



# Housing Demand & Need in Hutt City

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## Introduction

### ***Goal***

To assist Hutt City staff to better understand future housing trends in the sub-region across a range of characteristics.

### ***Objective was to provide detailed analysis by:***

- Tenure;
- Age of the household reference person;
- Household composition;
- Implication of the demographic trends for dwelling typology;
- Current and future housing affordability and need; and
- Potential policy responses and strategies available.

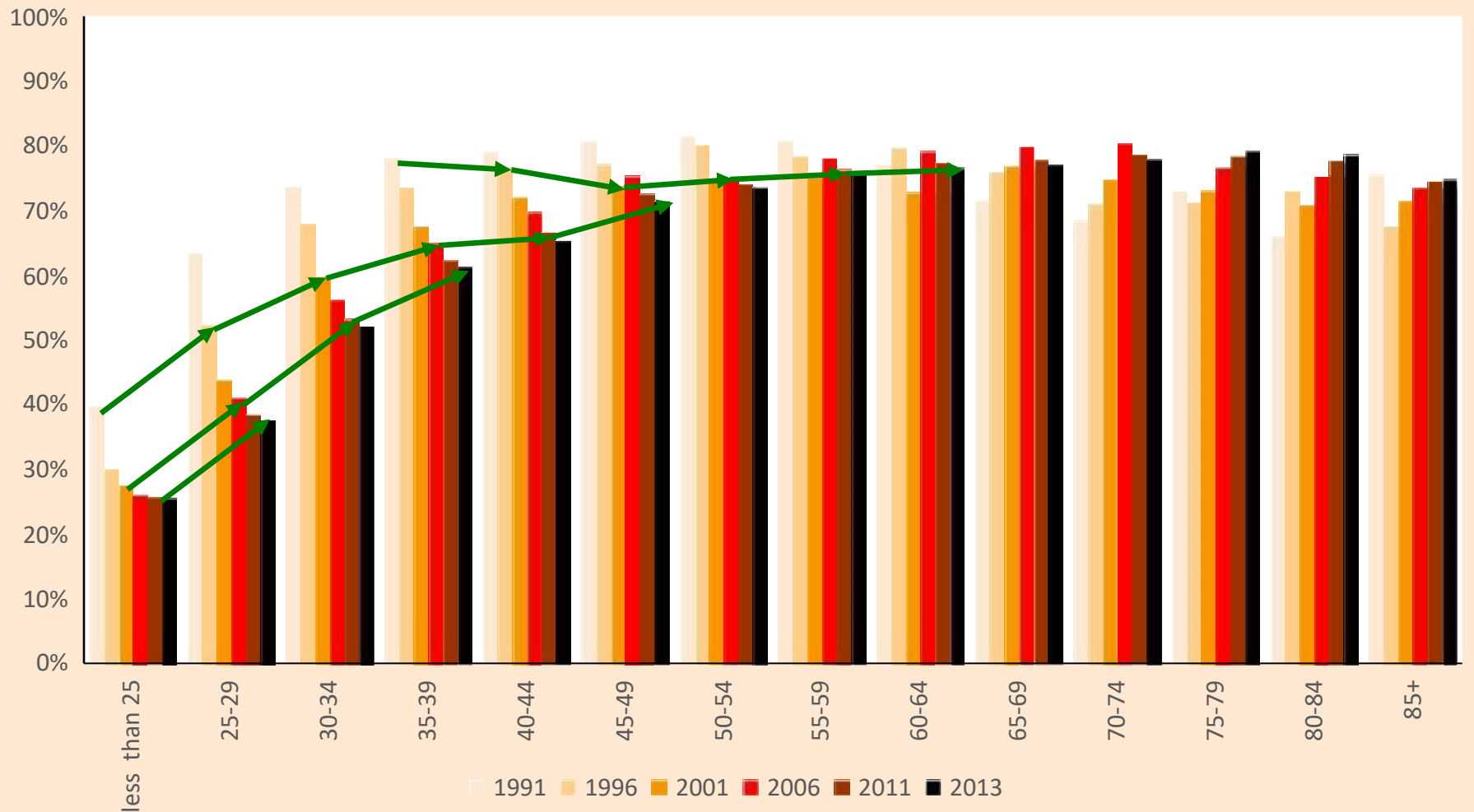


## Key affordability statistics

<b>Year</b>	<b>LQ rent</b>	<b>Median rent</b>	<b>LQ House sale price</b>	<b>Median hhld inc</b>
2001	\$200	\$240	\$118,000	\$45,700
2006	\$231	\$270	\$220,000	\$56,700
2013	\$300	\$350	\$259,000	\$69,500
2018	\$400	\$450	\$420,000	\$82,500
<b>01 to 18</b>	<b>+100%</b>	<b>+88%</b>	<b>+256%</b>	<b>80%</b>

