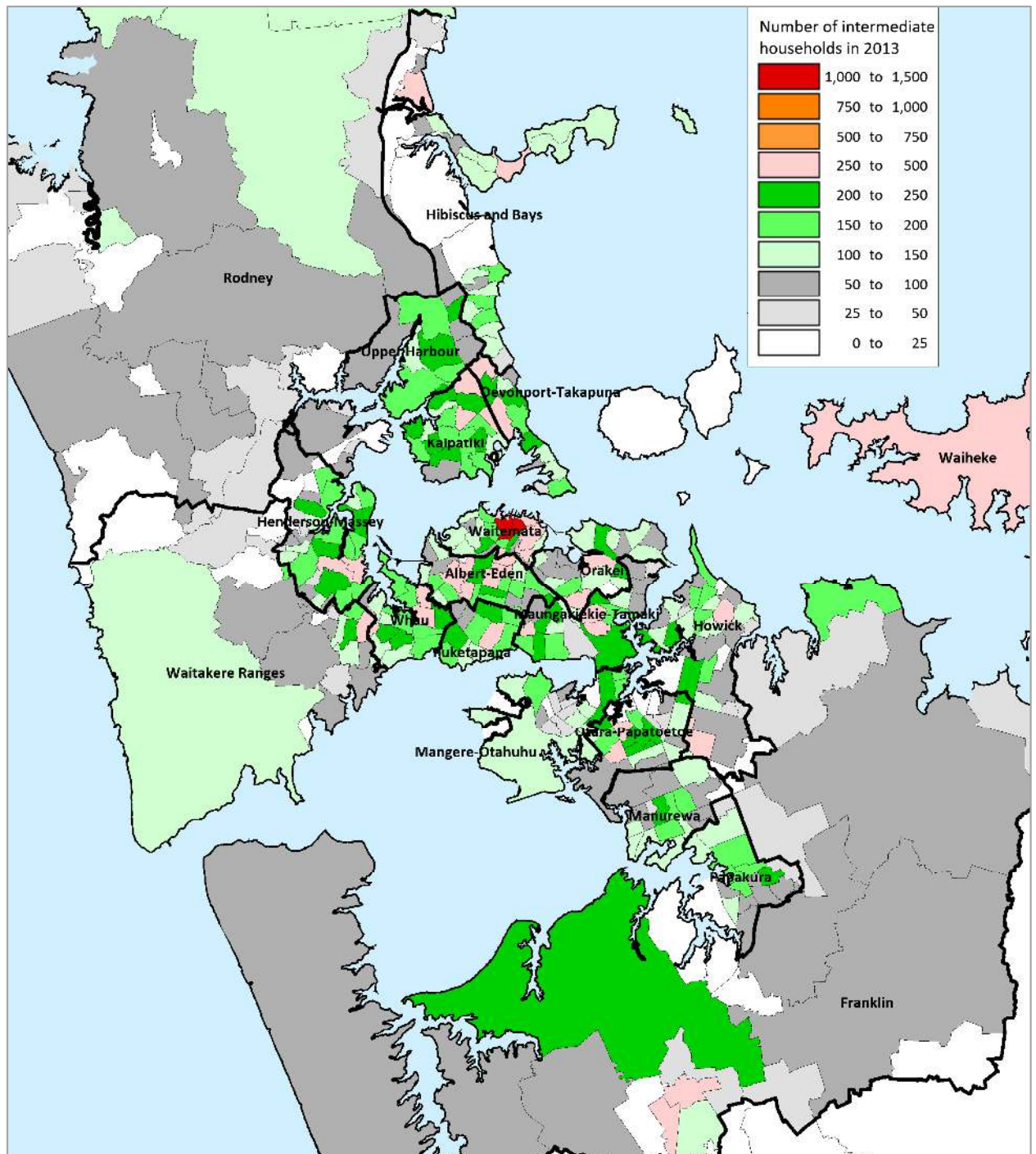
The analysis by statistical area unit is presented in a series of two maps which presents the results of the analysis by census area unit. These include:

- The number of intermediate market households calculated as at March 2013; and
- The growth in the number of intermediate market households between 2001 and 2013;

Figures 3.10 and 3.11 present the distribution of intermediate market households in the Auckland housing market and include the number of intermediate market households, the growth in the number of intermediate market households between 2001 and 2013, respectively.



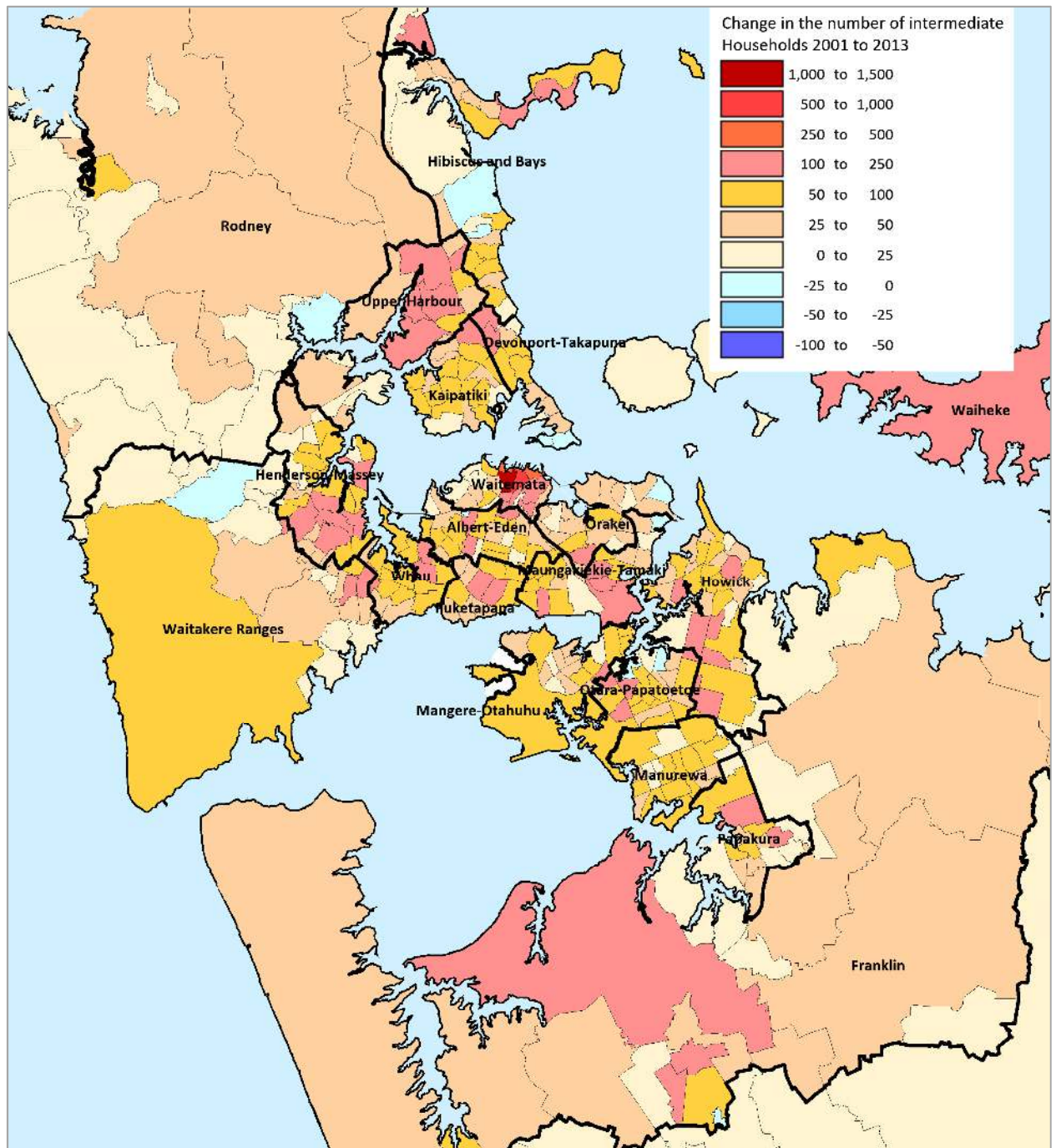
Figure 3.10: The number of intermediate housing market households as at March 2013



Source: Modelled from data sourced from Statistics New Zealand, Corelogic and RBNZ



Figure 3.11: The change in the number of intermediate housing market households between 2001 & 2013



Source: Modelled from data sourced from Statistics New Zealand, Corelogic and RBNZ

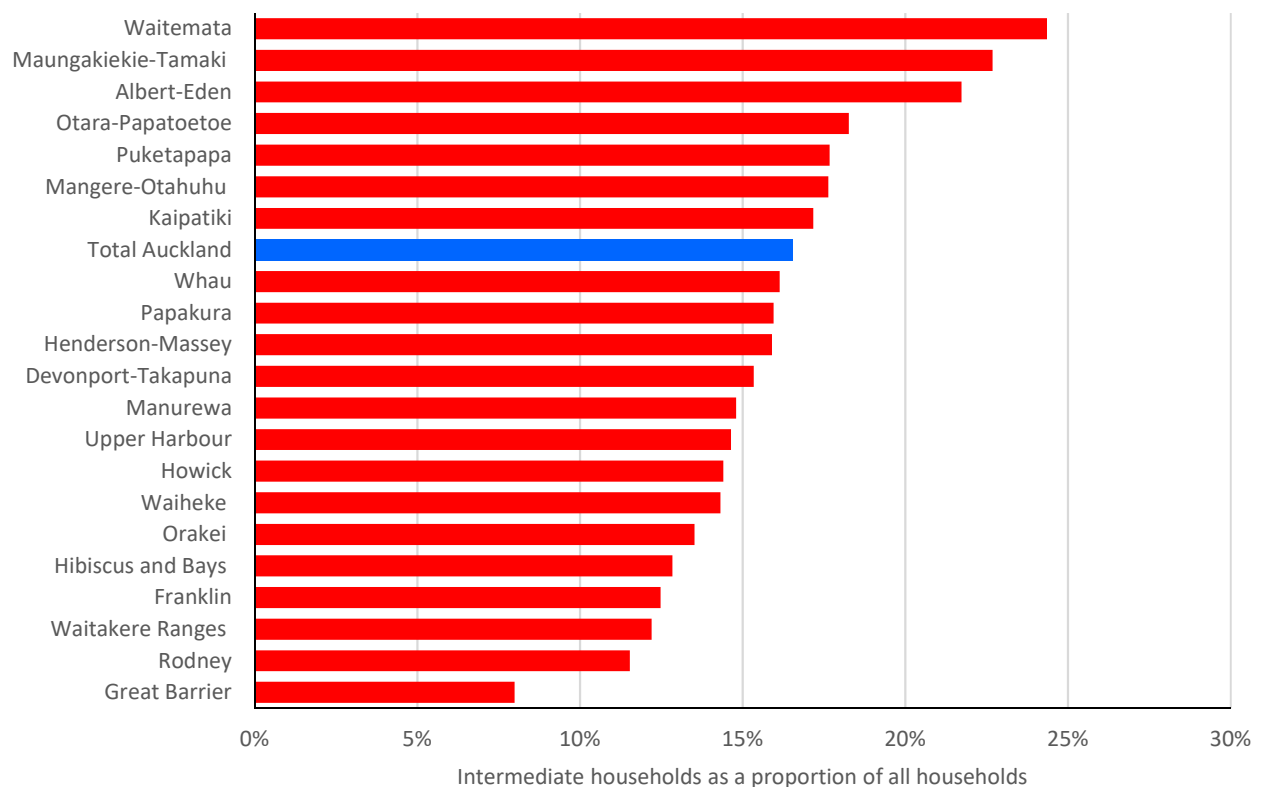


Trends include:

- The highest number of intermediate market households are located in Auckland's CBD and surrounding suburbs. Other areas with significant numbers of intermediate market households include West Auckland, Whangaparoa and non coastal North Shore suburbs. Typically the higher value suburbs had fewer intermediate market households; and
- The CBD and surrounds experienced the strongest growth in the number of intermediate market households. Other areas experiencing strong growth included north western North Shore, west Auckland, lower cost areas in the southern isthmus, and Papakura.

Figure 3.12 presents intermediate households as a percentage of total households by local board in 2018.

Figure 3.12: Intermediate households as a proportion of total households in 2018



Source: Modelled from data sourced from Statistics New Zealand, Corelogic and RBNZ

Waitemata, Maungakiekie-Tamaki, and Albet-Eden local boards have the highest ratios of intermediate to total households in 2018.



Table 3.14 presents the trend in the number of intermediate households by local board between 2001 and 2018 along with intermediate households as a percentage of all households living in the local board area.

Table 3.14: Intermediate households by local board 2001 to 2018

Local board	2001		2006		2013		2018	
	Int hhlds	% of total	Int hhlds	% of total	Int hhlds	% of total	Int hhlds	% of total
Rodney	1,550	9%	1,900	14%	2,080	14%	2,930	13%
Hibiscus and Bays	2,520	9%	3,580	16%	3,370	14%	5,140	15%
Upper Harbour	1,010	9%	1,900	16%	1,930	14%	3,280	17%
Kaipatiki	3,290	11%	4,660	20%	4,010	18%	5,650	20%
Devonport-Takapuna	2,170	10%	2,860	19%	2,420	16%	3,560	18%
Henderson-Massey	3,270	11%	4,750	20%	4,990	20%	6,440	18%
Waitakere Ranges	1,220	8%	1,850	14%	1,810	14%	2,380	14%
Great Barrier	30	7%	30	10%	30	13%	40	9%
Waiheke	390	11%	550	23%	500	21%	630	16%
Waitemata	2,840	13%	5,940	30%	7,060	30%	11,690	28%
Whau	2,520	11%	3,700	22%	3,520	21%	4,680	18%
Albert-Eden	4,460	14%	6,660	26%	5,560	22%	8,170	25%
Puketapapa	1,910	11%	2,640	21%	2,590	21%	3,570	20%
Orakei	2,540	9%	3,600	16%	2,850	13%	4,640	15%
Maungakiekie-Tamaki	3,620	15%	5,320	30%	4,590	27%	6,600	26%
Howick	2,450	7%	4,680	15%	4,600	14%	7,190	16%
Mangere-Otahuhu	2,130	13%	2,970	24%	3,100	26%	3,740	20%
Otara-Papatoetoe	2,500	13%	3,530	24%	3,660	26%	4,440	21%
Manurewa	2,170	10%	3,320	20%	3,150	20%	4,070	17%
Papakura	1,500	11%	2,110	21%	2,200	21%	3,000	18%
Franklin	1,640	9%	2,310	14%	2,420	14%	3,520	14%

Source: Modelled from data sourced from Statistics New Zealand, Corelogic and RBNZ

Waitemata has consistently had the highest number and proportion of intermediate households followed by Albert-Eden, Howick and Maungakiekie-Tamaki local board areas. Locations on the fringe of the urban area tend to have lower proportions of intermediate households than more centrally located local boards.



3.7 Projected growth in Auckland's housing market

The objective of this section of the report is to present the results of our projected growth in Auckland's intermediate and total housing market by demographic characteristic and local board area between 2018 and 2028. Table 3.15 presents the projected growth in the number of households in Auckland by local board between 2018 and 2028.

