

Waikato Region Housing Initiative

2018 Stocktake Report SUMMARY



THE
WAIKATO
PLAN

The Waikato Plan

The Waikato Plan was established to set our region's course for the next 30 years. The plan speaks with one voice about the issues and opportunities our region faces.

The Waikato Plan has support from local government, Iwi, central government, the private sector, the community sector and Waikato people.

The full Waikato Plan is available at:

www.waikatoplan.co.nz

People Priority 1: Planning for population change

Within the Waikato Plan, we have identified that some parts of the Waikato are experiencing significant growth (particularly Hamilton, Waikato and Waipā).

The Waikato Plan will proactively manage population changes projected for our communities, so together our region will be stronger.

Housing was identified by the Waikato Plan Leadership Committee as a key issue for the Waikato Region. The development of a Waikato Region Housing Stocktake under the Waikato Region Housing Initiative is a key project within priority one: the 'People' stream within the Waikato Plan.

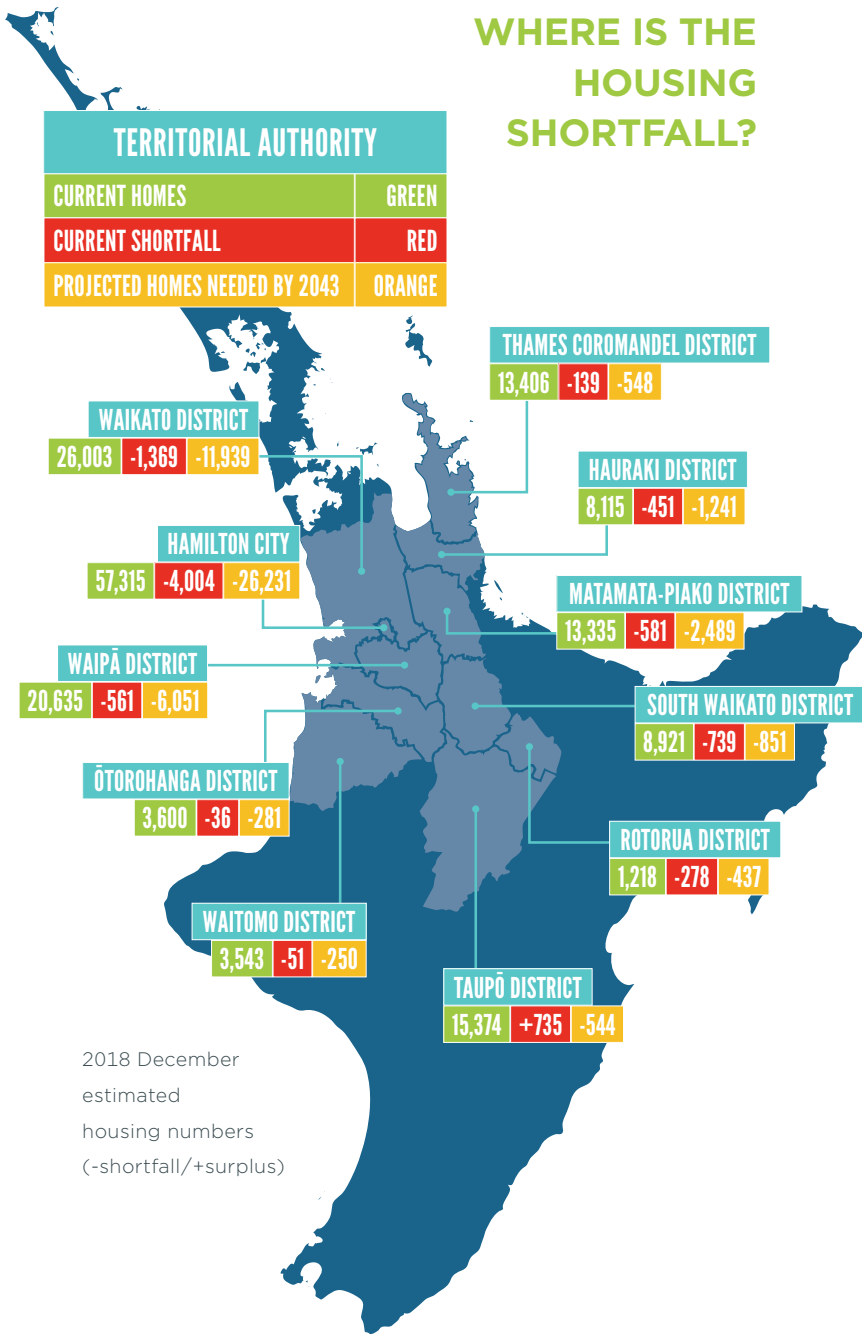
Waikato Region Housing Initiative Working Group