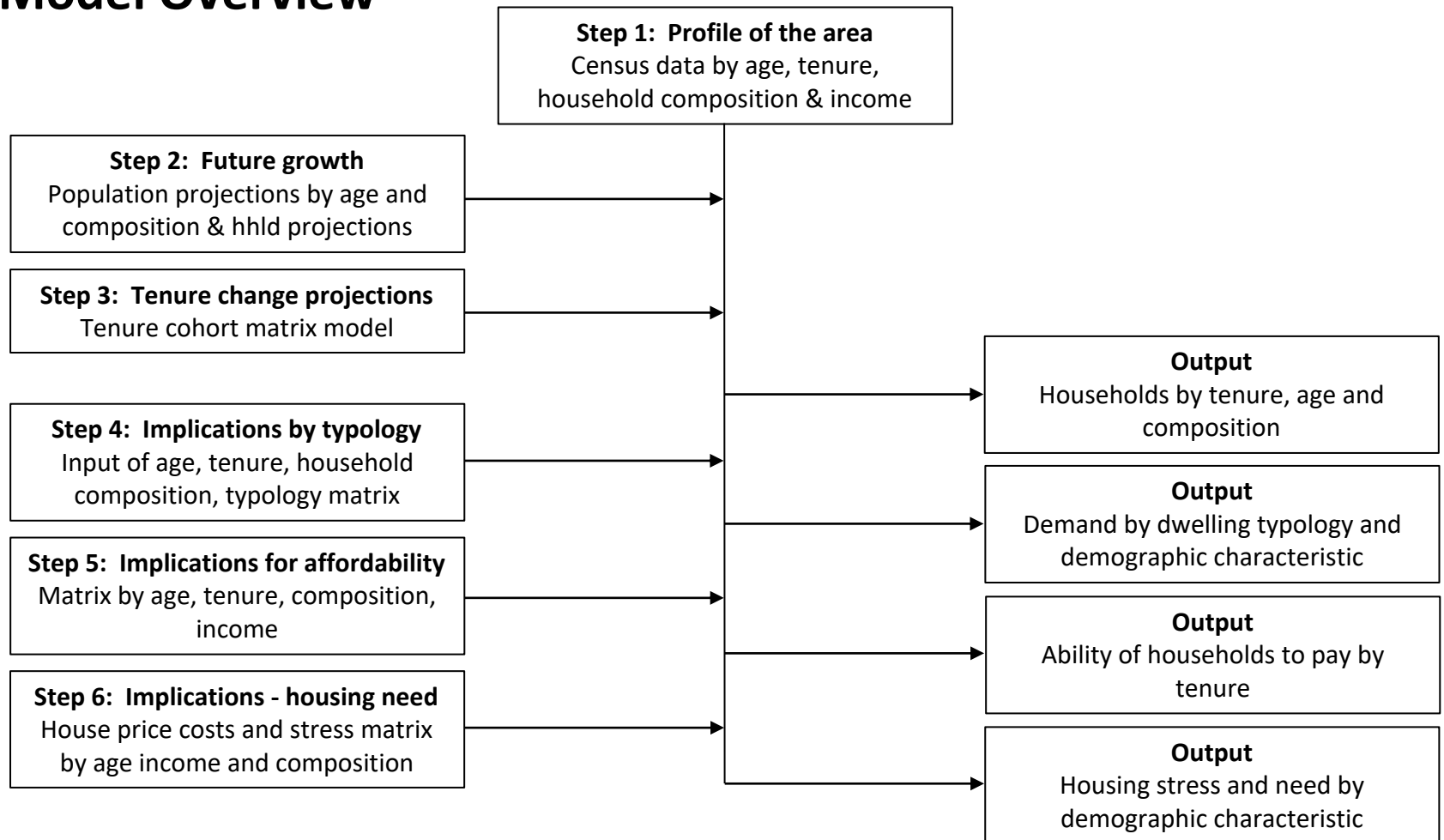


# Home Ownership by Age Group





# Model Overview



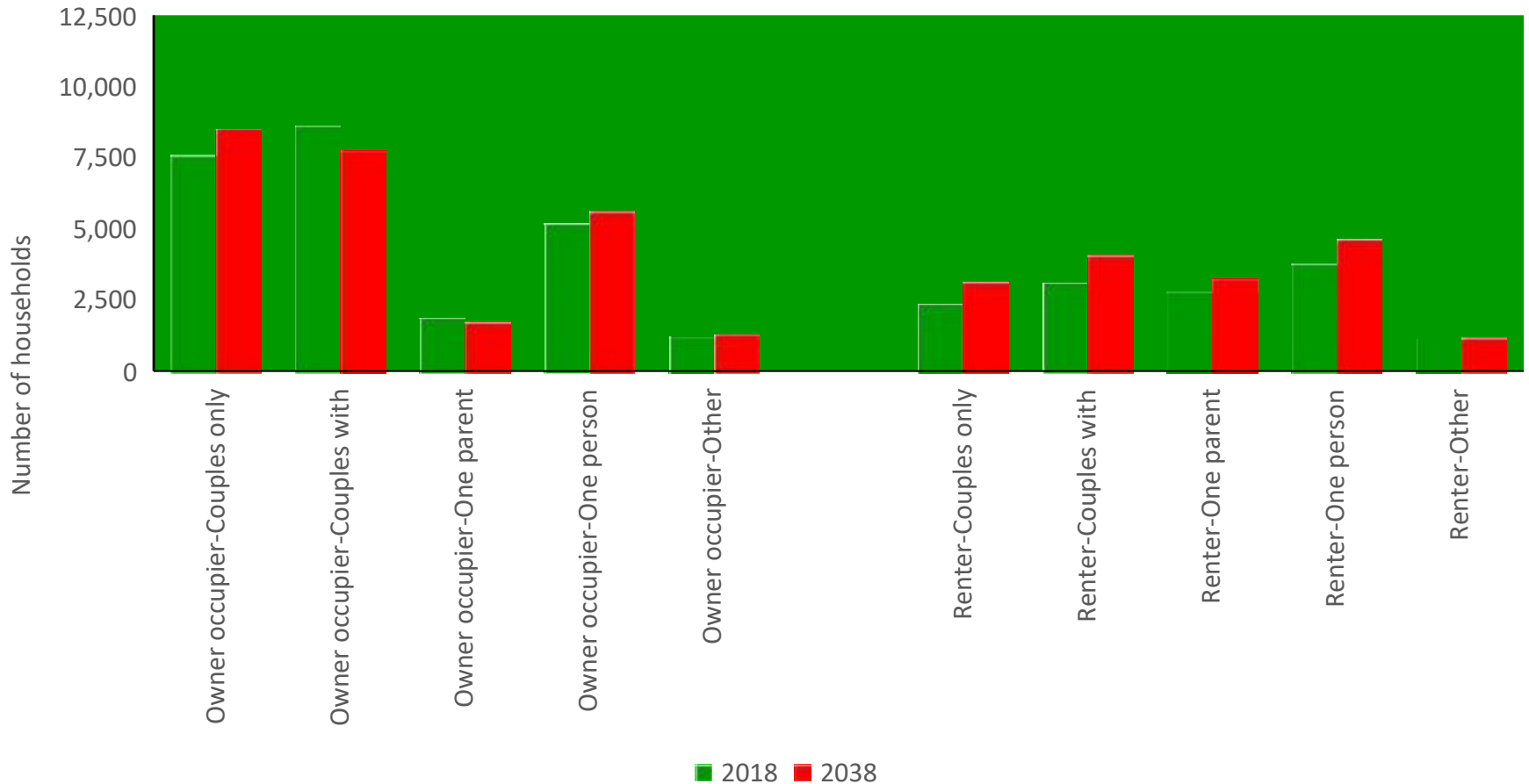


## Key findings

- Households will increase by 3,530 (or 9%) between 2018 and 2038;
- One person and couple only households will dominate the growth;
- By 2038 homeownership rates are projected to be approx 60%;
- Renters aged 65 years+ are expected to experience strong growth;
- Like other regions external drivers impacting on affordability;
- Decline in housing affordability driven by prices increasing faster than incomes;
- Renter stress is increasing across the City;
- Nearly 90% of renters cannot affordably purchase a home (priced at \$550,000).