Table 3.15: Projected growth in the number of households 2018 to 2028

Area	Number of households			Change in households 2018 to 2028	
	2018	2023	2028	Number	% change
Rodney	25,400	29,400	33,000	7,600	30%
Hibiscus and Bays	40,000	44,500	47,900	7,900	20%
Upper Harbour	22,400	26,600	30,500	8,100	36%
Kaipatiki	32,900	35,000	36,300	3,400	10%
Devonport-Takapuna	23,200	24,600	25,800	2,600	11%
Henderson-Massey	40,500	44,300	48,000	7,500	19%
Waitakere Ranges	19,500	21,000	22,000	2,500	13%
Great Barrier	500	500	500	0	0%
Waiheke	4,400	4,700	5,000	600	14%
Waitemata	48,000	57,800	65,000	17,000	35%
Whau	29,000	32,000	34,700	5,700	20%
Albert-Eden	37,600	40,800	43,300	5,700	15%
Puketapapa	20,200	22,200	23,800	3,600	18%
Orakei	34,300	37,300	39,800	5,500	16%
Maungakiekie-Tamaki	29,100	32,800	36,100	7,000	24%
Howick	49,900	55,300	59,400	9,500	19%
Mangere-Otahuhu	21,200	23,400	25,100	3,900	18%
Otara-Papatoetoe	24,300	26,800	28,700	4,400	18%
Manurewa	27,500	29,500	30,600	3,100	11%
Papakura	18,800	21,300	23,400	4,600	24%
Franklin	28,200	32,300	36,300	8,100	29%
Total Auckland	576,900	642,100	695,200	118,300	21%

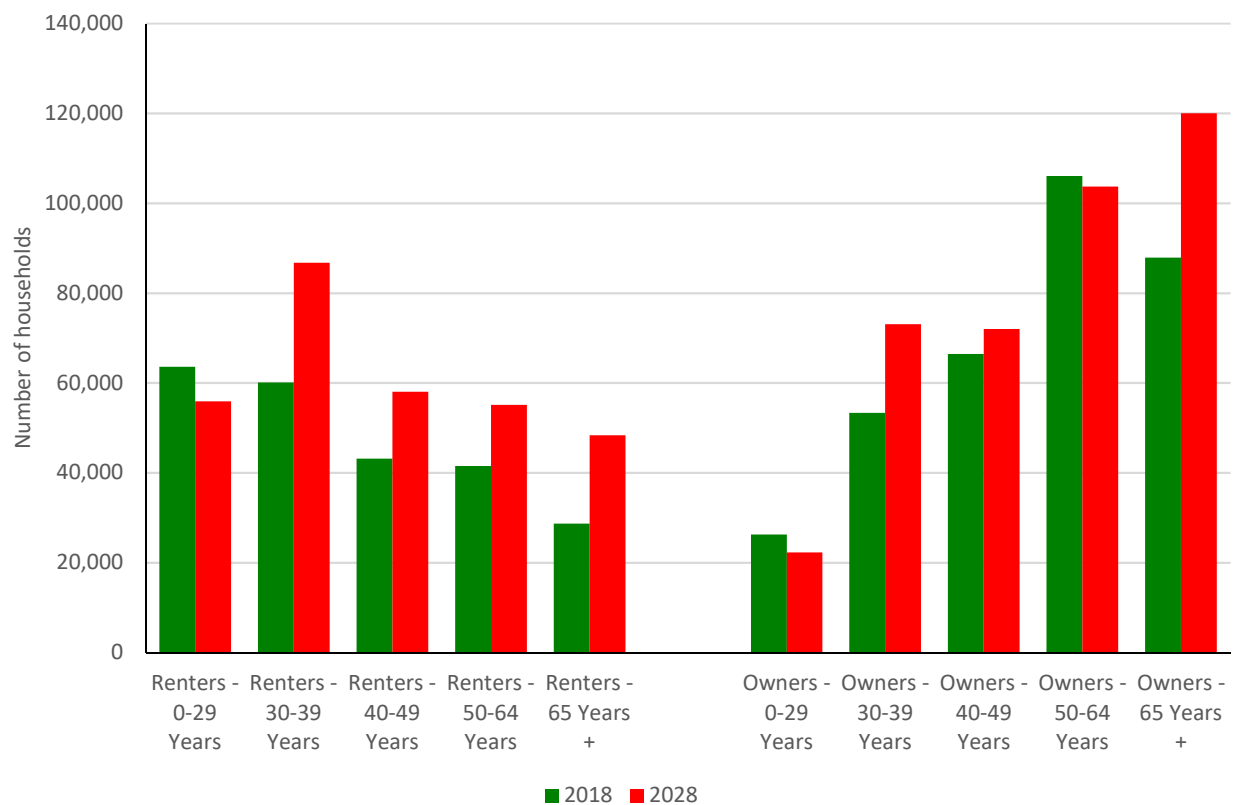
Source: Statistics New Zealand – medium household growth scenario

Auckland's housing market is projected to increase by 21% over the ten years ended 2028. The local boards with higher than average growth predominately are located to the north and south of the wider urban area with the exception of Waitemata local board which had the second highest growth in households.



Figure 3.13 presents the trend in the growth in number of households in Auckland between 2018 and 2028 by tenure and age of the household reference person.

Figure 3.13: Projected growth in households by age of the household reference person 2018 to 2028



Source: Modelled based on data from Statistics New Zealand

The number of households with reference people aged less 30 years is expected to fall over the ten years ending 2028. The number of renters in other age cohorts are all expected to increase with the strongest growth in those with reference people aged between 30 and 39 years of age. The growth in owner occupiers is expected to experience a similar pattern with the strongest growth in those households with reference people aged over 65 years of age.

Table 3.16 presents the trend in the projected number of households between 2018 and 2028 by local board, tenure and age of the household reference person.


Table 3.16: Auckland households by local board, tenure and reference person's age

	Renters						Owner occupiers					
	0-29	30-39	40-49 Y	50-64	65 +	Total	0-29	30-39 Y	40-49	50-64	65 +	Total
2018												
Rodney	1,810	1,610	1,300	1,460	1,010	7,190	870	2,120	3,460	6,190	5,510	18,150
Hibiscus & Bays	2,550	2,380	2,320	2,230	1,780	11,260	1,640	3,500	5,130	8,710	9,370	28,350
Upper Harbour	1,750	1,970	1,340	1,190	650	6,900	1,190	2,400	3,230	5,030	3,560	15,410
Kaipatiki	2,850	3,060	2,370	2,090	1,340	11,710	1,870	4,260	4,170	5,840	5,110	21,250
Devonport-Takapuna	1,720	1,810	1,670	1,470	1,280	7,950	770	1,930	2,810	4,850	4,850	15,210
Henderson-Massey	3,480	3,900	3,280	3,170	2,190	16,020	2,180	4,380	4,910	7,190	5,830	24,490
Waitakere Ranges	1,390	1,390	1,200	1,010	610	5,600	1,030	2,180	3,090	4,580	3,000	13,880
Waiheke	400	280	320	340	270	1,610	30	260	470	950	1,030	2,740
Waitemata	14,450	9,140	3,290	2,880	1,600	31,360	1,970	2,980	3,350	5,160	3,360	16,820
Whau	2,760	3,020	2,190	2,270	1,810	12,050	1,690	3,170	3,170	4,810	4,200	17,040
Albert-Eden	5,190	4,640	2,990	3,000	1,780	17,600	1,190	3,190	4,700	6,760	4,370	20,210
Puketapapa	2,000	2,360	1,620	1,730	1,440	9,150	960	1,790	1,960	3,640	2,700	11,050
Orakei	2,480	2,770	2,140	2,060	1,560	11,010	1,060	3,000	4,630	7,530	7,010	23,230
Maungakiekie-Tamaki	3,400	3,930	2,980	3,220	2,690	16,220	1,130	2,720	2,610	3,730	2,990	13,180
Howick	2,700	4,030	3,450	2,740	1,780	14,700	2,720	5,510	6,730	11,030	9,030	35,020
Mangere-Otahuhu	3,070	3,080	2,510	2,680	1,780	13,120	1,000	1,410	1,450	2,580	1,880	8,320
Otara-Papatoetoe	3,350	3,700	2,620	2,430	1,640	13,740	1,260	1,850	1,970	3,250	2,340	10,670
Manurewa	3,950	3,270	2,380	2,260	1,320	13,180	1,640	2,530	2,660	4,490	3,210	14,530
Papakura	2,340	2,010	1,560	1,560	960	8,430	920	1,750	1,930	3,000	2,840	10,440
Franklin	1,950	1,740	1,630	1,690	1,150	8,160	1,090	2,390	4,020	6,700	5,670	19,870
Total Auckland	63,590	60,090	43,160	41,480	28,640	236,960	26,210	53,320	66,450	106,020	87,860	339,860
2028												
Rodney	1,920	2,710	1,800	2,200	2,000	10,630	890	3,380	3,760	6,330	7,970	22,330
Hibiscus and Bays	2,100	3,770	2,940	3,090	3,120	15,020	1,310	5,430	5,290	8,380	12,270	32,680
Upper Harbour	1,780	3,130	2,060	1,870	1,460	10,300	1,130	3,680	4,030	5,570	5,810	20,220
Kaipatiki	2,250	3,600	3,110	2,710	2,140	13,810	1,430	4,870	4,440	5,500	6,210	22,450
Devonport-Takapuna	1,550	2,340	1,960	1,820	2,010	9,680	690	2,460	2,720	4,310	5,880	16,060
Henderson-Massey	3,420	4,770	4,090	4,360	3,630	20,270	2,070	5,230	5,030	7,380	8,160	27,870
Waitakere Ranges	1,110	1,840	1,260	1,420	1,260	6,890	790	2,830	2,660	4,280	4,490	15,050
Waiheke	310	390	340	500	450	1,990	10	360	390	920	1,380	3,060
Waitemata	12,120	15,880	6,740	4,140	3,010	41,890	1,620	4,990	5,620	5,490	5,230	22,950
Whau	2,400	4,240	3,120	2,970	2,810	15,540	1,410	4,340	3,750	4,670	5,280	19,450
Albert-Eden	4,650	6,540	3,440	3,610	2,950	21,190	1,050	4,460	4,550	6,150	5,860	22,070
Puketapapa	1,560	3,390	2,400	1,940	2,300	11,590	730	2,460	2,400	3,190	3,610	12,390
Orakei	2,240	3,750	2,600	2,740	2,600	13,930	960	4,090	4,620	7,180	8,880	25,730
Maungakiekie-Tamaki	3,210	5,360	4,020	4,370	4,200	21,160	1,010	3,590	2,920	3,800	4,060	15,380
Howick	2,190	5,180	4,730	3,780	3,240	19,120	2,090	6,890	7,530	10,880	12,630	40,020
Mangere-Otahuhu	2,800	4,450	3,000	3,260	2,770	16,280	840	1,960	1,420	2,420	2,500	9,140
Otara-Papatoetoe	2,880	5,190	3,530	3,000	2,390	16,990	1,020	2,490	2,190	3,140	2,990	11,830
Manurewa	2,970	4,500	2,770	2,640	2,160	15,040	1,160	3,360	2,540	3,960	4,490	15,510
Papakura	2,140	2,960	2,190	2,090	1,630	11,010	820	2,480	2,250	3,050	3,830	12,430
Franklin	2,310	2,750	1,960	2,570	2,200	11,790	1,230	3,680	3,900	7,120	8,480	24,410
Total Auckland	55,910	86,740	58,060	55,080	48,330	304,120	22,260	73,030	72,010	103,720	120,010	391,030



Table 3.17 presents the change in the number of households by age of the household reference person, tenure and local board between 2018 and 2028.

Table 3.17: Household growth by age of the reference person, tenure and local board 2018 to 2028

	Renters						Owner occupiers					
	0-29	30-39	40-49	50-64	65 +	Total	0-29	30-39	40-49	50-64	65 s +	Total
Rodney	110	1,100	500	740	990	3,440	20	1,260	300	140	2,460	4,180
Hibiscus and Bays	-450	1,390	620	860	1,340	3,760	-330	1,930	160	-330	2,900	4,330
Upper Harbour	30	1,160	720	680	810	3,400	-60	1,280	800	540	2,250	4,810
Kaipatiki	-600	540	740	620	800	2,100	-440	610	270	-340	1,100	1,200
Devonport-Takapuna	-170	530	290	350	730	1,730	-80	530	-90	-540	1,030	850
Henderson-Massey	-60	870	810	1,190	1,440	4,250	-110	850	120	190	2,330	3,380
Waitakere Ranges	-280	450	60	410	650	1,290	-240	650	-430	-300	1,490	1,170
Great Barrier	0	0	0	0	0	0	0	0	0	0	0	0
Waiheke	-90	110	20	160	180	380	-20	100	-80	-30	350	320
Waitemata	-2,330	6,740	3,450	1,260	1,410	10,530	-350	2,010	2,270	330	1,870	6,130
Whau	-360	1,220	930	700	1,000	3,490	-280	1,170	580	-140	1,080	2,410
Albert-Eden	-540	1,900	450	610	1,170	3,590	-140	1,270	-150	-610	1,490	1,860
Puketapapa	-440	1,030	780	210	860	2,440	-230	670	440	-450	910	1,340
Orakei	-240	980	460	680	1,040	2,920	-100	1,090	-10	-350	1,870	2,500
Maungakiekie-Tamaki	-190	1,430	1,040	1,150	1,510	4,940	-120	870	310	70	1,070	2,200
Howick	-510	1,150	1,280	1,040	1,460	4,420	-630	1,380	800	-150	3,600	5,000
Mangere-Otahuhu	-270	1,370	490	580	990	3,160	-160	550	-30	-160	620	820
Otara-Papatoetoe	-470	1,490	910	570	750	3,250	-240	640	220	-110	650	1,160
Manurewa	-980	1,230	390	380	840	1,860	-480	830	-120	-530	1,280	980
Papakura	-200	950	630	530	670	2,580	-100	730	320	50	990	1,990
Franklin	360	1,010	330	880	1,050	3,630	140	1,290	-120	420	2,810	4,540
Total Auckland	-7,680	26,650	14,900	13,600	19,690	67,160	-3,950	19,710	5,560	-2,300	32,150	51,170

Source: Modelled based on data from Statistics New Zealand

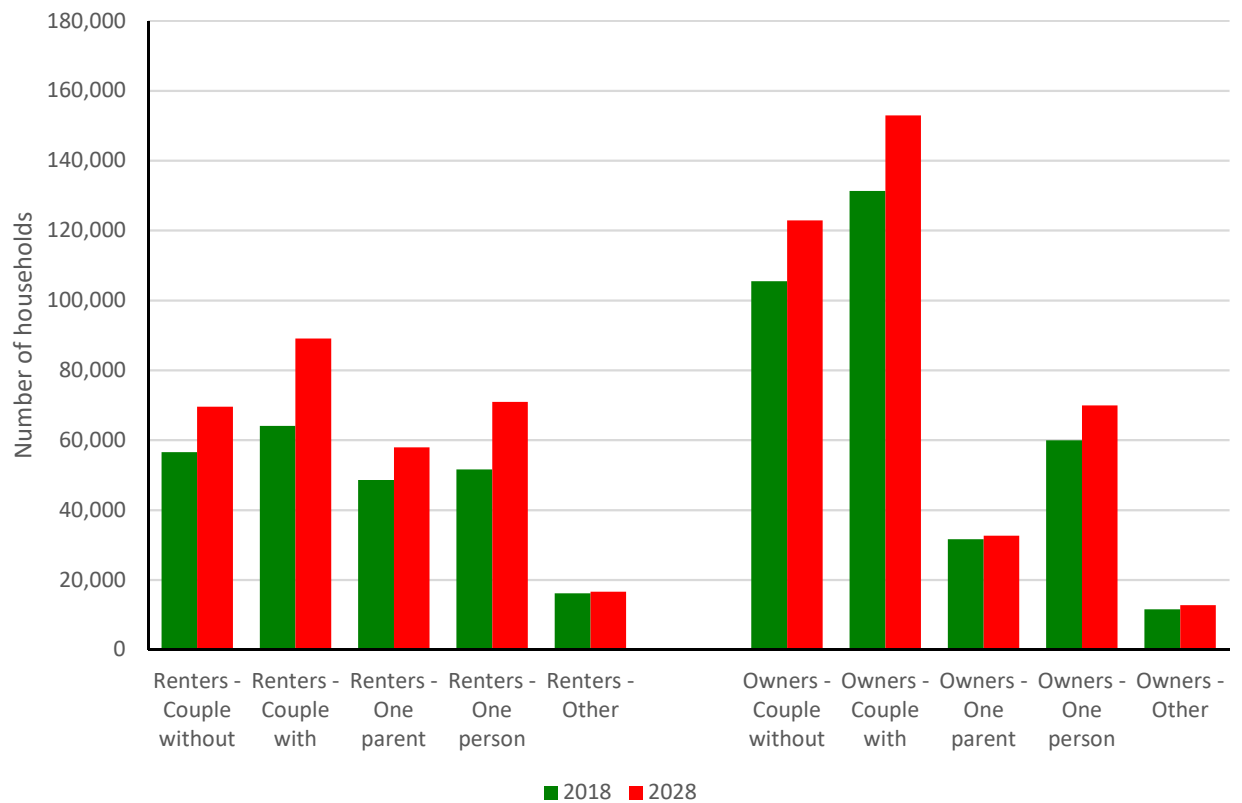
Key trends in the pattern of projected growth between 2018 and 2028 include:

- The number of renter households (up 67,160 households) is projected to grow faster than the number of owner occupiers (up 51,170 households);
- Waitemata is expected to experience the strongest growth with renter households increasing by 10,530 and owner occupiers by 6,130 households; and
- Households aged 65 years and older are projected to account for 44% of all growth across both tenures. However, these households are expected to account for 62% of the growth on owner occupiers.