Our vision and purpose is for every person and every family in the Waikato region to be well-housed.

We have included the UN rights to adequate housing entitlements in our definition for 'well-housed'. 'Well-housed' means timely access to habitable, affordable, accessible, culturally appropriate, appropriately located, and with security of tenure housing.

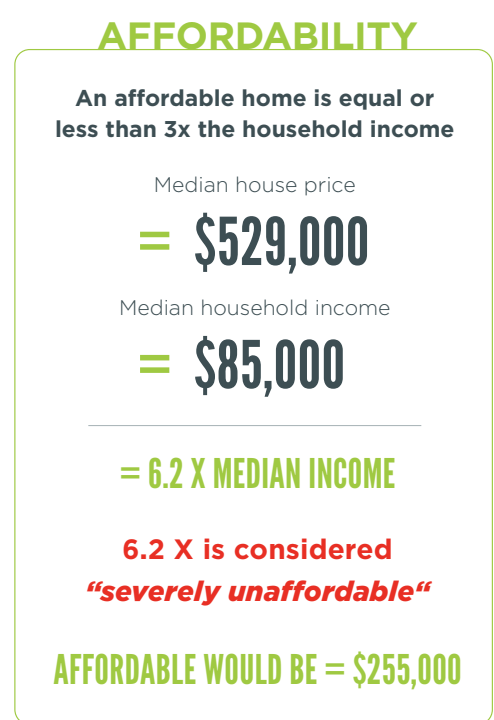
The purpose of the Waikato Region Housing Initiative Working Group is to help facilitate the development of a region-wide housing stocktake, a framework to assist in developments, and responses required to close the gaps.



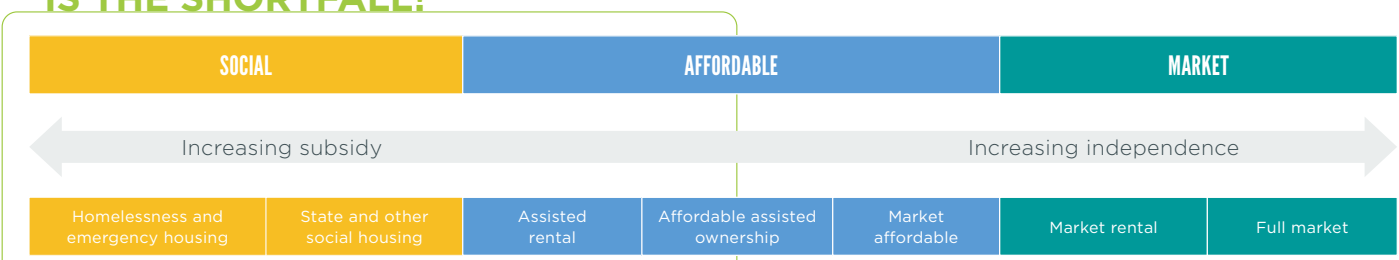


RIGHT NOW

there's a shortfall of over **7,500** homes in the Waikato. Over half of that shortfall is for homes in Hamilton.



WHERE ON THE SPECTRUM IS THE SHORTFALL?



The majority of shortfall is in community/social housing

Waikato Region Housing Report – 2018 stocktake recommendations

Taking into account the dynamic nature of the housing system the key recommendations from the report are:

- to establish a housing database with a suitable dashboard that can, among other things, model housing stock, supply, demand and affordability with measures across the housing spectrum
- for the Waikato Region Housing Initiative to continue to provide a platform for collaboration for Waikato and provide the consolidated 'one voice' to central government on addressing immediate housing needs and mechanisms/tools that the Government can provide to assist the community
- for the Waikato Region Housing Initiative to develop strategies in response to this report through the Waikato Region Housing Initiative.