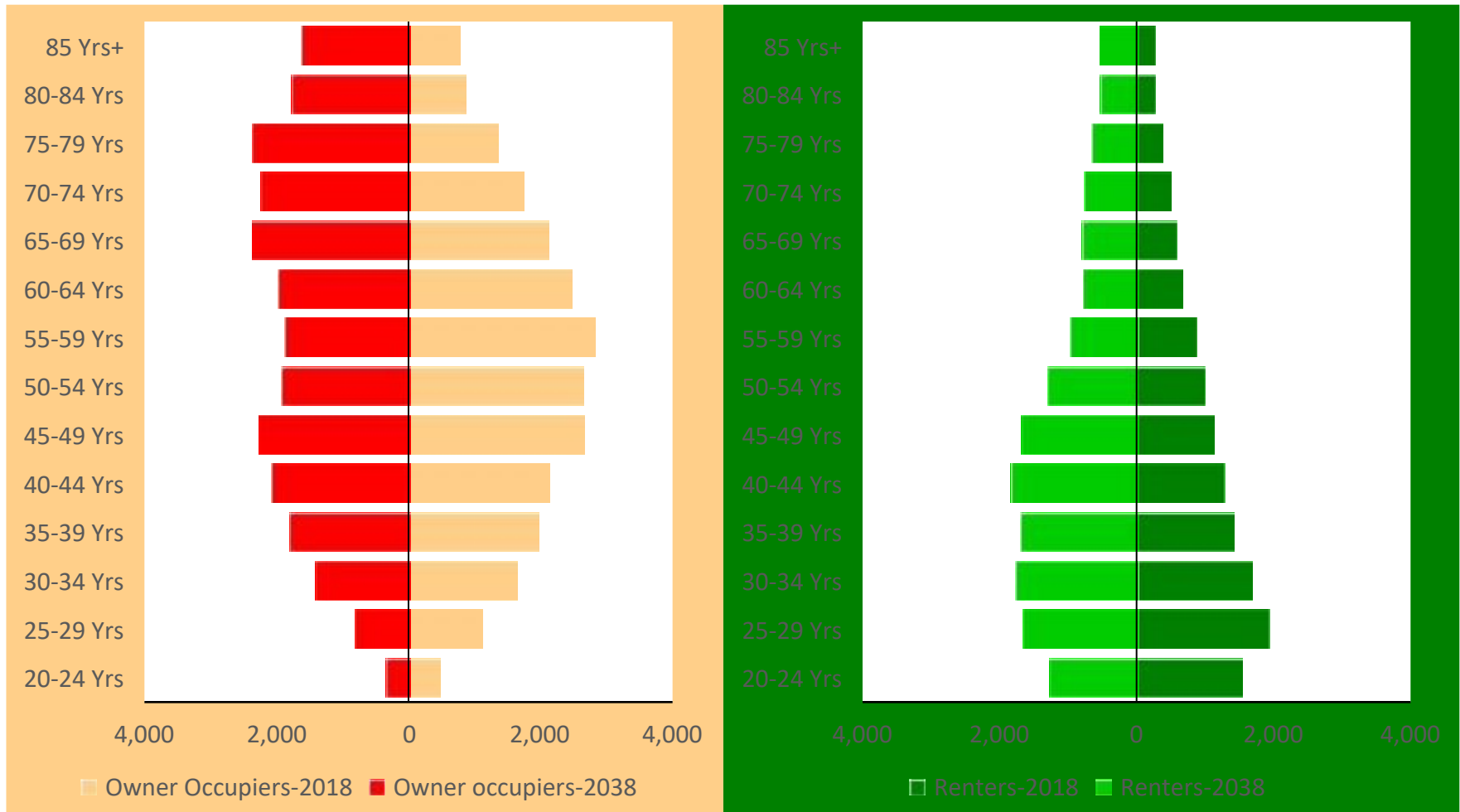


### Step 3: Projections by age and composition & tenure





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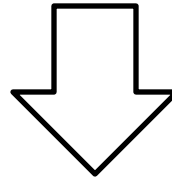




## Step 4: Projections by typology

### Methodology

Projections by tenure, age and composition

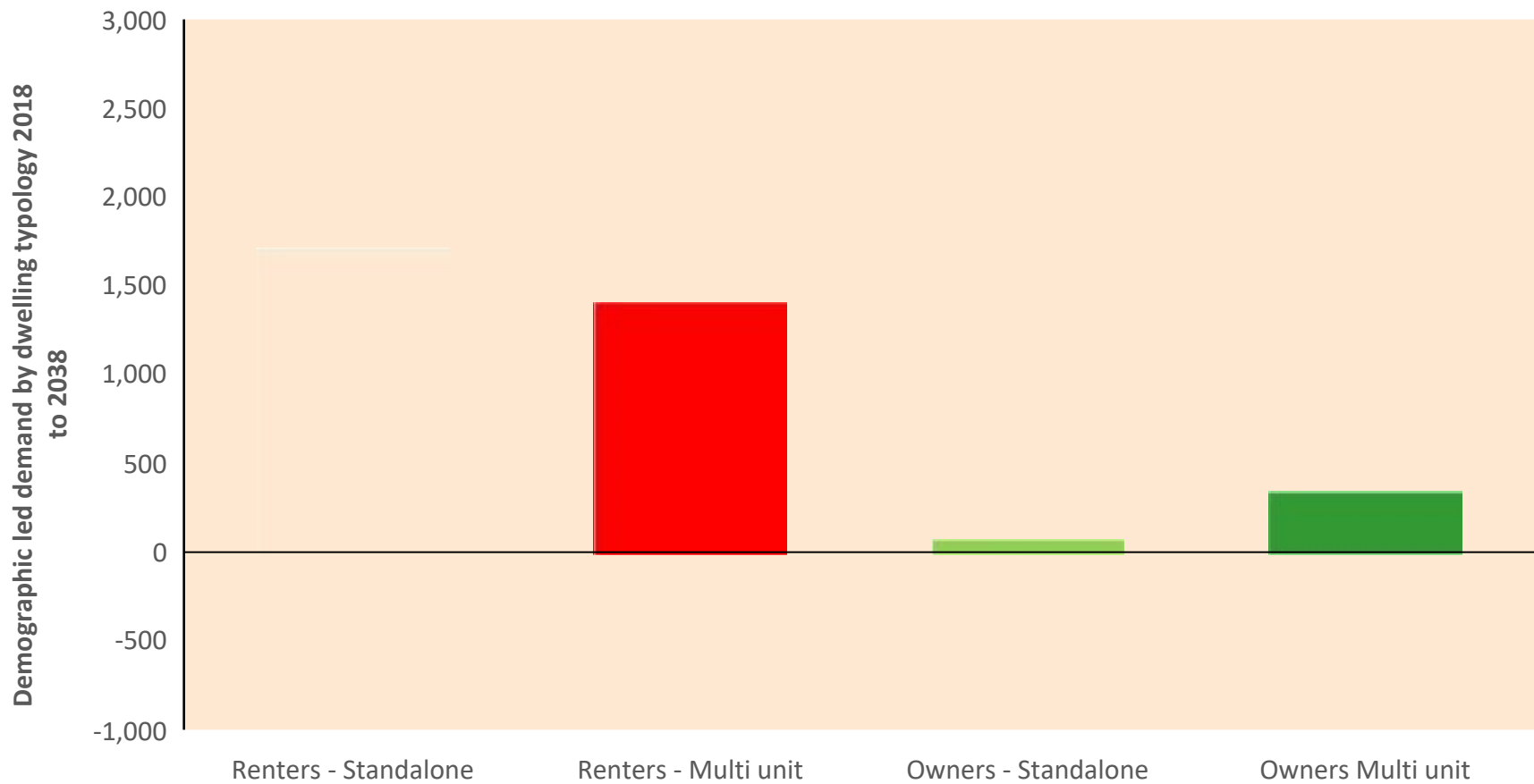


Typology matrix by tenure, age, composition & typology

	Owner occupiers						Renters					
	Standalone dwellings			Multi-unit dwellings			Standalone dwellings			Multi-unit dwellings		
	2 Bdrm-	3 Bdrm+	Total	2 Bdrm-	3 Bdrm+	Total	2 Bdrm-	3 Bdrm+	Total	2 Bdrm-	3 Bdrm+	Total
2018	2,190	19,870	22,060	1,800	590	2,390	1,770	5,780	7,560	4,640	950	5,590
2023	2,260	19,800	22,060	1,890	600	2,490	1,880	6,100	7,980	4,920	1,000	5,920
2028	2,330	19,750	22,080	2,000	600	2,600	2,000	6,390	8,390	5,220	1,030	6,260
2033	2,390	19,760	22,140	2,080	600	2,680	2,120	6,680	8,810	5,520	1,070	6,590
2038	2,430	19,700	22,120	2,140	600	2,740	2,260	7,010	9,270	5,880	1,120	7,000
<b>Change</b>												
Total	+240	-170	+60	+340	+10	+350	+490	+1,230	1,710	+1,240	+170	+1,410
Per annum	+12 pa	-9 pa	+3 pa	+17 pa	+1 pa	+18 pa	+25 pa	+62 pa	+86 pa	+62 pa	+9 pa	+71 pa