Figure 3.14 presents the projected number of households by tenure, composition between 2018 and 2028.

Figure 3.14: Projected number of households by composition and tenure 2018 to 2028



Source: Modelled based on data from Statistics New Zealand

Renter households are projected to experience the strongest growth in couples without children, couples with children and one person households between 2018 and 2028. The projected growth in owner occupiers is expected to follow a similar pattern.



Table 3.18 presents projected number of households by tenure, composition between 2018 and 2028.

Table 3.18: Projected number of households by composition and tenure 2018 to 2028

	Number of households		Change in households 2018 to 2028	
	2018	2028	Number	% change
Renters				
Couple without	56,540	69,570	13,030	23%
Couple with	64,040	89,040	25,000	39%
One parent	48,530	57,920	9,390	19%
One person	51,630	70,950	19,320	37%
Other	16,130	16,570	440	3%
Total	236,870	304,050	67,180	28%
Owner occupiers				
Couple without	105,450	122,880	17,430	17%
Couple with	131,320	152,890	21,570	16%
One parent	31,590	32,610	1,020	3%
One person	59,940	69,950	10,010	17%
Other	11,510	12,740	1,230	11%
Total	339,810	391,070	51,260	15%

Source: Modelled based on data from Statistics New Zealand

The household compositions with the highest projected growth are renter households with children (up 25,000 or 39%), one person renter households (up 19,320 or 37%), couple without children renters (up 13,030 or 23%), owner occupiers – couples without children (up 17,430 or 17%), and owner occupiers - couples with children (up 21,570 or 146%).

Table 3.19 presents the change in the number of households by composition, tenure and local board between 2018 and 2028.



Table 3.19: Household growth by composition, tenure and local board 2018 to 2028

	Renters						Owner occupiers					
	Couple only	Couple with	One parent	One person	Other	total	Couple only	Couple with	One parent	One person	Other	total
Rodney	900	1,090	390	950	50	3,380	1,630	1,410	160	930	100	4,230
Hibiscus and Bays	810	1,460	370	1,050	20	3,710	1,640	1,710	50	890	120	4,410
Upper Harbour	780	1,490	390	650	80	3,390	1,570	2,120	170	700	250	4,810
Kaipatiki	340	960	280	610	-100	2,090	200	730	10	240	-20	1,160
Devonport-Takapuna	380	680	90	480	50	1,680	390	390	-120	250	-20	890
Henderson-Massey	830	1,390	780	1,120	70	4,190	1,130	1,180	130	780	170	3,390
Waitakere Ranges	230	430	110	500	-20	1,250	520	200	20	430	10	1,180
Waiheke	90	80	20	150	30	370	220	20	20	70	20	350
Waitemata	2,260	2,300	1,010	5,340	120	11,030	1,420	2,740	360	1,270	210	6,000
Whau	600	1,460	530	810	70	3,470	650	1,390	90	210	40	2,380
Albert-Eden	840	1,450	340	1,000	-10	3,620	670	920	-110	330	10	1,820
Puketapapa	330	1,290	370	450	-20	2,420	420	830	-30	150	-40	1,330
Orakei	660	1,220	200	820	-40	2,860	990	1,080	-160	520	120	2,550
Maungakiekie-Tamaki	850	1,670	840	1,400	140	4,900	620	990	30	420	90	2,150
Howick	860	2,180	490	900	-40	4,390	1,850	2,040	140	1,000	10	5,040
Mangere-Otahuhu	460	1,370	700	600	10	3,140	310	410	0	50	50	820
Otara-Papatoetoe	350	1,630	800	430	70	3,280	190	740	90	120	40	1,180
Manurewa	180	950	410	410	-100	1,850	450	470	-50	230	-110	990
Papakura	360	790	770	660	0	2,580	570	910	80	420	0	1,980
Franklin	920	1,110	500	990	60	3,580	1,990	1,290	140	1,000	180	4,600
	13,030	25,000	9,390	19,320	440	67,180	17,430	21,570	1,020	10,010	1,230	51,260

Source: Modelled based on data from Statistics New Zealand

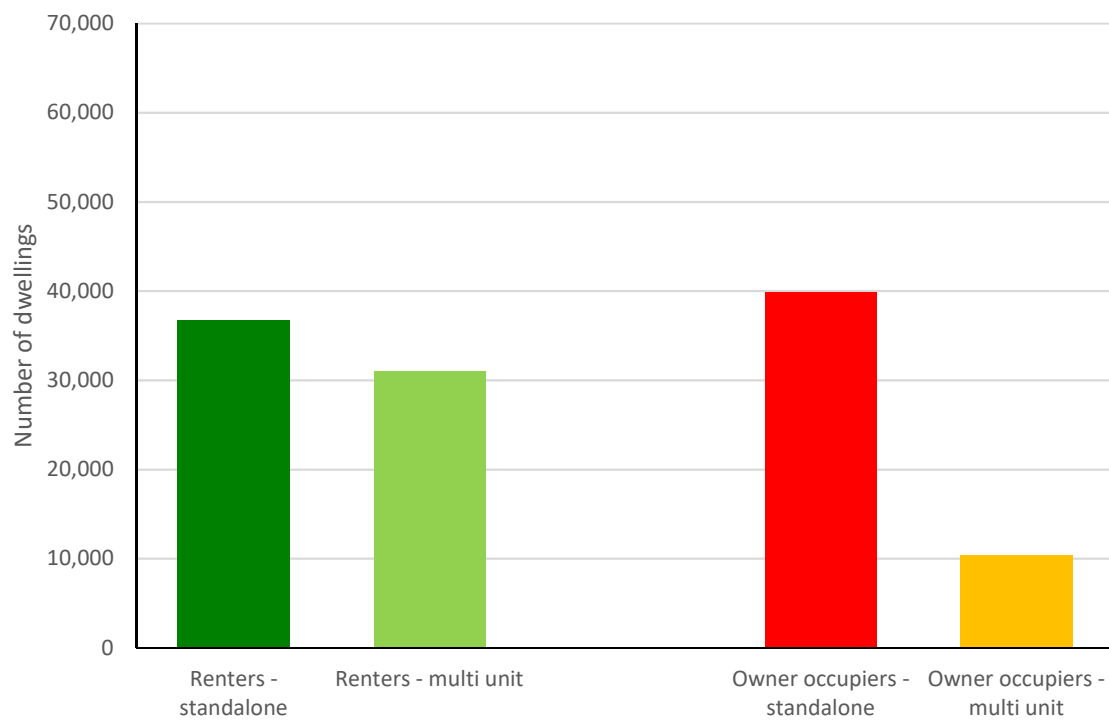
The change in the composition of Auckland's households reflects the aging of the population and as a consequence an increase the number of one person and couple only households. In a particular, Waitemata is projected to have strong growth in the number of one person and couple only renter households between 2018 and 2028.

These trends have implications for the demand for different types of dwellings. The change in demographic characteristics and tenure will drive and change the nature of demand providing household's propensity for different types of dwellings by composition remain the same between 2018 and 2028.



Figure 3.15 presents the projected growth in the number of dwellings by typology and tenure between 2018 and 2028.

Figure 3.15: Projected demand by dwelling typology and tenure 2018 and 2028



Source: Modelled based on data from Statistics New Zealand

Renter households tend to match their dwelling requirements with their changing demographic characteristics more closely than owner occupier households. Over the ten years ending 2028 46% of renters' growth in demand is likely to be for multi-unit dwellings whereas this is likely to account for 20% of owner occupiers growth in demand.



Table 3.20 presents the projected growth in the number of dwellings by typology, tenure and local board between 2018 and 2028.

Table 3.20: Projected growth in the number of dwellings by typology, tenure and local board 2018 to 2028

	Renters				Owner occupiers			
	Standalone		Multi-unit		Standalone		Multi-unit	
	No	%	No	%	No	%	No	%
Rodney	2,870	47%	510	56%	4,060	23%	160	30%
Hibiscus and Bays	2,370	33%	1,370	36%	3,430	14%	940	21%
Upper Harbour	2,020	50%	1,360	49%	3,940	29%	840	41%
Kaipatiki	1,220	18%	920	20%	840	4%	200	7%
Devonport-Takapuna	730	20%	980	25%	500	4%	320	10%
Henderson-Massey	3,010	25%	1,260	34%	2,810	13%	500	20%
Waitakere Ranges	930	22%	350	27%	1,030	8%	120	18%
Waiheke	320	23%	50	31%	320	12%	20	22%
Waitemata	1,750	40%	9,140	34%	3,360	39%	2,660	32%
Whau	2,020	29%	1,510	32%	1,840	13%	450	16%
Albert-Eden	1,270	20%	2,410	22%	1,240	8%	530	12%
Puketapapa	1,410	26%	1,060	31%	1,020	10%	280	19%
Orakei	1,140	26%	1,730	28%	1,720	9%	770	14%
Maungakiekie-Tamaki	2,440	31%	2,530	32%	1,560	15%	570	18%
Howick	2,790	30%	1,660	32%	3,990	13%	970	21%
Mangere-Otahuhu	2,110	25%	1,080	25%	720	9%	60	8%
Otara-Papatoetoe	2,100	26%	1,260	24%	880	10%	220	12%
Manurewa	1,490	14%	430	18%	700	5%	220	18%
Papakura	1,930	31%	670	35%	1,720	18%	240	24%
Franklin	2,840	43%	740	53%	4,260	22%	330	33%
Total	36,760		31,020		39,940		10,400	

Source: Modelled based on data from Statistics New Zealand

Local boards with strong growth in demand for multi-unit dwellings includes renters in the Rodney and Upper Harbour, local boards. Local boards with strong growth in demand for multi-unit dwellings from owner occupiers include Rodney, Upper Harbour, Waitemata, Papakura and Franklin. There is also ongoing growth for standalone dwellings across all local boards and tenures.



3.7.1 Intermediate market projections

Table 3.21 presents the projected trend in the intermediate housing market in Auckland between 2001 and 2028 along the ratio of the intermediate market as a percentage of all households. These projections assume household incomes increase at 3.5% per annum, house prices increase at an average of 4.0% per annum and interest rates remain unchanged.

Table 3.21: The projected trend in the size of the intermediate housing market 2001 to 2028

	Number of intermediate households		Intermediate households as a % of total households	
	No of households	Change	% of total	% point change
2001	45,500		10.8%	
2006	68,900	23,400	14.8%	4.0%
2013	66,200	-2,700	13.3%	-1.5%
2018	95,350	29,150	16.5%	3.2%
2023	109,980	14,630	17.1%	0.6%
2028	123,350	13,370	17.7%	0.6%

Source: Modelled based on data from Statistics New Zealand, Corelogic and RBNZ

The intermediate housing market is expected to continue to increase over the next ten years and by 2028 account for 17.7% of all households, up from 10.8% in 2001.



Table 3.22 presents the projected trend in the intermediate housing market in Auckland by local board between 2018 and 2028 along the ratio of the intermediate market as a percentage of all households.

Table 3.22: The projected trend in the size of the intermediate housing market 2018 to 2028

	Intermediate households					Intermediate as a % of all households			
	No of households			Change 18 to 28		Ratio			Change
	2018	2023	2028	No	%	2018	2023	2028	18/28
Rodney	2,930	3,730	4,460	1,530	52%	12%	13%	14%	2%
Hibiscus and Bays	5,140	6,060	6,990	1,850	36%	13%	14%	15%	2%
Upper Harbour	3,280	4,090	4,870	1,590	48%	15%	15%	16%	1%
Kaipatiki	5,650	5,670	6,750	1,100	19%	17%	16%	19%	1%
Devonport-Takapuna	3,560	4,000	4,420	860	24%	15%	16%	17%	2%
Henderson-Massey	6,440	7,350	8,210	1,770	27%	16%	17%	17%	1%
Waitakere Ranges	2,380	2,630	2,860	480	20%	12%	13%	13%	1%
Great Barrier	40	40	40	0	0%	8%	8%	8%	0%
Waiheke	630	780	830	200	32%	14%	17%	17%	2%
Waitemata	11,690	13,460	14,170	2,480	21%	24%	23%	22%	-3%
Whau	4,680	5,470	6,220	1,540	33%	16%	17%	18%	2%
Albert-Eden	8,170	9,210	9,970	1,800	22%	22%	23%	23%	1%
Puketapapa	3,570	4,190	4,720	1,150	32%	18%	19%	20%	2%
Orakei	4,640	5,360	5,980	1,340	29%	14%	14%	15%	1%
Maungakiekie-Tamaki	6,600	7,770	8,870	2,270	34%	23%	24%	25%	2%
Howick	7,190	8,490	9,630	2,440	34%	14%	15%	16%	2%
Mangere-Otahuhu	3,740	4,260	4,770	1,030	28%	18%	18%	19%	1%
Otara-Papatoetoe	4,440	5,170	5,730	1,290	29%	18%	19%	20%	2%
Manurewa	4,070	4,470	4,730	660	16%	15%	15%	15%	1%
Papakura	3,000	3,480	3,970	970	32%	16%	16%	17%	1%
Franklin	3,520	4,300	5,160	1,640	47%	12%	13%	14%	2%
Total	95,360	109,980	123,350	27,990	29%	17%	17%	18%	1%

Source: Modelled based on data from Statistics New Zealand, Corelogic and RBNZ

The local boards which are expected to have the highest concentration of intermediate households as a percentage of all households by 2028 are Kaipatiki, Waitemata, Albert-Eden, Maungakiekie-Tamaki, and Otara-Papatoetoe.