THERE IS A HOUSING NEED TODAY. AFFORDABILITY IS A REAL PROBLEM. DOING NOTHING IS NOT AN OPTION.

What next?

Despite challenges with data accessibility we've managed to collate all the key information. Findings within the Waikato Region Housing Initiative - 2018 Housing Stocktake have been shared with the Waikato Plan Leadership Committee. From here we:

- release the Waikato Region Housing Initiative - 2018 Housing Stocktake publicly, to central government and to community entities
- have discussions with these groups to facilitate agreements and commitments to make positive changes for housing affordability and shortfalls within the Waikato region
- build a business case to develop a data platform so the information can be updated regularly in the report and made readily available to the public.



The Waikato Region Housing Initiative – 2018 Housing Stocktake report covers seven key areas of research:

1. Stocktake.
2. Supply.
3. Demand.
4. Affordability.
5. Quality.
6. Demographics.
7. Housing types/descriptors.

We will take a look at each of these areas in more detail.

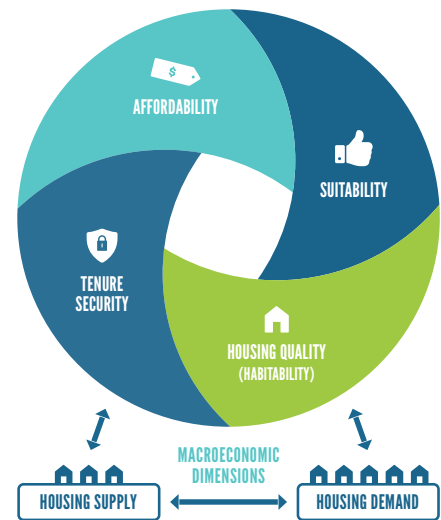
1. Stocktake

- 171,465 dwellings are estimated to be available in the Waikato (2018).
- In 2013, approximately 29 per cent of Waikato's private occupied dwellings were rentals, with Hamilton having the highest percentage of rentals at 37 per cent. (Census, 2013).
- It is estimated there is a potential shortfall of approximately 7,500 houses in the Waikato region. Most of this is in Hamilton, with an estimated shortfall of around 4,000 houses.
- Potential time equivalent to supply backlog for Hamilton is 3.5 years and for South Waikato District it's nearly 16 years.

Data from the 2018 Census will be available later in 2019.

There are a wide range of factors to consider when looking at quality housing such as functionality. Housing quality includes elements beyond the physical structure.

In defining housing quality Statistics New Zealand works with the following housing statistics framework:



2. Supply

- We've looked at the indication of housing capacity to supply in Hamilton and the Waikato and Waipā districts.
- Ministry of Social Development (MSD) increased housing supply targets to 4,853 (+462) houses by 2020.
- Waikato had approximately 3,700 dwelling consents in 2018 (up from around 3,500 in 2017).
- 205 houses approved under the SHA in the Waikato.

While KiwiBuild isn't the only route to home ownership, here are the KiwiBuild statistics for New Zealand at 12 February 2019.

Contracted and committed to build	10,355
Building	279
Homes complete	62
Registered interest	47,853
Prequalified	313
Homeowners	54

3. Demand

Estimated demand for the Waikato Region (using the high profile) is ~22,000 over 5 years, 75,000 in 25 years.



Within 25 years, the Waikato region's population is expected to grow by around

↑ **89,000** people.

135% ↑

increase in demand on the social housing register from December 2017 (381) to December 2018 (896) in the Waikato region.

In 2018, more than **8%** of the population in the Waikato needed financial top-ups from the Government to afford their rent or mortgage.



Roughly

51,000



houses are needed in the Waikato region over the next 25 years, including approximately 26,000 in Hamilton.



4. Affordability

Hamilton is the third least affordable housing market behind Auckland and Tauranga.