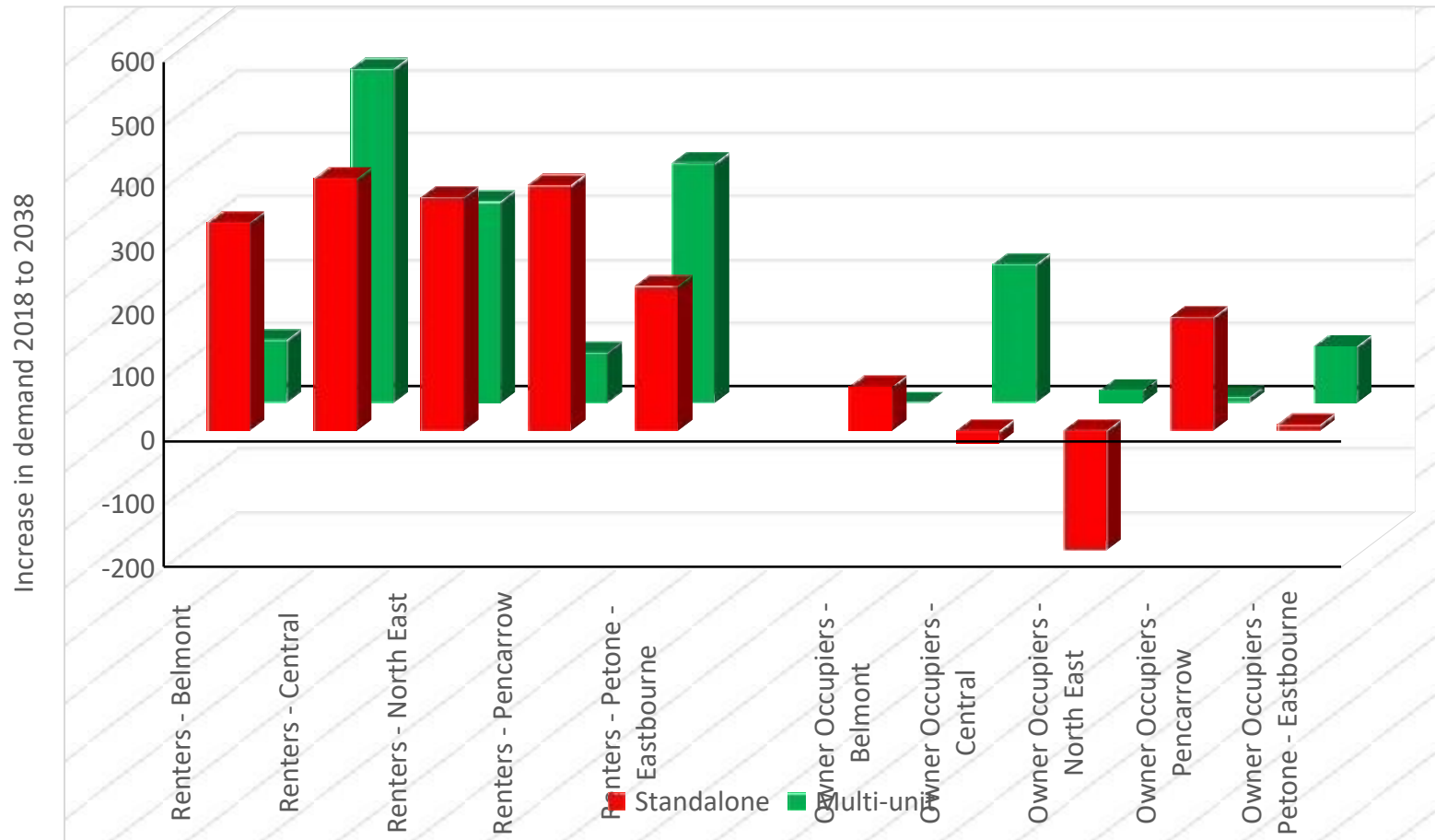


## Step 4: Projections by typology





## Step 4: Projections by typology & sub-market





## Step 5: Implications for affordability

Weekly rent (2018)	Number of renters (2018)	Proportion of renters
Less than \$150	3,070	23.3%
\$150 to \$200	1,400	10.6%
\$200 to \$250	1,030	7.8%
\$250 to \$300	990	7.5%
\$300 to \$350	960	7.3%
\$350 to \$400	750	5.7%
\$400 to \$450	750	5.7%
\$450 to \$500	660	5.0%
\$500 to \$550	510	3.9%
\$550 to \$600	510	3.9%
\$600 to \$650	520	4.0%
\$650 to \$700	410	3.1%
Over \$700	1,590	12.1%