Table 3.23 presents the growth in Auckland's intermediate households by the age of the household reference person and local board between 2018 and 2028.

Table 3.23: Growth in intermediate households by age of reference person 2018 to 2028

	0-29	30-39	40-49 Y	50-64	65 +	Total
Rodney	60	660	310	350	130	1,510
Hibiscus & Bays	-170	880	500	430	210	1,850
Upper Harbour	30	770	500	220	80	1,600
Kaipatiki	-270	560	490	230	70	1,080
Devonport-Takapuna	-30	400	250	140	80	840
Henderson-Massey	20	700	440	460	150	1,770
Waitakere Ranges	-100	350	60	130	50	490
Waiheke	-20	90	10	90	20	190
Waitemata	-1,110	2,660	740	170	30	2,490
Whau	-100	900	450	230	70	1,550
Albert-Eden	-200	1,410	340	180	70	1,800
Puketapapa	-150	710	470	60	80	1,170
Orakei	-90	700	300	250	160	1,320
Maungakiekie-Tamaki	-60	1,160	570	450	150	2,270
Howick	-210	960	1,070	430	180	2,430
Mangere-Otahuhu	-90	680	230	160	80	1,060
Otara-Papatoetoe	-140	850	380	150	60	1,300
Manurewa	-320	650	170	110	80	690
Papakura	-70	510	270	190	80	980
Franklin	190	650	230	460	130	1,660
Total Auckland	-2,830	16,250	7,780	4,890	1,960	28,050

Source: Modelled based on data from Statistics New Zealand, Corelogic and RBNZ

The age profile of intermediate households is also expected to change with a decline in the number of households with reference people aged less than 30 years and strong growth in those aged between 30 and 39 years (accounting for 58% of total growth).



Table 3.24 presents the growth in Auckland's intermediate housing market by household composition and local board between 2018 and 2028.

Table 3.24: Growth in intermediate households by household composition 2018 to 2028

	Couples only	Couples with	One parent	One person	Other	Total
Rodney	340	740	150	270	10	1,510
Hibiscus & Bays	260	1,040	210	330	10	1,850
Upper Harbour	210	960	190	190	50	1,600
Kaipatiki	30	790	140	160	-40	1,080
Devonport-Takapuna	120	530	60	110	20	840
Henderson-Massey	280	910	270	280	30	1,770
Waitakere Ranges	20	320	40	120	-10	490
Waiheke	30	90	10	40	20	190
Waitemata	300	940	340	1,030	-120	2,490
Whau	140	1,010	210	180	10	1,550
Albert-Eden	360	1,050	140	260	-10	1,800
Puketapapa	30	910	150	90	-10	1,170
Orakei	210	760	100	260	-10	1,320
Maungakiekie-Tamaki	260	1,210	340	390	70	2,270
Howick	230	1,640	320	250	-10	2,430
Mangere-Otahuhu	100	700	160	110	-10	1,060
Otara-Papatoetoe	50	880	240	90	40	1,300
Manurewa	-20	560	90	80	-20	690
Papakura	110	450	260	160	0	980
Franklin	410	730	210	290	20	1,660
Total Auckland	3,470	16,220	3,630	4,690	40	28,050

Source: Modelled based on data from Statistics New Zealand, Corelogic and RBNZ

Pressures within the rental market are projected to result in strong growth in the number of intermediate couples with children households which are expected to account for 58% of total growth. The number of one-person intermediate households is also expected to experience strong growth.



3.8 Condition of the dwelling stock and the implications for the intermediate market

The objective of this section of the report is to assess the data available on the condition of the housing stock and discuss the implications for the intermediate housing market. Table 3.25 presents estimates of the proportion of dwellings with major issues by tenure and household income in Auckland.

Table 3.25: Housing stock with major issues by household tenure and income – Auckland Region

Household income (2016 \$)	Major problem with dwelling colder than preferred		In need of major repair		Major problem with dampness or mould	
	Renters	Owners	Renters	Owners	Renters	Owners
\$30,000 or less	39%	21%	5%	10%	15%	4%
\$30,001 - \$70,000	41%	19%	9%	4%	13%	0%
\$70,001 - \$100,000	40%	22%	6%	7%	7%	4%
\$100,001 or more	35%	15%	6%	6%	13%	2%

Source: Statistics New Zealand

Key trends include:

- Renter households have approximately double the incidence of dwellings with a major problem associated with coldness when compared to owner occupied dwellings.
- There is not a significant difference between renter and owner-occupied households in terms of dwellings requiring a major repair; and
- Between 7% and 15% of renter households had a major problem with dampness whereas between 0% and 4% of owner-occupied dwellings had a similar issue.

These statistics provide some insight into outcomes for intermediate housing market dwelling conditions. Table 3.26 presents the estimated dwelling condition outcomes for intermediate households in Auckland.

Table 3.26: Intermediate housing market dwellings with a major issue - 2018

	Number of households with a major issue			Households with a major issue as a percentage of their sub-market		
	Coldness	Repairs	Dampness	Coldness	Repairs	Dampness
Intermediate households	41,600	7,400	12,600	39%	7%	12%
All renters	90,600	15,800	29,400	38%	7%	12%
Owner occupiers	60,700	21,100	7,000	18%	6%	2%
All households	151,300	36,900	36,400	26%	6%	6%

Source: Modelled based on data from Statistics New Zealand



4. Migration Trends

4.1 Introduction

The objective of this section of the report is to presents analysis on the migration trends in Auckland. The migration trends include:

- Overseas migration trends;
- Internal migration (to and from Auckland other parts of New Zealand); and
- Migration trends within Auckland Council (between local board areas).

4.2 Overseas migration trends

Auckland is a key destination for overseas people settling in New Zealand. Overseas migration has been a significant driver of Auckland's population growth and accounted for approximately 48% of the city's population growth between 20013 and 2018. Over the last 5 years Auckland has gained a net 150,020 people from overseas migration. This equates to approximately to a gain of 60,000¹¹ households or 12,000 households per annum. This represents 48% of the country's net migration gain. Table 4.1 presents the trend in the overseas migration flows for Auckland and New Zealand between 2003 and 2018.

Table 4.1: Overseas migration trends for Auckland and New Zealand

12 months ended	Auckland Region			Total New Zealand		
	Inward	Outward	Net	Inward	Outward	Net
Sep-03	39,970	19,260	20,710	95,540	55,100	40,440
Sep-04	32,640	22,170	10,470	81,820	64,070	17,750
Sep-05	30,920	24,930	5,990	78,940	72,530	6,410
Sep-06	32,450	23,520	8,930	81,640	68,440	13,200
Sep-07	33,260	25,480	7,780	83,000	74,700	8,300
Sep-08	34,230	28,330	5,900	86,660	82,250	4,410
Sep-09	35,030	25,240	9,790	87,210	70,170	17,040
Sep-10	33,230	24,970	8,260	82,410	68,500	13,910
Sep-11	34,850	28,880	5,970	84,800	84,030	770
Sep-12	34,700	30,650	4,050	83,630	86,910	-3,280
Sep-13	36,290	28,610	7,680	91,190	76,010	15,180
Sep-14	43,740	22,720	21,020	105,470	60,050	45,420
Sep-15	50,090	21,690	28,400	118,880	57,650	61,230
Sep-16	53,840	21,080	32,760	125,640	55,690	69,950
Sep-17	59,620	23,210	36,410	131,600	60,610	70,990
Sep-18	56,890	25,470	31,420	128,980	66,250	62,730

Source: Statistics New Zealand

NB: Departures were stopped in October 2018 and consequently the net overseas migration trend is now not available in the same format.

¹¹ This assumes there are 2.5 people per household.



Table 4.2 presents a summary of Auckland's net overseas migration gain by age of the person for the five years ended September 2018.

Table 4.2: Net overseas migration gain over the 5 years ended September 2018 by age

Age Group	Number of people	% of total net people migrating to Auckland
0-4 years	7,180	5%
5-9 years	6,160	4%
10-14 years	5,370	4%
15-19 years	17,250	11%
20-24 years	28,810	19%
25-29 years	34,810	23%
30-34 years	18,950	13%
35-39 years	9,960	7%
40-44 years	6,320	4%
45-49 years	3,100	2%
50-54 years	1,860	1%
55-59 years	2,530	2%
60-64 years	3,750	2%
65-69 years	2,070	1%
70-74 years	990	1%
75 years and over	910	1%
Total	150,020	100%

Source: Statistics New Zealand

Two thirds of Auckland's net overseas migration gain were from people aged 15 to 34 years of age.



4.3 Internal migration trends

Table 4.3 presents flow of New Zealanders into Auckland from other parts of New Zealand and the outward flow of Aucklanders to other parts of New Zealand between 2014 and 2017.

Table 4.3: Auckland's net migration flows 2014 to 2017

12 months ended	Inward migration	Outward migration	Net flow	Change in net flow
June 2014	30,558	33,285	-2,727	
June 2015	32,319	39,243	-6,924	-4,197
June 2016	32,856	43,188	-10,332	-3,408
June 2017	31,764	44,706	-12,942	-2,610
Total 4 years ended June 2017	127,497	160,422	-32,925	

Source: Statistics New Zealand

The number of New Zealanders shifting to Auckland has remained reasonably constant over the four years ended June 2017. However, the number of Aucklanders relocating to other parts of the country increased by 34% or 11,421 people. The net annual flow increased from -2,727 people in the June 2014 year to -12,972 in the June 2017 year. Although the net number of people leaving Auckland has continued to increase, the rate of increase has slowed. In total Auckland lost 32,925 people to the rest of the country over the four years ended June 2017. Over the same time period Auckland gained over 118,000 people from overseas. Assuming 2.5 people per household this suggests a net loss from internal migration of 13,170 households to the rest of the country which was more than offset by a net gain of 47,200 households from overseas migration. Overall this provided Auckland with a net gain of 34,030 households (8,500 per annum) over the four years ended June 2017.



Table 4.4 presents Auckland's net internal migration trend over the four years ended June 2017 by the age of the migrant.

Table 4.4: Auckland's net migration flows by age

Age	June 2014	June 2015	June 2016	June 2017	Total 4 years
0-4	-603	-1,029	-1,311	-1,920	-4,863
05-9	-294	-861	-1,026	-1,497	-3,678
10-14	72	-309	-603	-726	-1,566
15-19	234	-9	-84	-171	-30
20-24	141	390	240	186	957
25-29	-213	-492	-471	-843	-2,019
30-34	-444	-600	-741	-1,017	-2,802
35-39	-342	-417	-714	-1,170	-2,643
40-44	-165	-489	-615	-765	-2,034
45-49	-66	-435	-744	-618	-1,863
50-54	-228	-483	-666	-834	-2,211
55-59	-150	-423	-570	-867	-2,010
60-64	-285	-723	-996	-1,035	-3,039
65-69	-360	-648	-1,056	-987	-3,051
70-74	-24	-294	-579	-411	-1,308
75-79	-66	-108	-315	-189	-678
80+	66	6	-81	-78	-87
Total	-2,727	-6,924	-10,332	-12,942	-32,925

Source: Statistics New Zealand

Auckland had a net internal migration out flow in all age groups except 20 to 24 year olds. The strongest outflows were people aged less than 9 years of age and between 60 and 69 years of age. Table 4.5 presents the trend in the net internal migration over time.

Table 4.5: The rate of change in net internal migration by age

Age Group	Auckland's net internal migration				Change net internal migration		
	June 2014	June 2015	June 2016	June 2017	14 to 15	15 to 16	16 to 17
less than 20	-590	-2,210	-3,020	-4,310	-1,620	-810	-1,290
20 to 29	-70	-100	-230	-660	-30	-130	-430
30 to 39	-790	-1,020	-1,460	-2,190	-230	-440	-730
40 to 49	-230	-920	-1,360	-1,380	-690	-440	-20
50 to 64	-660	-1,630	-2,230	-2,740	-970	-600	-510
Over 65	-380	-1,040	-2,030	-1,670	-660	-990	360
Total	-2,730	-6,920	-10,330	-12,940	-4,190	-3,410	-2,610

Source: Statistics New Zealand



Between the June 2016 and June 2017 years, the fastest growth in net migration outflows was for people aged less than 40 years of age. In addition, the outflow of people aged 65 years and older has slowed from a net loss of 2,030 in the year ended June 2016 to a net loss of 1,670 in the June 2017 year.

Table 4.6 presents Auckland's net annual migration flow by sex between June 2014 and June 2017

Table 4.6: Auckland's net migration flows by sex

	June 2014	June 2015	June 2016	June 2017	Total 4 years
Female	-1,323	-3,690	-5,505	-6,816	-17,334
Male	-1,404	-3,234	-4,827	-6,126	-15,591
Grand Total	-2,727	-6,924	-10,332	-12,942	-32,925

Source: Statistics New Zealand

Approximately 53% of Auckland net loss of people from internal migration were female. Over the four years ended June 2017, the only local authority areas which Auckland had a net inflow of people from were Lower Hutt City, Chatham Islands, Grey and Hurunui Districts and Invercargill City. The balance of local authorities experienced a net inflow of people from Auckland.

Table 4.7 presents the Auckland's net flows of people to other local authority areas within New Zealand concentrating on locations with the net flow exceeding 200 people over the four years ended June 2017.


Table 4.7: Auckland's net internal migration flows to other councils with total of more than 200 people

	June 2014	June 2015	June 2016	June 2017	Grand Total
Tauranga city	-501	-1,032	-1,455	-1,587	-4,575
Waikato district	-330	-792	-1,071	-1,188	-3,381
Whangarei district	-429	-540	-735	-1,185	-2,889
Far North district	-165	-276	-438	-693	-1,572
Hamilton city	84	-339	-507	-765	-1,527
Kaipara district	-138	-294	-489	-573	-1,494
Western Bay of Plenty district	-87	-321	-609	-372	-1,389
Thames-Coromandel district	-138	-330	-468	-444	-1,380
Dunedin city	-318	-300	-186	-342	-1,146
Queenstown-Lakes district	-189	-231	-339	-360	-1,119
Waipa district	-39	-150	-315	-351	-855
Taupo district	-12	-132	-360	-345	-849
Christchurch city	-123	-186	-270	-201	-780
Hauraki district	-102	-234	-237	-180	-753
Matamata-Piako district	-81	-198	-222	-240	-741
Marlborough district	-129	-99	-189	-189	-606
Hastings district	57	-30	-321	-285	-579
Rotorua district	-66	-144	-159	-207	-576
Wellington city	126	15	-195	-468	-522
Selwyn district	-30	-135	-102	-249	-516
Tasman district	-69	-51	-84	-297	-501
Waimakariri district	-9	-99	-129	-123	-360
Napier city	144	-21	-255	-213	-345
Nelson city	-60	-66	-57	-150	-333
Central Otago district	-54	-66	-84	-102	-306
Manawatu district	-21	-54	-108	-117	-300
Kapiti Coast district	-36	-75	-69	-99	-279
Ruapehu district	-18	-84	-87	-87	-276
Whanganui district	54	-48	-45	-219	-258
South Waikato district	-18	-75	-51	-90	-234
South Taranaki district	-27	-27	-24	-144	-222
Waitaki district	-30	-36	-69	-81	-216
Ashburton district	-90	-12	-111	3	-210
Total	-2,727	-6,924	-10,332	-12,942	-32,925

Source: Statistics New Zealand



Tauranga/Western Bay of Plenty had a net inflow of 5,964 Aucklanders over the four years ended June 2017. The only locations also experiencing strong net inflows from Auckland included the greater Hamilton area (a gain of 5,763 people), Northland Region (a gain of 5,955 people), Dunedin City (a gain of 1,146 people) and Queenstown Lakes District (a gain of 1,119 people) and Greater Christchurch (a gain of 1,296 people).