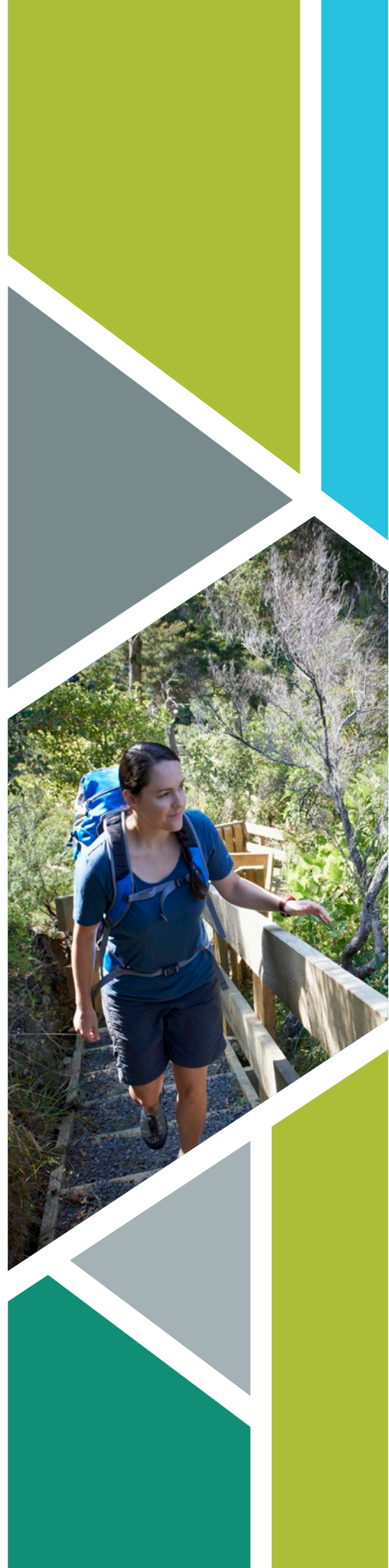
- Demographia International Housing Affordability Survey says 3 x median household income is an affordable house price. The median household income multiplied by three is \$255,000.
- The median house price in Hamilton was \$559,000 in December 2018.
- The median multiple as shown by the Demographia International Housing Affordability Survey was 6.8 times of the median household income.

Waikato region median house prices

Territorial authority median house prices	Mar-01	Mar-06	Mar-13	Dec-18
Hamilton city	\$169,000	\$300,000	\$342,000	\$559,000
Waikato district	\$136,889	\$239,000	\$315,000	\$520,000
Waipā district	\$147,500	\$278,000	\$360,000	\$610,000
Taupō district	\$173,000	\$302,000	\$310,000	\$500,000
Matamata-Piako district	\$120,000	\$243,000	\$270,000	\$471,000
Thames-Coromandel district	\$195,000	\$340,000	\$365,000	\$590,000
South Waikato district	\$71,000	\$120,000	\$132,500	\$310,000
Ōtorohanga district	NA	\$180,000	\$225,000	\$310,000
Waitomo district	\$40,000	\$125,000	\$110,000	\$280,000
Rotorua district	\$147,000	\$210,000	\$256,000	\$430,000
Waikato region	\$159,000	\$280,000	\$325,000	\$529,000

Over the last 3 years, rent in Hamilton and South Waikato have increased -19% and -25% respectively.