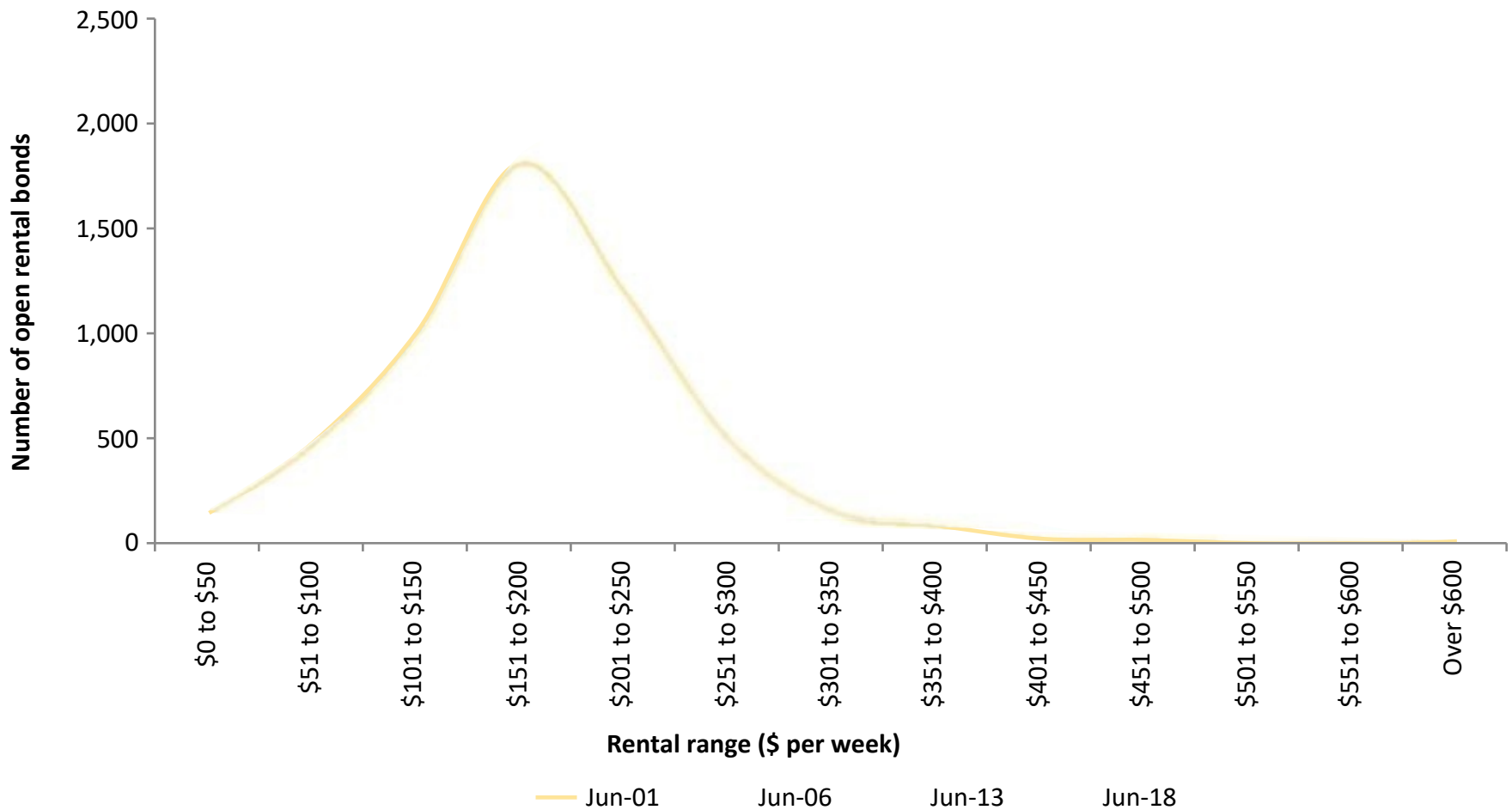


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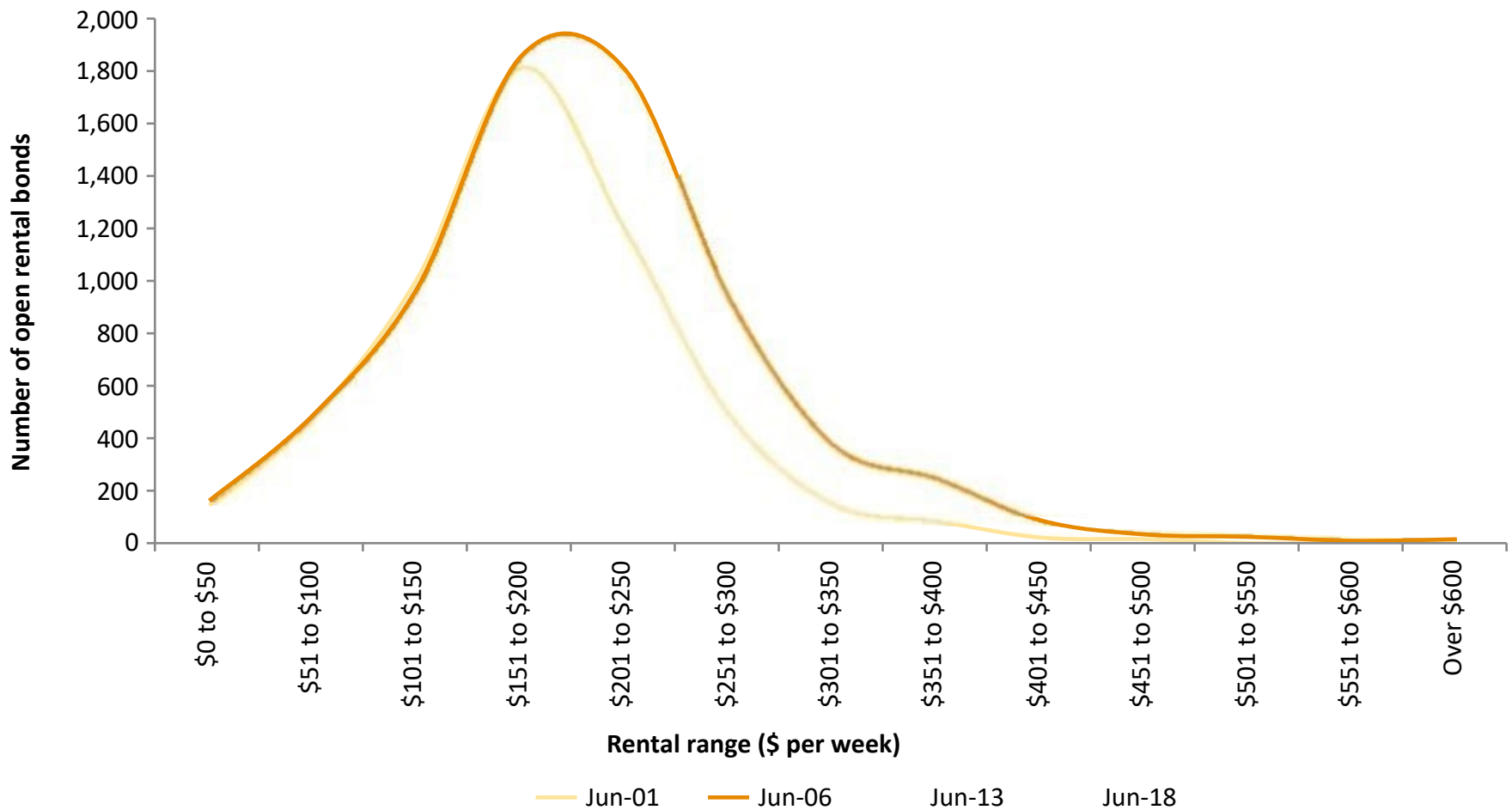