Table 4.8 presents the internal migration from Auckland by local board area by origin of migrant.

Table 4.8 presents the internal migration from Auckland by local board area (origin of migrant)

	June 2014	June 2015	June 2016	June 2017	Total
Albert-Eden local board area	180	84	-111	-483	-330
Devonport-Takapuna local board area	-96	-339	-414	-498	-1,347
Franklin local board area	-291	-618	-927	-987	-2,823
Great Barrier local board area	-9	24	15	-24	6
Henderson-Massey local board area	-441	-912	-1,014	-1,128	-3,495
Hibiscus and Bays local board area	-378	-690	-1,050	-1,254	-3,372
Howick local board area	-339	-549	-876	-1,086	-2,850
Kaipatiki local board area	-216	-525	-924	-786	-2,451
Mangere-Otahuhu local board area	-75	-288	-318	-222	-903
Manurewa local board area	-120	-483	-501	-918	-2,022
Maungakiekie-Tamaki local board area	-108	-396	-363	-552	-1,419
Orakei local board area	6	-177	-351	-453	-975
Otara-Papatoetoe local board area	-72	-267	-342	-354	-1,035
Papakura local board area	-351	-492	-756	-855	-2,454
Puketapapa local board area	-75	-99	-126	-360	-660
Rodney local board area	-354	-582	-897	-972	-2,805
Upper Harbour local board area	-84	-225	-393	-459	-1,161
Waiheke local board area	-3	-81	-21	-204	-309
Waitakere Ranges local board area	-231	-408	-597	-558	-1,794
Waitemata local board area	462	348	36	-147	699
Whau local board area	-132	-249	-402	-642	-1,425
Grand Total	-2,727	-6,924	-10,332	-12,942	-32,925

Source: Statistics New Zealand

The strongest outflows were from Henderson-Massey, Hibiscus and Bays, Franklin, and Howick local board areas. These four local boards accounted for 38% of the total net internal migration loss.



4.4 Internal migration within Auckland Council's local board areas

This section of the report presents the number of people shifting within Auckland over the 4 years ended June 2017 by local board area.

Table 4.9 presents the net number of people shifting between local board areas in the 4-year period ending June 2017.

Table 4.9: Migration patterns within Auckland by local board area



August 2019

Destination	Origin																				
	Albert-Eden	Devonport-Takapuna	Franklin	Great Barrier	Henderson-Massey	Hibiscus and Bays	Howick local	Kaipatiki	Mangere-Otahuhu	Manurewa	Maungakiekie-Tamaki	Orakei	Otara-Papatoetoe	Papakura	Puketapapa	Rodney	Upper Harbour	Waiheke	Waitakere Ranges	Waitemata	Whau
Albert-Eden	0	-69	36	-15	-396	-84	-78	-252	-120	-78	-567	-339	-27	-174	-798	-246	-57	0	-264	2,769	-867
Devonport-Takapuna	69	0	-27	3	30	-864	87	-306	-6	9	30	0	-3	0	63	-387	-453	-21	54	474	27
Franklin	-36	27	0	0	111	15	2,010	48	159	660	312	261	222	369	114	-15	63	-18	126	-117	108
Great Barrier	15	-3	0	0	-3	3	-3	18	0	3	3	-6	-3	-3	3	-18	3	15	21	0	9
Henderson-Massey	396	-30	-111	3	0	-510	-192	393	15	-132	174	21	-99	-54	489	-1,380	-801	-21	75	603	1,593
Hibiscus & Bays	84	864	-15	-3	510	0	228	1,518	30	27	162	147	45	27	69	-768	1,134	6	93	57	219
Howick local	78	-87	-2,010	3	192	-228	0	54	498	249	1,254	9	1,581	-987	234	-132	-90	-15	0	27	183
Kaipatiki	252	306	-48	-18	-393	-1,518	-54	0	-51	18	3	3	-33	-24	102	-723	-1,182	-42	-54	957	87
Mangere-Otahuhu	120	6	-159	0	-15	-30	-498	51	0	-1,323	510	129	-996	-294	336	27	-24	0	36	159	126
Manurewa	78	-9	-660	-3	132	-27	-249	-18	1,323	0	507	-27	1,722	-1,314	174	-42	-3	-3	51	132	171
Maungakiekie-Tamaki	567	-30	-312	-3	-174	-162	-1,254	-3	-510	-507	0	345	-552	-303	-144	-123	-156	-3	-84	1,095	51
Orakei	339	0	-261	6	-21	-147	-9	-3	-129	27	-345	0	-45	-81	54	-171	-30	-87	-72	798	27
Otara-Papatoetoe	27	3	-222	3	99	-45	-1,581	33	996	-1,722	552	45	0	-786	105	-36	-57	-24	-60	153	72
Papakura	174	0	-369	3	54	-27	987	24	294	1,314	303	81	786	0	192	-24	-42	-6	12	24	102
Puketapapa	798	-63	-114	-3	-489	-69	-234	-102	-336	-174	144	-54	-105	-192	0	0	-84	0	-123	708	-435
Rodney	246	387	15	18	1,380	768	132	723	-27	42	123	171	36	24	0	0	957	-21	519	30	153
Upper Harbour	57	453	-63	-3	801	-1,134	90	1,182	24	3	156	30	57	42	84	-957	0	-15	108	297	237
Waiheke	0	21	18	-15	21	-6	15	42	0	3	3	87	24	6	0	21	15	0	48	105	3
Waitakere Ranges	264	-54	-126	-21	-75	-93	0	54	-36	-51	84	72	60	-12	123	-519	-108	-48	0	138	774
Waitemata	-2,769	-474	117	0	-603	-57	-27	-957	-159	-132	-1,095	-798	-153	-24	-708	-30	-297	-105	-138	0	-690
Whau	867	-27	-108	-9	-1,593	-219	-183	-87	-126	-171	-51	-27	-72	-102	435	-153	-237	-3	-774	690	0

Source: Statistics New Zealand



These statistics provide some insight into the movement of people within Auckland during the four years ended June 2017. For example, Devon-Takapuna gain 69 people from Albert-Eden local board. Three local boards experienced total net gains in the number of Aucklanders shifting to them over the four years ended June 2017. These were Franklin (a net gain of 4,419 people), Hibiscus Coast and Bays (a net gain of 4,434 people), and Rodney (a net gain of 5,676 people). Waitemata local board had a net flow of Aucklanders of 9,099 people to other parts of Auckland. The local boards which experienced net gains in excess of 1,000 people from other local boards include:

- Albert-Eden gained 2,769 people from Waitemata local board;
- Franklin gained 2,010 people from Howick local board;
- Henderson-Massey gained 1,593 people from Whau local board;
- Hibiscus and Bays gained 1,518 people from Kaipatiki local board;
- Howick gained 1,254 people from Maungakiekie-Tamaki and 1,581 people from Otara-Papatoetoe local boards;
- Manurewa gained 1,722 people from Otara – Papatoetoe local board;
- Maungakiekie-Tamaki gained 1,095 people from Waitemata local board;
- Papakura gained 1,314 people from Manurewa local board
- Rodney gained 1,380 people from Henderson- Massey local board; and
- Upper Harbour gained 1,182 people from Kaipatiki local board.



5. Occupier length of tenure

5.1 Introduction

The objective of this section of the report is to investigate the trend in the typical length of occupation by tenure in Auckland. The analysis is divided into two sections. First, trends at an Auckland Council level are considered, followed by analysis at a local board level.

5.2 Length of occupation trends by tenure

Table 5.1 presents the trend in Auckland's length of occupation by tenure between 2001 and 2013.

Table 5.1: Auckland's median length of occupation by tenure 2001 to 2013

	Owner occupiers		Renter households	
	Median occupation	Change	Median occupation	Change
2001	7.5 years		1.9 years	
2006	6.9 years	-0.6	2.0 years	+0.1
2013	8.6 years	+1.7	2.5 years	+0.5

Source: Modelled based on data from Statistics New Zealand

Figure 5.1 presents the proportion of households by length of household's occupation of their current address by tenure in 2013.

Figure 5.1: Length of occupation by tenure - 2013



Source: Statistics New Zealand



Typically, private renters have had shorter periods of occupation in than social renters. Households with mortgages have shorter occupy periods than owner occupier households without a mortgage.

Table 5.2 presents the number and proportion of households by tenure and length of occupation in Auckland as at 2013.

Table 5.2: Length of occupation by tenure in 2013

Length of tenure	Owner occupiers				Renter households				All Households	
	With a mortgage		Without a mortgage		Private sector		Social renters			
	no	%	no	%	no	%	no	%	no	%
Less than 1 Year	20,900	13%	5,820	5%	40,210	35%	2,610	10%	79,140	17%
1 to 2 Years	10,400	6%	2,980	3%	14,530	13%	1,150	4%	31,910	7%
2 to 3 Years	14,600	9%	4,660	4%	16,940	15%	2,190	8%	42,050	9%
3 to 4 Years	12,290	8%	4,190	4%	10,840	9%	1,930	7%	31,790	7%
4 to 5 Years	8,410	5%	3,180	3%	6,770	6%	1,440	5%	21,510	5%
5 to 9 Years	43,220	27%	19,150	18%	16,930	15%	6,450	24%	92,270	20%
10 Years +	50,370	31%	64,640	61%	7,900	7%	9,430	36%	142,370	30%
Total Stated	160,190	99%	104,620	99%	114,100	98%	25,200	95%	441,020	94%
Not included elsewhere	2,090	1%	1,570	1%	2,030	2%	1,290	5%	26,990	6%
Total	162,280	100%	106,190	100%	116,130	100%	26,490	100%	468,010	100%

Source: Modelled based on data from Statistics New Zealand

A total of 48% of private renters have been living in their dwelling less than two years. This compares to 14% of social renters, 19% of owner occupiers with a mortgage and 8% of owner occupiers without a mortgage. The data does not provide any insight into the reason behind these trends, however, in the past social renters have enjoyed a more secure and stable tenancies than private renters (although this changes to some extent with the Key led Governments introduction of tenancy reviews in HNZC's housing portfolio). This could be the reason for the higher proportion of social renters with longer tenancies.



Table 5.3 presents the trend in the median length of occupation by tenure and age of the household reference person.

Table 5.3: Median length of occupation by tenure and age of household reference person

Age of the household reference person	Owner occupiers		Renter households	
	No of households	Median occupation	No of households	Median occupation
0-29 Years	16,900	2.9	35,510	Less than 1 year
30-39 Years	42,440	3.6	40,000	2.2
40-49 Years	62,980	7.1	35,670	3.0
50-64 Years	84,000	More than 10 yrs	28,520	4.0
65 Years and Over	62,150	More than 10 yrs	14,060	6.7
Total	268,460	8.6	153,750	2.5

Source: Modelled based on data from Statistics New Zealand

Households with older reference people tend to have longer occupancy periods than younger households. It is not possible to draw any conclusions from the data as to why these trends have occurred. However, older renter households have more stable housing needs and are less inclined to shift once they have found a dwelling that suits their requirements than younger households. Younger households housing needs may be more dynamic as they move to be close to support networks and employment. They may also have lower incomes than older renters and may be inclined to shift if their incomes increase which could allow them to find dwellings better suited to their needs.

Table 5.4 presents the trend in the median length of occupation by tenure and level of household income in 2013.

Table 5.4: Median length of occupation by tenure and household income

Household income	Owner occupiers		Renter households	
	No of households	Median occupation	No of households	Median occupation
\$0 to \$30,000	31,550	7.2	32,200	3.6
\$30,000 to \$ 40,000	16,290	7.2	12,100	2.5
\$40,000 to \$50,000	13,860	7.4	10,720	2.6
\$50,000 to \$70,000	28,670	7.7	20,050	2.6
\$70,000 to \$100,000	43,150	7.9	23,370	2.6
\$100,000 to \$150,000	52,570	8.1	18,350	1.6
Over \$150,000	56,370	8.1	11,270	1.4

Source: Modelled based on data from Statistics New Zealand

The level of household income has a small impact on the median occupation length of owner occupier households. Lower income renters have longer median occupation periods than higher income renters. This could reflect the higher proportion of social renters in lower income ranges.



5.3 Length of occupation by local board

The median length of tenure varies across local board areas although the underlying pattern of owner occupiers having longer periods of occupation than renter households holds true. Table 5.6 presents the median length of occupation in Auckland by tenure and local board area between 2001 and 2013.

Table 5.6: Length of occupation by tenure and local board area 2001 to 2013.

Local Board Area	Owner Occupiers			Renter households		
	2001	2006	2013	2001	2006	2013
Rodney	7.8	6.7	8.7	2.0	1.5	2.1
Hibiscus and Bays	6.8	6.3	8.2	1.6	1.3	2.1
Upper Harbour	4.5	4.4	6.9	1.5	1.0	1.7
Kaipatiki	8.0	7.6	8.8	1.7	1.8	2.4
Devonport-Takapuna	8.4	7.9	9.0	1.8	1.7	2.2
Henderson-Massey	7.7	6.9	8.7	1.9	2.2	2.9
Waitakere Ranges	8.1	8.1	9.4	1.7	1.8	2.6
Great Barrier	9.3	10 yrs+	10 yrs+	1.8	2.9	2.6
Waiheke	8.7	6.5	8.7	1.4	1.3	2.2
Waitemata	5.0	4.5	6.4	1 yr-	1 yr -	1.2
Whau	8.6	7.9	9.3	2.1	2.2	3.0
Albert-Eden	7.7	7.4	8.8	1.6	1.5	2.3
Puketapapa	8.3	8.2	9.8	2.6	2.5	3.0
Orakei	7.4	7.1	8.5	1.8	1.5	2.2
Maungakiekie-Tamaki	7.7	7.2	8.3	2.0	2.8	3.5
Howick	5.9	5.8	8.1	1.6	1.4	2.2
Mangere-Otahuhu	10 yrs+	10 yrs+	10 yrs+	3.0	3.2	4.5
Otara-Papatoetoe	10 yrs+	9.6	10 yrs+	2.7	3.0	3.8
Manurewa	7.0	6.3	9.0	2.0	2.6	3.3
Papakura	8.1	7.2	8.2	1.8	2.3	2.8
Franklin	7.5	7.0	8.6	2.2	1.7	2.4

Source: Modelled based on data from Statistics New Zealand



6. Trends in housing affordability in Auckland

6.1 Introduction

The objective of this section of the report is to present information on the trend in housing affordability outcomes in Auckland. First data on the key trends for the whole of Auckland is presented followed by analysis at a local board level.

6.2 Housing affordability in Auckland

Auckland like most larger cities, which have undergone strong population growth, over the last two decades has experienced a significant decline in housing affordability. House prices in particular, and to a less extent rents, have increased significantly faster than household incomes. This has led to a significant decline in housing affordability within Auckland.

Table 6.1 presents the level of income required for a household to affordably¹² pay either the lower quartile or median rent or service a mortgage associated with buying a dwelling at the lower quartile house sale price between 2001 and 2018.