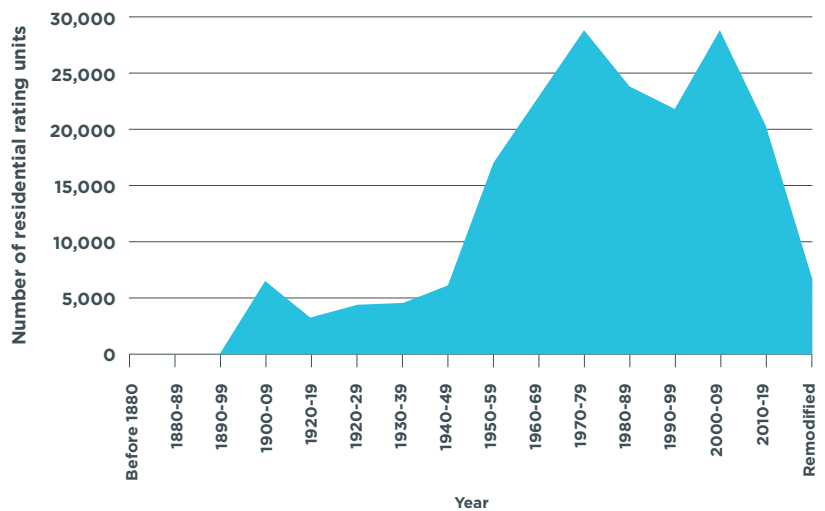
Nationally, wages rose -14% over the last 5 years.



5. Quality

- Approximately 46% of Waikato housing stock was built before thermal insulation was legislated by NZ law (1978 legislation.)
- Around 53% of houses could benefit from retrofitted roof space and/or subfloor insulation.
- There is more mould in rented (56%) than owned homes (44%).