## Step 5: Implications for affordability



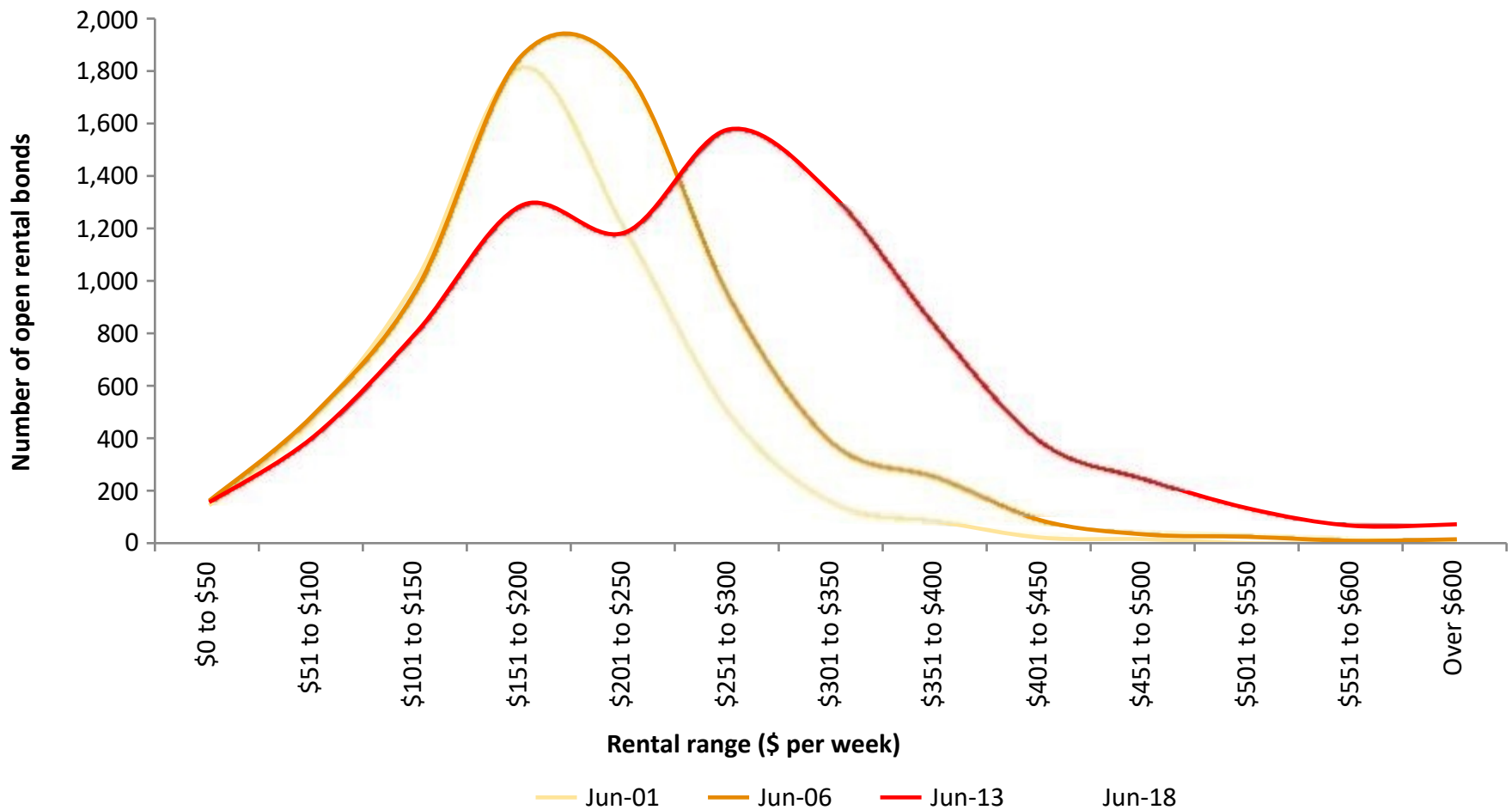


## Step 5: Implications for affordability





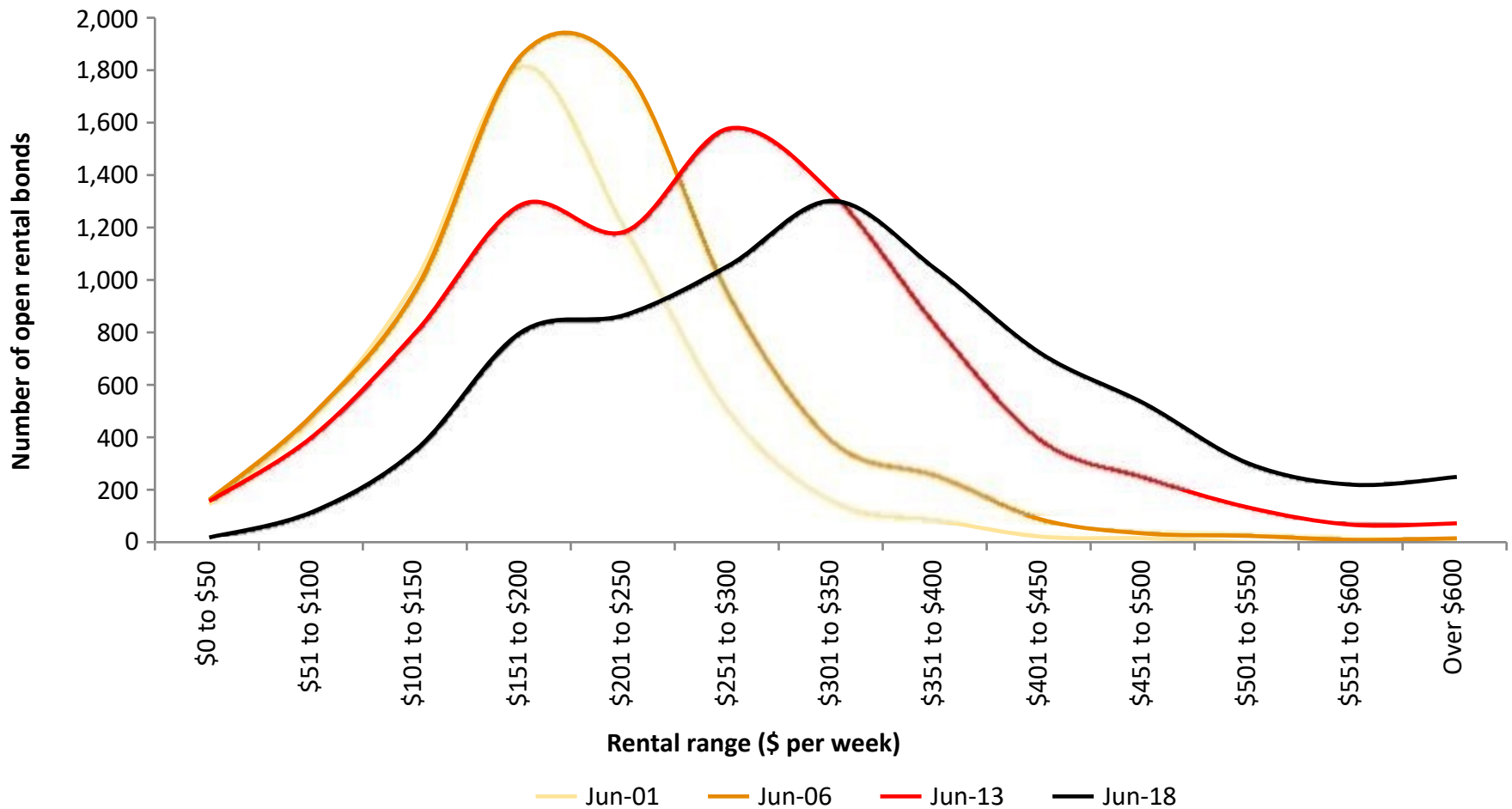
## Step 5: Implications for affordability







## Step 5: Implications for affordability





## Step 5: Implications for affordability – Renters ability to buy

Dwelling sale price	Number of renters	Proportion of renters
less than \$250,000	7,080	53.8%
\$250,000 to \$300,000	1,060	8.1%
\$300,000 to \$350,000	990	7.5%
\$350,000 to \$400,000	760	5.8%
\$400,000 to \$450,000	680	5.2%
\$450,000 to \$500,000	670	5.1%
\$500,000 to \$550,000	410	3.1%
\$550,000 to \$600,000	230	1.7%
\$600,000 to \$650,000	220	1.7%
\$650,000 to \$700,000	230	1.7%
\$700,000 to \$750,000	230	1.7%
\$750,000 to \$800,000	150	1.1%
Over \$800,000	440	3.3%
Total	13,150	100.0%