Table 6.1: Incomes required to affordably pay lower quartile rent, median rent, or service a mortgage on a lower quartile priced dwelling between 2001 and 2018

	Income required to affordably pay rent or service a mortgage at:						Median gross household income	
	Lower quartile rent		Median rent		Lower quartile house price		Median	% Change
	Income Required	% Change	Income Required	% Change	Income Required	% Change		
2001	\$40,100		\$45,100		\$52,800		\$49,000	
2006	\$51,900	29%	\$57,000	26%	\$92,200	75%	\$63,400	29%
2013	\$70,200	35%	\$78,800	38%	\$95,000	3%	\$76,500	21%
2018	\$90,000	28%	\$99,000	26%	\$132,300	39%	\$90,900 ¹³	19%
Change 01 to 18	+\$49,900	124%	+\$53,900	120%	+\$79,500	+151%	+\$41,900	+86%

In 2001 households earning the median household income could almost affordably purchase a dwelling at the lower quartile house price and could easily pay the median and lower quartile rents. By 2018, as a result of house prices and rents increasing faster than incomes, they could just affordably pay the lower quartile rent and would require 146% of median income to be able to affordably buy at the lower quartile house sale price.

¹² The affordability criteria assumes no more than 30% of gross household income is spent on either paying rent or servicing a mortgage.

¹³ Assumes household incomes increase at 3.5% per annum.



Table 6.2 presents the proportion of renter and owner occupier household (with a mortgage) that are paying more than 30% of their gross household income in housing costs (stressed households) by gross household income in 2007 and 2016.

Table 6.2: Stressed renter and owner occupier (with a mortgage) households by gross household income

Gross household income	Renter households			Owner occupiers with a mortgage		
	2007	2016	Change	2007	2016	Change
Up to \$30,000	76%	77%	2%	82%	100%	18%
\$30,001-\$50,000	50%	74%	24%	27%	50%	23%
\$50,001-\$70,000	7%	64%	57%	48%	55%	7%
\$70,001-\$150,000	4%	26%	22%	20%	23%	3%
\$150,001 and over	0%	9%	9%	8%	11%	2%
Total	31%	46%	15%	27%	28%	2%

Source: Statistics New Zealand

Stressed renter and owner occupiers (with a mortgage) have increased as a proportion of households across all income groups between 2007 and 2016. The most significant growth has been for renter households earning between \$50,000 and \$70,000 (up 57 percentage points to 64% between 2007 and 2016) and owner occupiers (with a mortgage) earning between \$30,000 and \$50,000 per annum.



Table 6.3 presents stressed renter households as a proportion of all renters by the age of the household reference person and household composition in 2001 and 2013.

Table 6.3: Stressed renter households by age of the household reference person and household composition

	Proportion of renters paying more than 30% of gross household income in rent					Proportion of renters paying more than 50% of gross household income in rent				
	40 yrs-	40-49 yrs	50-64 yrs	65 yrs -	Total	40 yrs-	40-49 yrs	50-64 yrs	65 yrs -	Total
2001										
Couple Only	18%	30%	37%	58%	24%	6%	11%	16%	31%	10%
Couple With	40%	42%	40%	51%	41%	16%	20%	18%	26%	17%
Multi family	34%	28%	26%	41%	32%	13%	13%	9%	24%	13%
One Parent	86%	74%	51%	39%	79%	67%	46%	28%	21%	58%
One-Person	47%	52%	60%	71%	54%	24%	26%	36%	48%	30%
Other	30%	36%	38%	43%	32%	13%	14%	16%	21%	14%
Total	40%	48%	47%	63%	43%	21%	24%	25%	39%	23%
2013										
Couple Only	21%	28%	41%	67%	32%	6%	10%	18%	36%	13%
Couple With	40%	41%	41%	49%	42%	13%	16%	18%	19%	15%
Multi family	30%	31%	24%	39%	29%	13%	12%	10%	19%	12%
One Parent	88%	78%	65%	52%	80%	58%	48%	36%	23%	52%
One-Person	45%	52%	65%	78%	61%	20%	27%	38%	52%	34%
Other	32%	41%	43%	53%	40%	13%	16%	18%	24%	18%
Total	41%	48%	51%	69%	48%	18%	23%	26%	41%	23%
Change 01 to 13										
Couple Only	3%	-2%	4%	10%	8%	-1%	-1%	2%	5%	3%
Couple With	0%	-1%	2%	-3%	1%	-3%	-4%	0%	-6%	-2%
Multi family	-3%	3%	-2%	-2%	-2%	0%	-1%	1%	-5%	-1%
One Parent	2%	4%	15%	13%	1%	-9%	2%	8%	2%	-6%
One-Person	-2%	-1%	5%	7%	7%	-4%	0%	2%	4%	5%
Other	2%	4%	4%	9%	8%	0%	2%	2%	3%	4%
Total	1%	1%	4%	6%	4%	-3%	-1%	1%	2%	0%

Source: Statistics New Zealand

Households with reference people aged 65 years and over typically had higher proportion of stressed renters than other age groups. In addition, one person and one parent households also had higher portions of stressed renters than other household types.



6.3 Affordability trends by local board area

The objective of this section of the report is to present analysis of trends in housing affordability by local board. The analysis includes:

- Key market statistics (note more detail data on the trend in rents and sale prices is presented in Appendix Two);
- Comparison of the income required to affordably pay the market rent or buy at the lower quartile house price and median household incomes by local board; and
- Trends in the proportion of renter households paying more than 30% of their household income in rent by local board and demographic characteristics.

Table 6.4 presents the trend in key property market statistics (geometric mean rent, lower quartile house sale price, and median household incomes) by local board between 2001 and 2018.



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Table 6.4: Market rents. lower quartile sale prices and gross median household incomes by local board

	Median rents					Lower quartile house sale prices					Gross Household incomes				
	2001	2006	2013	2018	Change 01 to 18	2001	2006	2013	2018	Change 01 to 18	2001	2006	2013	2018	Change 01 to 18
Rodney	\$229	\$309	\$407	\$546	138%	\$175,000	\$320,000	\$388,000	\$660,000	277%	\$43,400	\$59,100	\$70,200	\$83,380	92%
Hibiscus and Bays	\$294	\$362	\$478	\$609	108%	\$210,000	\$380,000	\$519,000	\$775,000	269%	\$47,800	\$64,800	\$78,200	\$92,880	94%
Upper Harbour	\$324	\$332	\$445	\$579	79%	\$245,000	\$435,000	\$605,000	\$788,800	222%	\$62,500	\$75,200	\$89,000	\$105,700	69%
Kaipatiki	\$272	\$334	\$445	\$554	104%	\$178,000	\$335,000	\$482,000	\$735,000	313%	\$49,700	\$64,100	\$78,600	\$93,350	88%
Devonport-Takapuna	\$327	\$406	\$532	\$650	99%	\$227,500	\$420,000	\$625,000	\$931,000	309%	\$51,300	\$68,700	\$85,700	\$101,780	98%
Great Barrier	-	-	-	-	-	\$111,000	\$360,000	\$220,000	\$407,500	267%	\$44,000	\$55,800	\$66,900	\$79,460	81%
Henderson-Massey	\$244	\$306	\$404	\$511	109%	\$154,000	\$284,500	\$381,000	\$649,000	321%	\$52,300	\$65,800	\$79,700	\$94,660	81%
Waitakere Ranges	\$246	\$302	\$390	\$489	99%	\$165,000	\$290,000	\$410,000	\$660,000	300%	\$20,100	\$23,200	\$30,300	\$35,990	79%
Waiheke	\$256	\$286	\$408	\$524	105%	\$170,000	\$350,000	\$425,000	\$760,000	347%	\$27,200	\$38,800	\$51,400	\$61,050	124%
Waitemata	\$372	\$356	\$434	\$525	41%	\$195,000	\$220,000	\$240,000	\$422,000	116%	\$65,500	\$73,600	\$79,900	\$94,900	45%
Whau	\$250	\$302	\$411	\$511	105%	\$165,000	\$290,000	\$403,000	\$656,200	298%	\$40,300	\$52,400	\$63,900	\$75,890	88%
Albert-Eden	\$285	\$345	\$467	\$578	103%	\$217,400	\$342,050	\$500,000	\$795,000	266%	\$52,900	\$69,600	\$87,500	\$103,920	96%
Puketapapa	\$293	\$352	\$450	\$595	103%	\$200,000	\$359,000	\$542,000	\$800,000	300%	\$43,900	\$58,300	\$72,700	\$86,340	97%
Orakei	\$349	\$428	\$567	\$702	101%	\$281,500	\$475,000	\$686,000	\$1,100,000	291%	\$67,000	\$88,700	\$107,800	\$128,030	91%
Maungakiekie-Tamaki	\$255	\$303	\$413	\$524	106%	\$159,000	\$280,000	\$426,000	\$705,000	343%	\$41,800	\$56,900	\$68,200	\$81,000	94%
Howick	\$309	\$361	\$480	\$590	91%	\$230,500	\$392,000	\$568,000	\$855,000	271%	\$56,800	\$71,300	\$84,500	\$100,360	77%
Mangere-Otahuhu	\$228	\$277	\$368	\$430	89%	\$135,000	\$250,000	\$328,500	\$600,000	344%	\$38,000	\$51,400	\$59,900	\$71,140	87%
Otara-Papatoetoe	\$229	\$279	\$362	\$461	102%	\$139,000	\$235,000	\$303,000	\$556,000	300%	\$38,700	\$50,400	\$60,800	\$72,210	87%
Manurewa	\$234	\$282	\$400	\$491	110%	\$145,000	\$235,000	\$295,000	\$560,000	286%	\$47,400	\$58,700	\$67,800	\$80,530	70%
Papakura	\$237	\$290	\$379	\$494	109%	\$150,000	\$255,000	\$320,000	\$579,000	286%	\$44,500	\$56,100	\$65,900	\$78,270	76%
Franklin	\$224	\$295	\$378	\$522	134%	\$160,000	\$287,500	\$350,000	\$585,000	266%	\$51,200	\$66,300	\$80,900	\$96,080	88%

Source: MBIE, Statistics New Zealand & Corelogic



Table 6.5 presents the trend in the income required to affordably pay the average geometric market rent by local board between 2001 and 2018.

Table 6.5: Household income required to affordably pay the geometric mean rent by local board

	Income required to affordably pay the market rent				Affordable income required to pay rent as a % of median household income			
	2001	2006	2013	2018	2001	2006	2013	2018
Rodney	\$39,763	\$53,488	\$70,574	\$94,711	92%	91%	101%	114%
Hibiscus and Bays	\$50,892	\$62,823	\$82,920	\$105,631	106%	97%	106%	114%
Upper Harbour	\$56,084	\$57,603	\$77,209	\$100,381	90%	77%	87%	95%
Kaipatiki	\$47,181	\$57,859	\$77,208	\$96,056	95%	90%	98%	103%
Devonport-Takapuna	\$56,602	\$70,357	\$92,182	\$112,672	110%	102%	108%	111%
Great Barrier	-	-	-	-	-	-	-	-
Henderson-Massey	\$42,335	\$53,102	\$70,069	\$88,537	81%	81%	88%	94%
Waitakere Ranges	\$42,635	\$52,364	\$67,606	\$84,796	212%	226%	223%	236%
Waiheke	\$44,402	\$49,562	\$70,663	\$90,867	163%	128%	137%	149%
Waitemata	\$64,451	\$61,622	\$75,200	\$90,921	98%	84%	94%	96%
Whau	\$43,292	\$52,352	\$71,227	\$88,651	107%	100%	111%	117%
Albert-Eden	\$49,450	\$59,815	\$80,921	\$100,199	93%	86%	92%	96%
Puketapapa	\$50,763	\$61,072	\$77,956	\$103,173	116%	105%	107%	119%
Orakei	\$60,438	\$74,182	\$98,335	\$121,724	90%	84%	91%	95%
Maungakiekie-Tamaki	\$44,153	\$52,499	\$71,562	\$90,886	106%	92%	105%	112%
Howick	\$53,579	\$62,587	\$83,202	\$102,238	94%	88%	98%	102%
Mangere-Otahuhu	\$39,496	\$47,937	\$63,808	\$74,506	104%	93%	107%	105%
Otara-Papatoetoe	\$39,619	\$48,355	\$62,770	\$79,902	102%	96%	103%	111%
Manurewa	\$40,487	\$48,875	\$69,256	\$85,150	85%	83%	102%	106%
Papakura	\$41,024	\$50,268	\$65,722	\$85,649	92%	90%	100%	109%
Franklin	\$38,773	\$51,215	\$65,497	\$90,554	76%	77%	81%	94%

Source: Modelled based on data from Statistics New Zealand and MBIE

The income required to affordably pay the market rent as a percentage of median household income increased in all local board areas. The least affordable local boards were Waitakere Ranges, Waiheke. The most affordable were Upper Harbour, Henderson-Massey, Waitemata, Albert-Eden, Orakei, and Franklin.



Table 6.6 presents the trend in the income required to affordably buy a house at the lower quartile house sale price by local board between 2001 and 2018.

Table 6.6: Household income required to affordably buy a dwelling at the lower quartile house sale price by local board

	Income required to affordably service a mortgage for a LQ priced house				Affordable income required to service a mortgage as a % of median household income			
	2001	2006	2013	2018	2001	2006	2013	2018
Rodney	\$42,000	\$86,500	\$73,300	\$123,500	97%	146%	104%	148%
Hibiscus and Bays	\$50,400	\$102,700	\$98,100	\$145,000	105%	158%	125%	156%
Upper Harbour	\$58,800	\$117,600	\$114,300	\$147,600	94%	156%	128%	140%
Kaipatiki	\$42,800	\$90,500	\$91,100	\$137,600	86%	141%	116%	147%
Devonport-Takapuna	\$54,600	\$113,500	\$118,100	\$174,200	106%	165%	138%	171%
Great Barrier	\$26,700	\$97,300	\$41,600	\$76,300	61%	174%	62%	96%
Henderson-Massey	\$37,000	\$76,900	\$72,000	\$121,500	71%	117%	90%	128%
Waitakere Ranges	\$39,600	\$78,400	\$77,500	\$123,500	197%	338%	256%	343%
Waiheke	\$40,800	\$94,600	\$80,300	\$142,200	150%	244%	156%	233%
Waitemata	\$46,800	\$59,500	\$45,400	\$79,000	71%	81%	57%	83%
Whau	\$39,600	\$78,400	\$76,200	\$122,800	98%	150%	119%	162%
Albert-Eden	\$52,200	\$92,400	\$94,500	\$148,800	99%	133%	108%	143%
Puketapapa	\$48,000	\$97,000	\$102,400	\$149,700	109%	166%	141%	173%
Orakei	\$67,600	\$128,400	\$129,600	\$205,900	101%	145%	120%	161%
Maungakiekie-Tamaki	\$38,200	\$75,700	\$80,500	\$131,900	91%	133%	118%	163%
Howick	\$55,400	\$105,900	\$107,300	\$160,000	98%	149%	127%	159%
Mangere-Otahuhu	\$32,400	\$67,600	\$62,100	\$112,300	85%	132%	104%	158%
Otara-Papatoetoe	\$33,400	\$63,500	\$57,300	\$104,100	86%	126%	94%	144%
Manurewa	\$34,800	\$63,500	\$55,800	\$104,800	73%	108%	82%	130%
Papakura	\$36,000	\$68,900	\$60,500	\$108,400	81%	123%	92%	138%
Franklin	\$38,400	\$77,700	\$66,100	\$109,500	75%	117%	82%	114%

Source: Modelled based on data from RBNZ, Statistics New Zealand and Corelogic

The least affordable local boards (those than would need to pay the highest ratio of mortgage servicing costs on their house prices relative to local median household income) include Hibiscus and Bays, Devonport-Takapuna, Waitakere Ranges, Waiheke, Whau, Puketapapa, Orakei, Maungakiekie-Tamaki, Howick, and Mangere-Otahuhu. Waitemata is the most affordable location however this is distorted to some extent due to the large proportion of apartments sold within the local board relative to other local board areas.