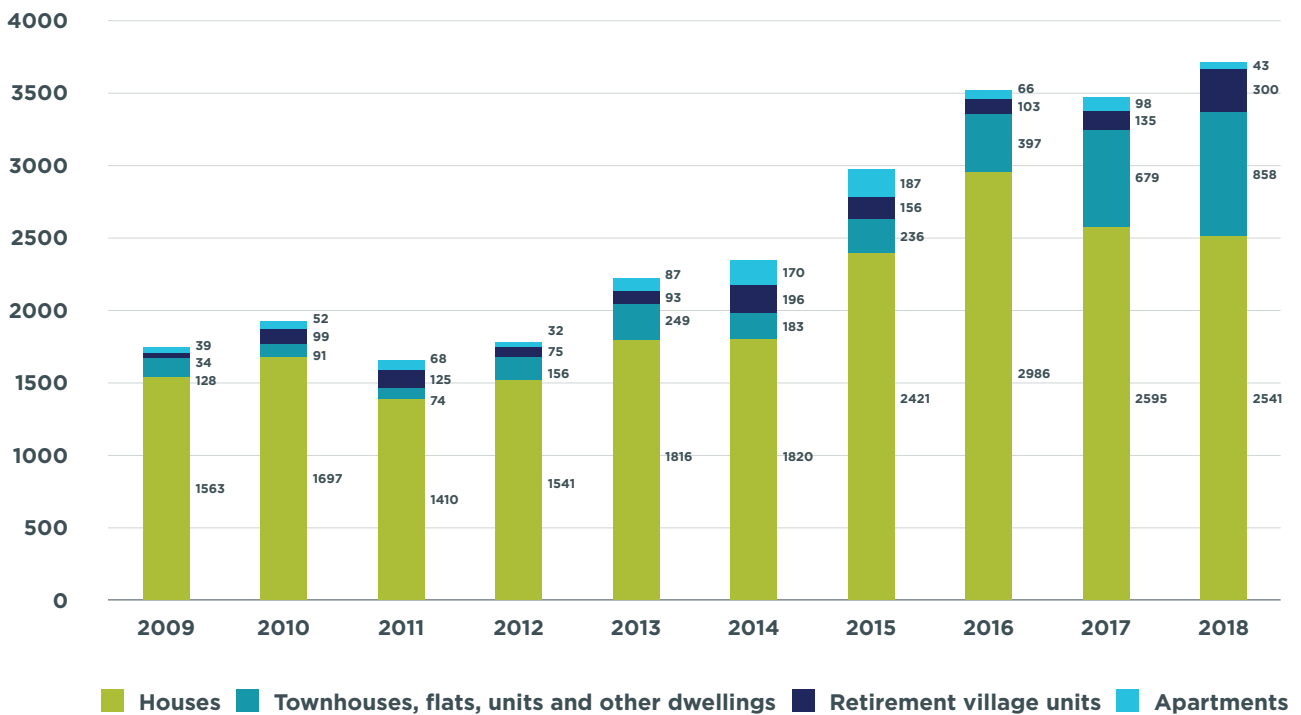
Ageing of housing stock in the Waikato



6. Housing types/descriptors

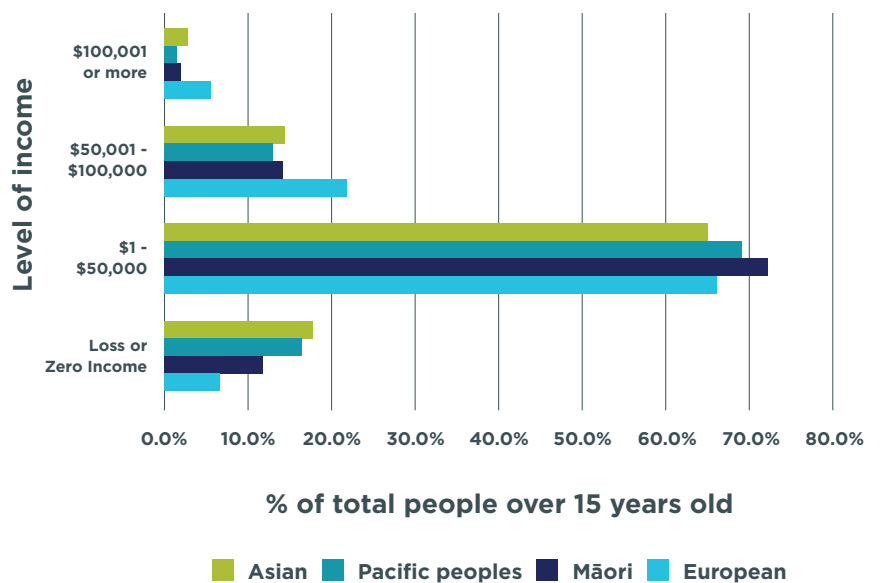
- In the Waikato, the mean number of residents per household is 2.6 in 2018 and is expected to decline to 2.4 in 2038. Consistently, one person households are expected to increase from 25% in 2018 to 28% in 2038.
- The mean number of bedrooms per house is 3.2, and 83% of houses are standalone.
- There is a growing trend in the Waikato region for ‘townhouse, flats, units and other dwellings’ as a consent dwelling type (e.g. 236 in 2015, 397 in 2016, 679 in 2017 and 858 in 2018). This compares to ‘houses’ as a consent type which have been fairly static (e.g. 2,421 in 2015, 2,986 in 2016, 2,595 in 2017 and 2,541 in 2018).

Waikato region - Consents by type



7. Demographics

- The Waikato region is the fourth most populous region in New Zealand with around 468,000 people.
- In the future, a larger portion of the population will be over 65 years of age (16 per cent in 2018, 24 per cent in 2038). A larger ageing demographic indicates that the proportion of the New Zealand disabled population living in private households will likely increase (24 per cent in 2013, 27 per cent in 2038).
- By 2038, it is expected that 23 per cent of Waikato will identify as Māori (20 per cent in 2018), 12 per cent as Asian (9 per cent in 2018), and 6 per cent as Pacific peoples (4 per cent in 2018). European or 'other' will comprise 59 per cent of the population (67 per cent in 2018).
- More Europeans (70 per cent) own and occupy homes compared with Māori (43 per cent) and Pacific peoples (33 per cent).



ACCESSIBILITY IS IMPORTANT FOR HOUSING

Increase in disabled population from

24% TO **27%**
in 2013 in 2038

RIGHT NOW

16% of the population is over **65 years** - this is expected to increase to **24%** by **2038**.



Want to help?

It's estimated
the Waikato
will need

51,000+ HOUSES
OVER THE NEXT 24 YEARS



Next steps

You could be part of the solution for a cross-sector collaboration on one of the most important topics facing the people of New Zealand today.

Contact us:

waikatoplan@waikatoregion.govt.nz

For more information on the Waikato Plan

www.waikatoplan.co.nz

The full Waikato Region Housing Initiative - 2018 Housing Stocktake was prepared by Nifa Limited in collaboration with the Waikato Plan - Waikato Region Housing Initiative Working Group, and was reviewed by Deloitte.