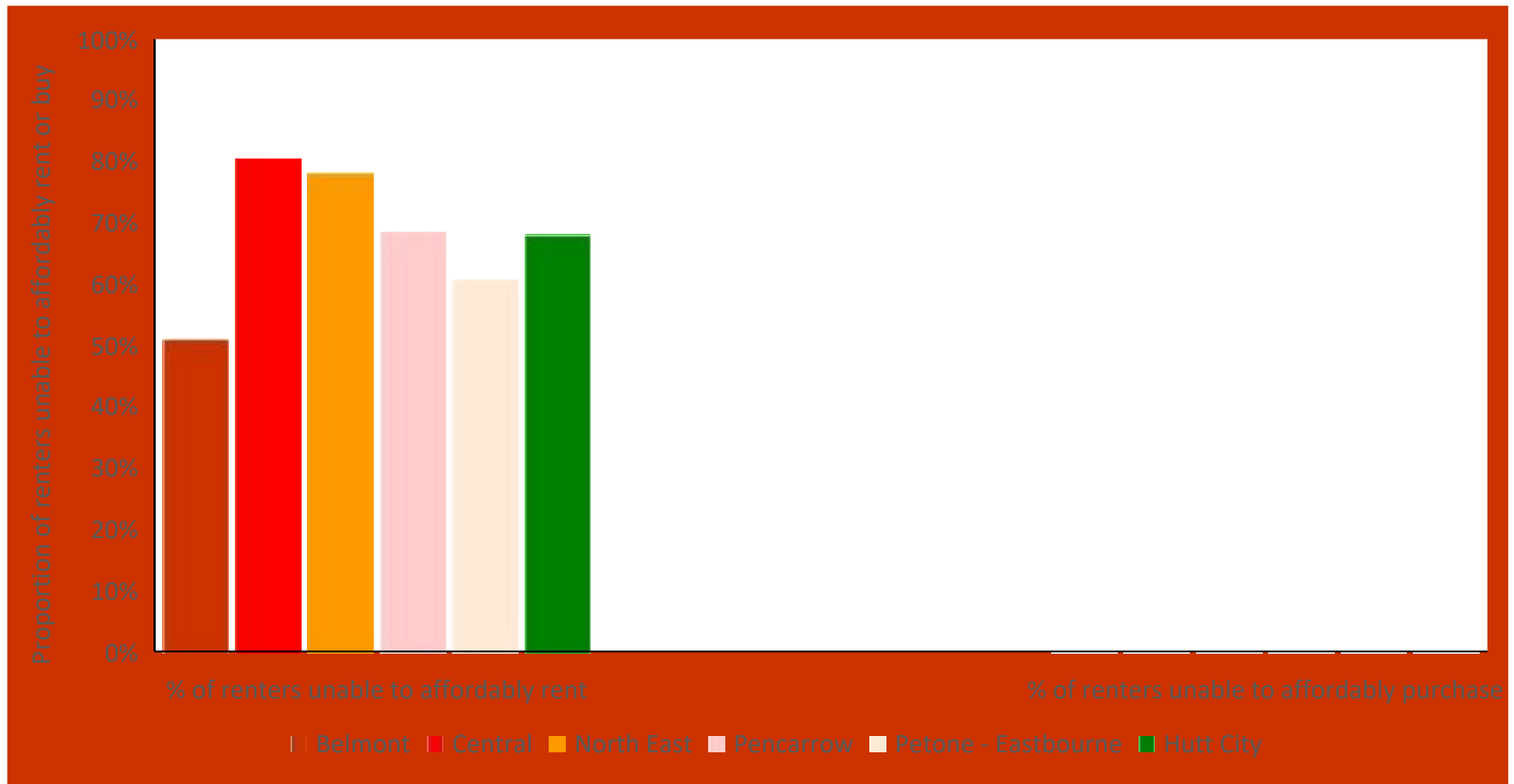


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Over \$800,000	440	3.3%
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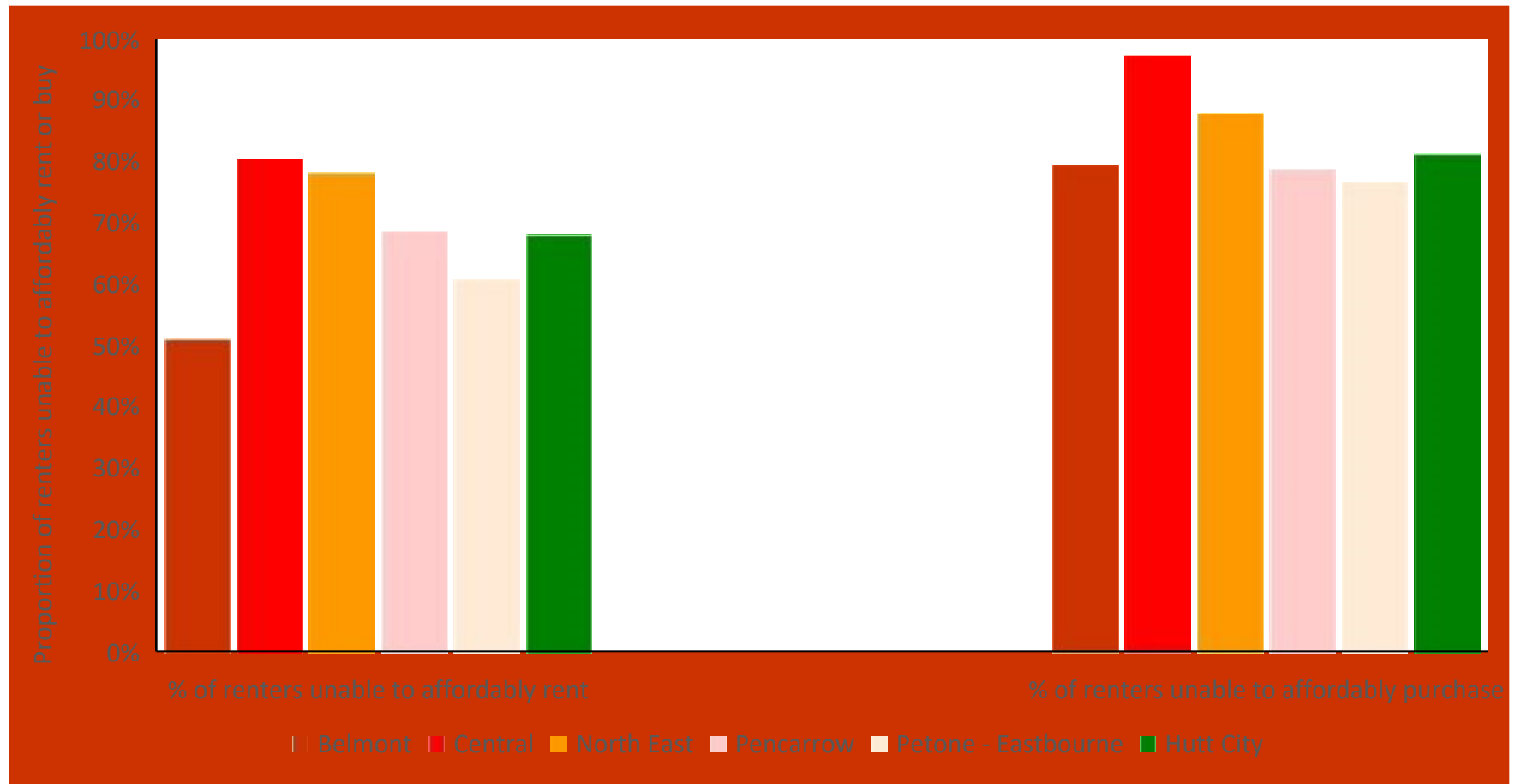


## Step 5: Affordability – renters’ ability to buy or rent





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## Step 5: Implications for housing need & the continuum