Table 6.7 presents the trend in the ratio of lower quartile and median dwelling sale prices to median household income by local board.

Table 6.7: Lower quartile and median dwelling sale price to median household income ratio

	Lower quartile dwelling price to median household income ratio				Median dwelling sale price to median household income ratio			
	2001	2006	2013	2018	2001	2006	2013	2018
Rodney	4.0	5.4	5.5	7.9	5.1	7.0	7.1	10.3
Hibiscus and Bays	4.4	5.9	6.6	8.3	5.4	7.2	8.2	10.3
Upper Harbour	3.9	5.8	6.8	7.5	4.8	7.0	8.4	9.3
Kaipatiki	3.6	5.2	6.1	7.9	4.3	6.0	7.3	9.1
Devonport-Takapuna	4.4	6.1	7.3	9.1	5.9	8.0	9.1	12.3
Great Barrier	-	-	-	-	-	-	-	-
Henderson-Massey	2.9	4.3	4.8	6.9	3.5	5.1	5.8	7.9
Waitakere Ranges	8.2	12.5	13.5	18.3	10.4	15.5	16.6	21.5
Waiheke	6.3	9.0	8.3	12.4	8.1	11.0	10.4	14.7
Waitemata	3.0	3.0	3.0	4.4	4.4	4.2	4.8	6.9
Whau	4.1	5.5	6.3	8.6	4.7	6.6	8.1	10.3
Albert-Eden	4.1	4.9	5.7	7.7	5.5	7.1	8.9	11.6
Puketapapa	4.6	6.2	7.5	9.3	5.6	7.2	9.3	11.2
Orakei	4.2	5.4	6.4	8.6	5.6	7.3	8.4	11.4
Maungakiekie-Tamaki	3.8	4.9	6.2	8.7	4.8	6.2	8.2	10.9
Howick	4.1	5.5	6.7	8.5	4.9	6.5	8.1	10.2
Mangere-Otahuhu	3.6	4.9	5.5	8.4	4.4	5.7	6.7	9.6
Otara-Papatoetoe	3.6	4.7	5.0	7.7	4.3	5.5	5.8	9.0
Manurewa	3.1	4.0	4.4	7.0	3.9	4.9	5.2	8.1
Papakura	3.4	4.5	4.9	7.4	4.1	5.6	6.1	8.8
Franklin	3.1	4.3	4.3	6.1	3.8	5.4	5.5	7.3

Source: Modelled based on data from Statistics New Zealand and Corelogic

Excluding Waitakere Ranges and Waiheke local boards the locations with the highest ratio (least affordable dwellings relative to incomes) were Devonport Takapuna, Albert-Eden, Puketapapa, and Orakei. The most affordable local boards include Manurewa, Papakura, Waitemata and Franklin. Waitemata result is influenced by the high proportion of apartments sold within the local board area.



Table 6.8 presents the trend in the proportion of renter households paying more than 30% and 50% of gross household income in rent by local board between 2001 and 2013.

Table 6.8: Stressed renter households by local board between 2001 and 2013

Local Board Area	Households paying more than 30% of gross household income in rent				Households paying more than 50% of gross household income in rent			
	2001	2006	2013	Change 01 to 13	2001	2006	2013	Change 01 to 13
Rodney	46%	45%	52%	6%	26%	24%	26%	1%
Hibiscus and Bays	47%	47%	52%	5%	25%	23%	25%	0%
Upper Harbour	41%	46%	49%	8%	19%	23%	25%	6%
Kaipatiki	43%	43%	48%	6%	23%	21%	22%	-1%
Devonport-Takapuna	40%	43%	47%	7%	21%	21%	23%	3%
Henderson-Massey	50%	48%	53%	3%	28%	25%	27%	-2%
Waitakere Ranges	50%	47%	51%	1%	30%	26%	27%	-3%
Waiheke	57%	57%	61%	4%	35%	32%	33%	-3%
Waitemata	36%	41%	46%	10%	17%	21%	24%	7%
Whau	49%	49%	53%	3%	28%	25%	27%	-1%
Albert-Eden	42%	41%	44%	2%	22%	20%	21%	-1%
Puketapapa	47%	44%	45%	-2%	25%	23%	22%	-3%
Orakei	34%	36%	40%	6%	17%	16%	18%	1%
Maungakiekie-Tamaki	38%	36%	40%	3%	19%	17%	18%	-1%
Howick	45%	44%	47%	2%	24%	21%	21%	-2%
Mangere-Otahuhu	48%	44%	47%	-1%	26%	22%	25%	-1%
Otara-Papatoetoe	48%	45%	49%	1%	27%	23%	24%	-3%
Manurewa	46%	48%	51%	5%	25%	23%	28%	3%
Papakura	46%	44%	52%	6%	27%	22%	27%	0%
Franklin	39%	39%	44%	5%	20%	19%	21%	1%
Total Auckland	43%	43%	48%	4%	23%	22%	23%	0%
New Zealand	40%	40%	44%	4%	20%	19%	21%	1%

The local board areas with the highest proportion of stressed renters includes Rodney, Hibiscus and Bays, Henderson-Massey, Waitakere Ranges, Waiheke, Whau, Manurewa, and Papakura. The areas with the lowest proportion of stressed renters include Albert-Eden, Puketapapa, Orakei, Maungakiekie, and Franklin. The local boards which have the highest growth in proportion of stressed renters between 2001 and 2013 are Waitemata and Upper Harbour.



Table 6.9 presents the proportion of renters paying more than 30% of their gross household income in rent by household income and local board.

Table 6.9: Stressed renters as a proportion of all renters by household income and local board

Local Board Area	Less than \$30,000	\$30,000 to \$50,000	\$50,000 to \$70,000	\$70,000 to \$100,000	\$100,000 to \$150,000	Over \$150,000
Rodney	95%	78%	42%	13%	0%	0%
Hibiscus and Bays	88%	78%	22%	0%	0%	0%
Upper Harbour	91%	69%	13%	6%	0%	0%
Kaipatiki	93%	78%	42%	15%	7%	0%
Devonport-Takapuna	95%	88%	66%	31%	6%	2%
Henderson-Massey	92%	89%	68%	40%	9%	2%
Waitakere Ranges	95%	92%	63%	22%	3%	2%
Waiheke	94%	90%	68%	34%	9%	5%
Waitemata	94%	90%	57%	12%	1%	0%
Whau	94%	85%	44%	15%	3%	0%
Albert-Eden	60%	0%	0%	0%	0%	0%
Puketapapa	93%	80%	48%	23%	0%	0%
Orakei	96%	90%	58%	26%	10%	7%
Maungakiekie-Tamaki	95%	88%	54%	12%	2%	0%
Howick	96%	88%	52%	24%	7%	3%
Mangere-Otahuhu	92%	88%	61%	23%	4%	0%
Otara-Papatoetoe	94%	88%	60%	36%	13%	8%
Manurewa	96%	87%	46%	13%	1%	2%
Papakura	93%	90%	73%	35%	4%	1%
Franklin	94%	84%	41%	8%	0%	0%
Total Auckland	96%	90%	42%	5%	2%	0%
New Zealand	95%	88%	45%	10%	3%	0%

The analysis of the proportion of stressed households by local board and household income show a similar pattern with significantly higher levels of stressed renters in low income bands. The locations with the highest proportion of stressed renters in higher income groups include Henderson-Massey, Waiheke, Otara-Papatoetoe and Papakura.



Table 6.10 presents the proportion of renters paying more than 30% of their gross household income in rent by the age of the household reference person by local board.

Table 6.10: Stressed renters as a proportion of all renters by age of reference person and local board

Local Board Area	Less than 30 yrs	30 to 39 yrs	40 – 49 yrs	50 – 64 yrs	65 yrs +	Total
Rodney	46%	47%	53%	55%	68%	52%
Hibiscus and Bays	45%	47%	50%	53%	77%	52%
Upper Harbour	48%	44%	52%	50%	61%	49%
Kaipatiki	46%	42%	50%	51%	70%	48%
Devonport-Takapuna	38%	38%	52%	51%	74%	47%
Henderson-Massey	51%	49%	53%	56%	66%	53%
Waitakere Ranges	46%	48%	54%	53%	71%	51%
Waiheke	52%	54%	60%	61%	78%	61%
Waitemata	53%	34%	42%	52%	69%	46%
Whau	48%	48%	54%	53%	78%	53%
Albert-Eden	41%	34%	48%	55%	72%	44%
Puketapapa	42%	40%	47%	49%	64%	45%
Orakei	33%	30%	45%	49%	69%	40%
Maungakiekie-Tamaki	38%	34%	40%	46%	69%	40%
Howick	43%	42%	47%	49%	67%	47%
Mangere-Otahuhu	50%	47%	42%	47%	58%	47%
Otara-Papatoetoe	46%	48%	46%	48%	71%	49%
Manurewa	53%	49%	49%	51%	63%	51%
Papakura	49%	51%	53%	49%	67%	52%
Franklin	42%	42%	42%	42%	66%	44%
Total Auckland	46%	41%	48%	51%	69%	48%
New Zealand	43%	39%	43%	46%	63%	44%

The analysis of the proportion of stressed renters by the age of the household reference person and local board shows a similar pattern. Households with reference people age 65 years and older typically have levels of stressed renters 20 percentage points higher than for the local board average. Local boards with high proportions of older stressed households include Hibiscus and Bays, Waiheke, Whau, and Devonport-Takapuna. The local board with the lowest proportion of stressed renters was Orakei with households aged less than 40 years of age.



Table 6.11 presents the proportion of renters paying more than 30% of their gross household income in rent by household composition and local board.

Table 6.11: Stressed renters as a proportion of all renters by household composition and local board

Local Board Area	Couple only	Couple with	Multi family	One parent	One person	Other
Rodney	34%	39%	37%	85%	67%	41%
Hibiscus and Bays	37%	42%	30%	82%	70%	39%
Upper Harbour	35%	49%	41%	80%	55%	43%
Kaipatiki	35%	45%	32%	79%	64%	38%
Devonport-Takapuna	30%	43%	36%	79%	61%	39%
Henderson-Massey	36%	45%	27%	83%	70%	42%
Waitakere Ranges	28%	41%	28%	83%	60%	40%
Waiheke	39%	51%	50%	84%	75%	42%
Waitemata	32%	44%	28%	75%	54%	47%
Whau	37%	47%	35%	80%	69%	44%
Albert-Eden	27%	43%	33%	77%	56%	38%
Puketapapa	33%	47%	36%	71%	57%	36%
Orakei	25%	39%	26%	71%	55%	29%
Maungakiekie-Tamaki	26%	35%	23%	77%	59%	31%
Howick	39%	42%	30%	78%	60%	39%
Mangere-Otahuhu	37%	40%	25%	82%	60%	45%
Otara-Papatoetoe	37%	44%	29%	82%	69%	38%
Manurewa	39%	45%	26%	84%	71%	40%
Papakura	33%	36%	29%	83%	73%	38%
Franklin	26%	31%	22%	80%	59%	34%
Total Auckland	32%	42%	29%	80%	61%	40%
New Zealand	27%	32%	25%	77%	57%	37%

One person and one parent households consistently had the highest proportion of stressed renters across all local boards. This may be a result of these households only having one income. Those with the highest proportion of stressed renters were one parent households in Rodney, Hibiscus and Bays, Upper Harbour, Henderson-Massey, Waitakere Ranges, Waiheke, Whau, Mangere-Otahuhu, Otara-Papatoetoe, Manurewa, Papakura, and Franklin.



7. Summary

The challenge for Auckland, like other fast-growing cities, is to manage the population growth in such a way that rising housing costs do not impact on the city's ability to attract and retain key workers and the talent it requires to maintain its economic development. Clearly, the market trends in Auckland over the last decade are unsustainable with the growth in the intermediate housing market a reflection of poor housing affordability which has the potential to impact on Auckland's future economic wellbeing. Ultimately, if dwellings are to become more affordable to private sector renters, house prices have to increase at a lower rate than household incomes. An increase in the supply of more affordable smaller dwellings in different dwelling typologies could assist with this adjustment.

The growth in the intermediate housing market and need for adequate affordable housing has implications for economic development. Failure to provide adequate, affordable, local housing options for those in the intermediate housing market can impact upon not only the efficiency of the local labour market and in particular labour availability, but also can lead to sub-optimal settlement and commuter patterns.

The economic consequences of a growing intermediate housing market for the mainstream economy include the growing inability of workers in "essential" occupations such as police, nurses and teachers to buy in areas in which they work. Again, failure to provide the desired local housing options for these "key workers" can impact upon the efficiency of the local labour market and in particular labour availability in these key occupations.

Declines in renters' ability to purchase dwellings and subsequent falls in home ownership rates impact on the traditional notions of housing careers. Increasingly renter households are unable to transition to home ownership. Over the last two decades New Zealand has done well increasing the supply of the dwellings in the private rental stock at a pace which has limited the growth in rents to close to the rate at which household incomes have been increasing. To some extent Government has achieved this by not overly regulating the market. Changes in regulations focused on the private rental market could potentially slow the growth in the private rental housing stock and consequently have a positive impact on the rate of growth in rents.

The breakdown of the traditional housing pathway in Auckland is likely to result in a growing number of households who will never attain home ownership. Renter households on fixed incomes, particularly those with people aged 65 years and older, are particularly vulnerable to changes in the level of market housing costs (rents). Consequently, one of the issues in need of consideration is how to ensure that there is appropriate affordable housing available to these households. In addition, the growth in the number of renter households could place ongoing pressure for the accommodation supplement, lead to increased crowding, and clustering of low income renters in areas with lower housing costs which may or may not have access to good public transport links and employment nodes.