### Definition

***Financial Stress*** + ***Social housing*** + ***Other*** = ***Total Need***



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### Definition

***Financial*** + ***Social housing*** + ***Other*** = ***Total Need***  
***Stress***

***Financial stress*** – Number of private renter households paying more than 30% of gross household income in rent

***Social housing*** – sum of central and local government housing stock plus community housing providers.

***Other*** – adjustments for crowding, homelessness, and emergency housing



## Step 5: Implications for housing need & the continuum

### Methodology – number of financially stressed renter households

Gross household income	Stressed (30% or more)		Severely stressed (50% or more)	
	2001	2013	2001	2013
Less than \$30,000	56%	94%	28%	72%
\$30,001 to \$50,000	12%	72%	1%	12%
\$50,001 to \$70,000	2%	29%	0%	2%
\$70,001 to \$100,000	0%	6%	0%	1%
\$100,000 to \$150,000	0%	2%	0%	1%
Overs \$150,000	0%	2%	0%	2%
Total	31%	41%	14%	17%





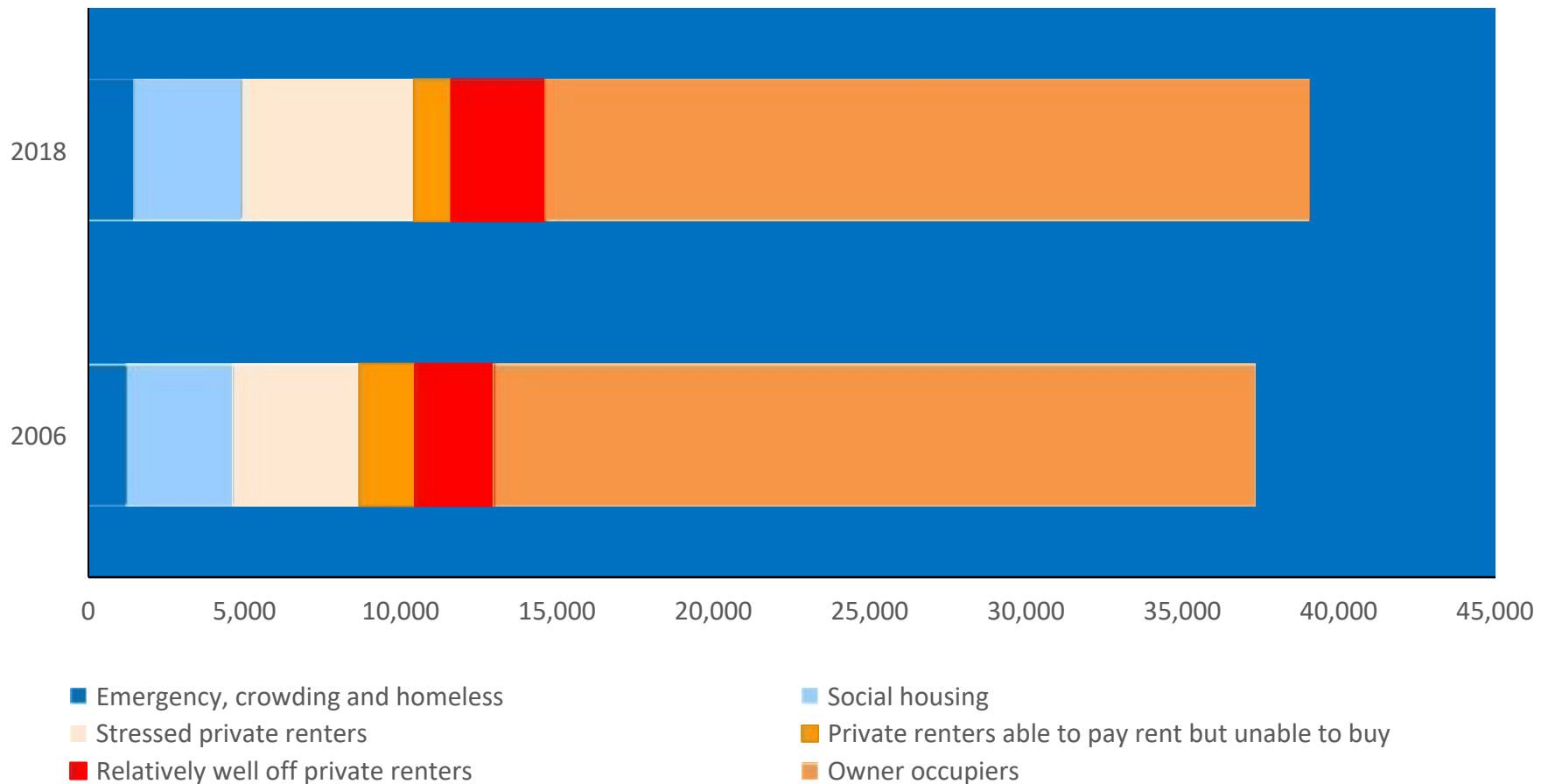
## Step 5: Implications for housing need & the continuum

### Methodology – number of financially stressed renter households

	Modelled number of stressed private renters 2018
Belmont	320
Central	1,640
North East	1,900
Pencarrow	870
Petone - Eastbourne	790
<b>Total Hutt City</b>	<b>5,530</b>



## Step 5: Implications for housing need & the continuum





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	Financial	Other Need			Total	Need as a % of	
	Housing Stress (A)	Social renters (B)	Other Need (ex social) (C)	Total Other Need (B + C =D)	Housing Need (A+D)	All renters	All households
<b>2001</b>	3,640	3,440	1,180	4,620	8,260	71%	24%
<b>2018</b>	5,530	3,440	1,440	4,880	10,410	79%	28%
<b>Change</b>	+1,890	0	+260	+260	+2,150	+8%	+4%



## Step 5: Implications for housing need & the continuum

	Financial	Other Need			Total Housing Need (A+D)	Need as a % of		Unmet need (A+C)	
	Housing Stress (A)	Social renters (B)	Other Need (ex social) (C)	Total Other Need (B + C =D)		All renters	All households	No of households	As a % of Renters
<b>2001</b>	3,640	3,440	1,180	4,620	8,260	71%	24%	4,820	42%
<b>2018</b>	5,530	3,440	1,440	4,880	10,410	79%	28%	6,970	53%
<b>Change</b>	+1,890	0	+260	+260	+2,150	+8%	+4%	+2,150	+11%



## Issues to consider

- Distribution of growth – Gtr Wellington market and within Hutt City;
- Understand the key market drivers;
- Have a clear vision;
- Understand target groups; and
- Benchmark and monitor future outcomes.



High Priority	Social		Affordable			Market	
Medium Priority	Emergency	Social	Assisted rental	Affordable Assisted	Market affordable	Market rental	Full market
Low Priority							

Theme	Potential strategies and policies to the housing continuum						Timing
<b>Targeted incentives</b>	<i>One and two bedroom typologies</i>						Short-medium
	<i>Retained affordable housing</i>						Short-medium
	<i>Inclusionary zoning</i>						Medium-long
<b>Fit for purpose stock</b>	<i>Housing quality improvements</i>						Short
				<i>Explore program for underutilised homes</i>			Short-medium
				<i>Partitioning underutilised houses</i>			Medium-long
<b>Regional approach</b>	<i>Advocacy</i>						Ongoing
	<i>Coordination of infrastructure</i>						Ongoing
<b>Align with Central Govt</b>	<i>Kainga Ora redevelopment activity</i>						Ongoing
<b>Increase supply of rentals</b>	<i>Leverage council land, Urban Plus, partnerships community providers</i>						Ongoing
	<i>Advocate for level playing field</i>						Short
	<i>Parcel acquisition and consolidation</i>						Short-medium
<b>Respond to homelessness</b>	<i>Implement strategy</i>						Short

# Thank you for your time!

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