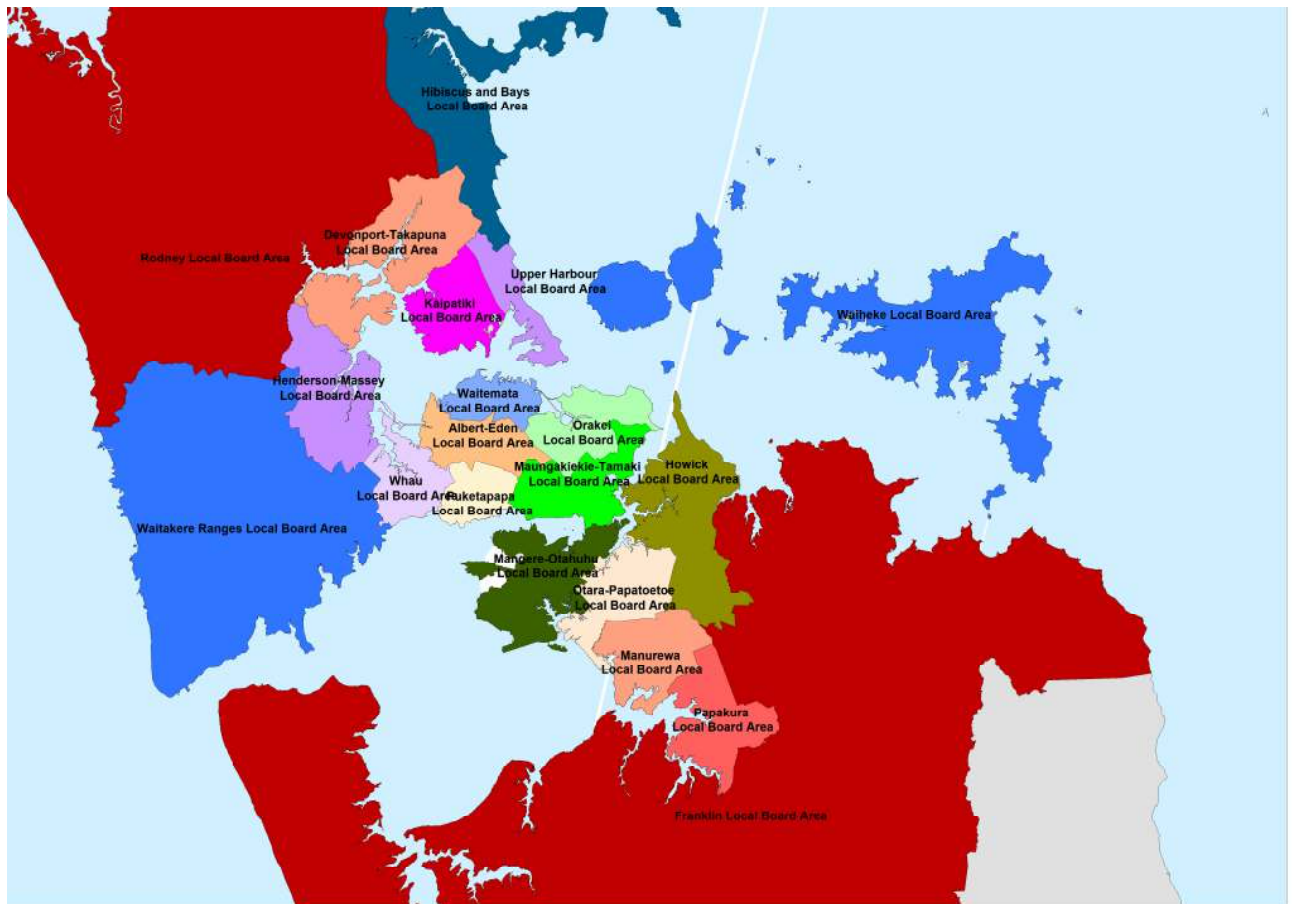


Appendix One

Local board boundaries



Appendix one: Auckland local board areas





Appendix Two

House Price and Rental data

(source: Corelogic and MBIE)



August 2019

Lower quartile dwelling sale prices

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Albert-Eden	\$217,400	\$235,000	\$267,000	\$300,300	\$315,000	\$342,050	\$374,000	\$372,000	\$418,000	\$425,000	\$435,000	\$440,000	\$500,000	\$552,500	\$670,000	\$727,500	\$775,000	\$795,000
Devonport-Takapuna	\$227,500	\$255,000	\$305,000	\$350,000	\$378,000	\$420,000	\$455,000	\$441,000	\$460,000	\$465,000	\$490,000	\$550,000	\$625,000	\$708,000	\$833,333	\$930,000	\$975,000	\$931,000
Franklin	\$160,000	\$170,000	\$175,000	\$210,000	\$260,000	\$287,500	\$325,000	\$325,000	\$318,000	\$317,000	\$320,000	\$335,000	\$350,000	\$400,000	\$444,000	\$545,000	\$580,000	\$585,000
Great Barrier	\$111,000	\$150,000	\$170,000	\$200,000	\$200,000	\$360,000	\$380,000	\$350,000	\$265,000	\$170,000	\$261,000	\$200,000	\$220,000	\$280,000	\$300,000	\$250,000	\$300,000	\$407,500
Henderson-	\$154,000	\$166,000	\$192,000	\$231,000	\$260,000	\$284,500	\$312,000	\$305,000	\$306,008	\$315,000	\$320,000	\$332,500	\$381,000	\$440,000	\$556,500	\$635,000	\$640,000	\$649,000
Hibiscus and Bays	\$210,000	\$227,000	\$270,000	\$329,000	\$360,000	\$380,000	\$435,000	\$415,000	\$400,000	\$420,000	\$428,000	\$453,000	\$519,000	\$565,000	\$660,000	\$750,000	\$780,000	\$775,000
Howick	\$230,500	\$251,500	\$292,000	\$328,000	\$357,500	\$392,000	\$440,000	\$420,000	\$440,000	\$445,000	\$456,000	\$494,000	\$568,000	\$625,000	\$730,000	\$838,000	\$855,000	\$855,000
Kaipatiki	\$178,000	\$195,000	\$230,000	\$271,000	\$310,000	\$335,000	\$370,000	\$350,000	\$362,000	\$373,000	\$380,000	\$414,000	\$482,000	\$535,000	\$650,000	\$730,000	\$750,000	\$735,000
Mangere-Otahuhu	\$135,000	\$140,000	\$159,000	\$180,000	\$215,000	\$250,000	\$275,000	\$270,000	\$265,000	\$266,000	\$265,000	\$290,000	\$328,500	\$380,000	\$480,000	\$585,000	\$590,000	\$600,000
Manurewa	\$145,000	\$146,250	\$154,000	\$170,000	\$204,000	\$235,000	\$264,000	\$260,000	\$245,000	\$252,000	\$255,000	\$270,000	\$295,000	\$350,000	\$440,000	\$535,000	\$560,000	\$560,000
Maungakiekie-Tamaki	\$159,000	\$175,000	\$200,000	\$232,000	\$260,000	\$280,000	\$320,000	\$320,000	\$325,000	\$327,000	\$340,000	\$375,000	\$426,000	\$488,000	\$590,000	\$652,000	\$685,000	\$705,000
Orakei Local	\$281,500	\$309,000	\$365,000	\$410,000	\$422,000	\$475,000	\$530,000	\$515,000	\$530,000	\$550,000	\$570,000	\$626,000	\$686,000	\$737,000	\$879,000	\$1,000,000	\$1,050,000	\$1,100,000
Otara-Papatoetoe	\$139,000	\$145,500	\$150,300	\$170,000	\$210,000	\$235,000	\$269,000	\$260,000	\$244,000	\$255,000	\$258,000	\$271,000	\$303,000	\$355,000	\$445,000	\$531,500	\$550,000	\$556,000
Papakura	\$150,000	\$158,500	\$163,000	\$189,000	\$225,000	\$255,000	\$278,000	\$270,000	\$275,000	\$270,000	\$285,000	\$290,000	\$320,000	\$365,000	\$460,000	\$550,000	\$575,000	\$579,000
Puketapapa	\$200,000	\$220,000	\$260,500	\$300,000	\$320,000	\$359,000	\$390,000	\$375,500	\$385,000	\$395,000	\$410,000	\$451,000	\$542,000	\$590,000	\$725,500	\$795,000	\$808,000	\$800,000
Rodney	\$175,000	\$182,500	\$200,000	\$245,000	\$285,000	\$320,000	\$348,000	\$365,000	\$365,000	\$355,000	\$350,000	\$351,000	\$388,000	\$435,000	\$512,000	\$600,000	\$653,000	\$660,000
Upper Harbour	\$245,000	\$246,500	\$289,000	\$328,500	\$382,500	\$435,000	\$485,000	\$485,000	\$501,000	\$515,000	\$520,000	\$560,000	\$605,000	\$596,355	\$698,000	\$799,000	\$788,000	\$788,800
Waiheke	\$170,000	\$191,000	\$278,000	\$332,000	\$340,000	\$350,000	\$374,000	\$395,000	\$370,000	\$395,000	\$382,000	\$395,000	\$425,000	\$485,000	\$595,000	\$702,500	\$760,000	\$760,000
Waitakere Ranges	\$165,000	\$180,000	\$205,000	\$230,000	\$273,000	\$290,000	\$328,000	\$310,000	\$325,000	\$335,000	\$332,000	\$353,000	\$410,000	\$465,000	\$560,000	\$645,000	\$672,500	\$660,000
Waitemata	\$195,000	\$182,500	\$192,000	\$197,000	\$220,000	\$220,000	\$230,000	\$220,000	\$205,000	\$201,000	\$190,000	\$200,000	\$240,000	\$260,000	\$342,000	\$395,000	\$420,000	\$422,000
Whau	\$165,000	\$178,500	\$212,000	\$245,000	\$268,000	\$290,000	\$320,000	\$315,200	\$318,000	\$330,000	\$337,000	\$360,000	\$403,000	\$460,000	\$575,000	\$645,000	\$680,000	\$656,200

Source: Corelogic



August 2019

Market rents by local board area

Quarter ended	Mar-02	Mar-03	Mar-04	Mar-05	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19
Albert-Eden	\$285	\$340	\$344	\$346	\$345	\$363	\$380	\$394	\$404	\$419	\$441	\$467	\$485	\$513	\$552	\$573	\$578	\$616
Devonport-Takapuna	\$327	\$385	\$387	\$368	\$406	\$425	\$455	\$461	\$454	\$503	\$505	\$532	\$550	\$582	\$580	\$626	\$650	\$651
Franklin	\$224	\$232	\$257	\$274	\$295	\$308	\$328	\$326	\$347	\$363	\$373	\$378	\$410	\$429	\$455	\$499	\$522	\$529
Great Barrier																		
Henderson-Massey	\$244	\$278	\$299	\$297	\$306	\$319	\$338	\$346	\$351	\$371	\$378	\$404	\$423	\$448	\$459	\$488	\$511	\$526
Hibiscus & Bays	\$294	\$325	\$350	\$347	\$362	\$387	\$426	\$414	\$422	\$443	\$469	\$478	\$503	\$524	\$552	\$596	\$609	\$643
Howick	\$309	\$345	\$357	\$351	\$361	\$384	\$408	\$420	\$424	\$449	\$464	\$480	\$490	\$517	\$538	\$560	\$590	\$604
Kaipatiki	\$272	\$307	\$326	\$328	\$334	\$353	\$373	\$367	\$383	\$401	\$421	\$445	\$452	\$477	\$519	\$523	\$554	\$569
Mangere-Otahuhu	\$228	\$248	\$263	\$272	\$277	\$308	\$304	\$327	\$332	\$339	\$363	\$368	\$373	\$391	\$401	\$437	\$430	\$425
Manurewa	\$234	\$256	\$278	\$280	\$282	\$307	\$329	\$339	\$344	\$357	\$371	\$400	\$402	\$434	\$454	\$480	\$491	\$506
Maungakiekie-Tamaki	\$255	\$287	\$294	\$298	\$303	\$329	\$339	\$349	\$362	\$380	\$405	\$413	\$436	\$457	\$491	\$514	\$524	\$548
Orakei	\$349	\$408	\$396	\$403	\$428	\$447	\$485	\$490	\$488	\$535	\$551	\$567	\$586	\$626	\$648	\$660	\$702	\$716
Otara-Papatoetoe	\$229	\$246	\$270	\$271	\$279	\$299	\$314	\$322	\$324	\$333	\$351	\$362	\$380	\$408	\$432	\$426	\$461	\$470
Papakura	\$237	\$253	\$287	\$276	\$290	\$304	\$328	\$320	\$330	\$345	\$348	\$379	\$392	\$414	\$453	\$470	\$494	\$523
Puketapapa	\$293	\$337	\$336	\$328	\$352	\$369	\$370	\$385	\$391	\$416	\$441	\$450	\$483	\$508	\$539	\$558	\$595	\$580
Rodney	\$229	\$245	\$283	\$289	\$309	\$314	\$338	\$369	\$352	\$376	\$380	\$407	\$428	\$447	\$484	\$524	\$546	\$526
Upper Harbour	\$324	\$329	\$334	\$348	\$332	\$350	\$337	\$440	\$363	\$393	\$422	\$445	\$442	\$514	\$533	\$583	\$579	\$590
Waiheke	\$256	\$295	\$294	\$297	\$286	\$307	\$372	\$386	\$355	\$356	\$395	\$408	\$433	\$526	\$515	\$528	\$524	\$562
Waitakere Ranges	\$246	\$277	\$299	\$294	\$302	\$307	\$330	\$329	\$337	\$363	\$375	\$390	\$411	\$422	\$443	\$466	\$489	\$488
Waitemata	\$372	\$399	\$384	\$371	\$356	\$365	\$383	\$394	\$389	\$400	\$428	\$434	\$441	\$477	\$497	\$512	\$525	\$544
Whau	\$250	\$291	\$301	\$299	\$302	\$318	\$339	\$338	\$340	\$369	\$389	\$411	\$418	\$458	\$477	\$498	\$511	\$531

Source: MBIE



Appendix Three Incomes by occupation

(source: [Careers.govt.nz](https://careers.govt.nz))



Appendix Three

Median incomes by occupation 2018

	Median Income	Pay range	
		Low	High
Accounting	\$65,000	\$42,000	\$125,000
Architecture	\$50,000	\$37,000	\$85,000
Automotive	\$55,000	\$37,000	\$85,000
Banking finance and insurance	\$65,000	\$42,000	\$125,000
Construction and roading	\$60,000	\$37,000	\$145,000
Customer service	\$45,000	\$37,000	\$65,000
Education	\$55,000	\$37,000	\$85,000
Engineering	\$70,000	\$42,000	\$125,000
Executive and general management	\$85,000	\$45,000	\$207,000
Government and council	\$70,000	\$40,000	\$145,000
Healthcare	\$55,000	\$40,000	\$85,000
Hospitality and Tourism	\$45,000	\$35,000	\$63,000
HR and recruitment	\$65,000	\$45,000	\$125,000
IT	\$100,000	\$45,000	\$207,000
Legal	\$65,000	\$40,000	\$115,000
Manufacturing	\$47,000	\$35,000	\$85,000
Marketing, media and communications	\$65,000	\$42,000	\$125,000
Office and administration	\$50,000	\$37,000	\$75,000
Property	\$75,000	\$42,000	\$155,000
Retail	\$42,000	\$35,000	\$65,000
Sales	\$60,000	\$37,000	\$105,000
Science and technology	\$55,000	\$37,000	\$105,000
Trades and services	\$55,000	\$37,000	\$85,000
Transport and logistics	\$50,000	\$37,000	\$80,000
Median income after 10 years			
Performing arts	\$43,000		
Engineering	\$83,000		
Law	\$83,000		
Dental	\$95,000		
Medical	\$124,000		
Teaching	\$75,000		
Police	\$68,000		
plumber / electrician	\$60,000		
journalist	\$55,000		
Local government	\$65,000		
Architect	\$85,000		
Nursing	\$65,000		
Physiotherapy	\$65,000		



Household incomes used in Figure 4.2			
Single income - Nurse	\$65,000		
Single income - Police	\$68,000		
Single income - Teacher	\$75,000		
Retail & hospitality	\$87,000		
Customer service & hospitality	\$90,000		
Retail & construction	\$102,000		
Trades & transport	\$105,000		
Manufacturing & trades	\$107,000		
Journalist & marketer	\$120,000		
Physio & HR	\$130,000		
Nurse & physio	\$130,000		
Police & nurse	\$133,000		
Police & local Gvmt	\$133,000		
Teacher & marketer	\$140,000		
Lawyer & sales	\$143,000		
Police & teacher	\$143,000		
Architect & teacher	\$160,000		
Lawyer & dentist	\$178,000		