



RESEARCH REPORT

**Housing Demand and Need in
Hutt City**

Prepared for Hutt City Council

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Every effort has been made to ensure the soundness and accuracy of the opinions, information, and forecasts expressed in this report. Information, opinions and forecasts contained in this report should be regarded solely as a general guide. While we consider statements in the report are correct, no liability is accepted for any incorrect statement, information or forecast. We disclaim any liability that may arise from any person acting on the material within.



1. Executive Summary

In accordance with your instructions we have prepared our report on the current and future housing demand in Hutt City. This report has been prepared for Hutt City Council to assist them to better understand housing trends in the Hutt Valley across a range of demographic characteristics. 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 housing demand by a range of demographic characteristics including:

- Tenure (owner occupiers, private renters and the need for social housing);
- Age of the household reference person; and
- Household composition (household types will include couple only, couples with children, one parent, one person and other).

Key trends

Our analysis indicates housing affordability is an increasing challenge, despite the proactive planning of the Hutt City Council. Substantial work has been done to coordinate growth patterns and associated infrastructure to ensure an adequate supply of land. Many of the trends identified are larger societal changes in demographics and external economic forces that cannot be controlled at a local level. Among the trends detailed in the report are:

- The number of households living in Hutt City is projected to increase by 3,530 (or 9%) between 2018 and 2038;
- One person and couple only households are expected to experience the strongest growth in this in part reflects the projected aging of Hutt City's population;
- By 2038 the rate of owner occupation is projected to have fallen to approximately 60%;
- The number of renter households aged 65 years+ is expected to experience strong growth;
- A deterioration in housing affordability has been driven by house prices and rents increasing faster than household incomes;
- Renter stress¹ has increased across the City. In 2013, 82% of private renter households earning less than \$50,000 per year paid more than 30% of their gross household income in rent and 40% paid more than 50% of their gross household income in rent;
- Nearly 90% of renters cannot affordably purchase a home (priced at \$550,000); and
- Total need is projected to increase by 2,910 households (or 28%) by 2038.

Responding to these trends will require continued planning and leadership by Hutt City Council in conjunction with the surrounding local authorities and the broader community. A range of potential policy and strategy responses are offered for consideration to deliver the type, size and price of homes needed to meet current and future households.

¹ A stressed renter household are where they are paying more than 30% of their gross household income in rent.



Demand by demographic characteristics and tenure

Table 1.1 presents the projected change in the total number of households in Hutt City between 2018 and 2038.

Table 1.1: Total number of households in Hutt City 2018 to 2038

Year	Households	Total change	Ann average change
2018	37,600		
2023	38,450	850	170
2028	39,330	880	176
2033	40,220	870	174
2038	41,130	910	182

Source: Hutt City – Ex ForecastID

The number of households living in Hutt City is expected to increase by 3,530, or 9%, between 2018 and 2038. Over the same time period the number of households in the greater Wellington metropolitan area² is expected to increase by 32,330 or 19%. These projections suggest Hutt City is likely to get 11% of the total expected growth in greater Wellington metropolitan area’s households between 2018 and 2038.

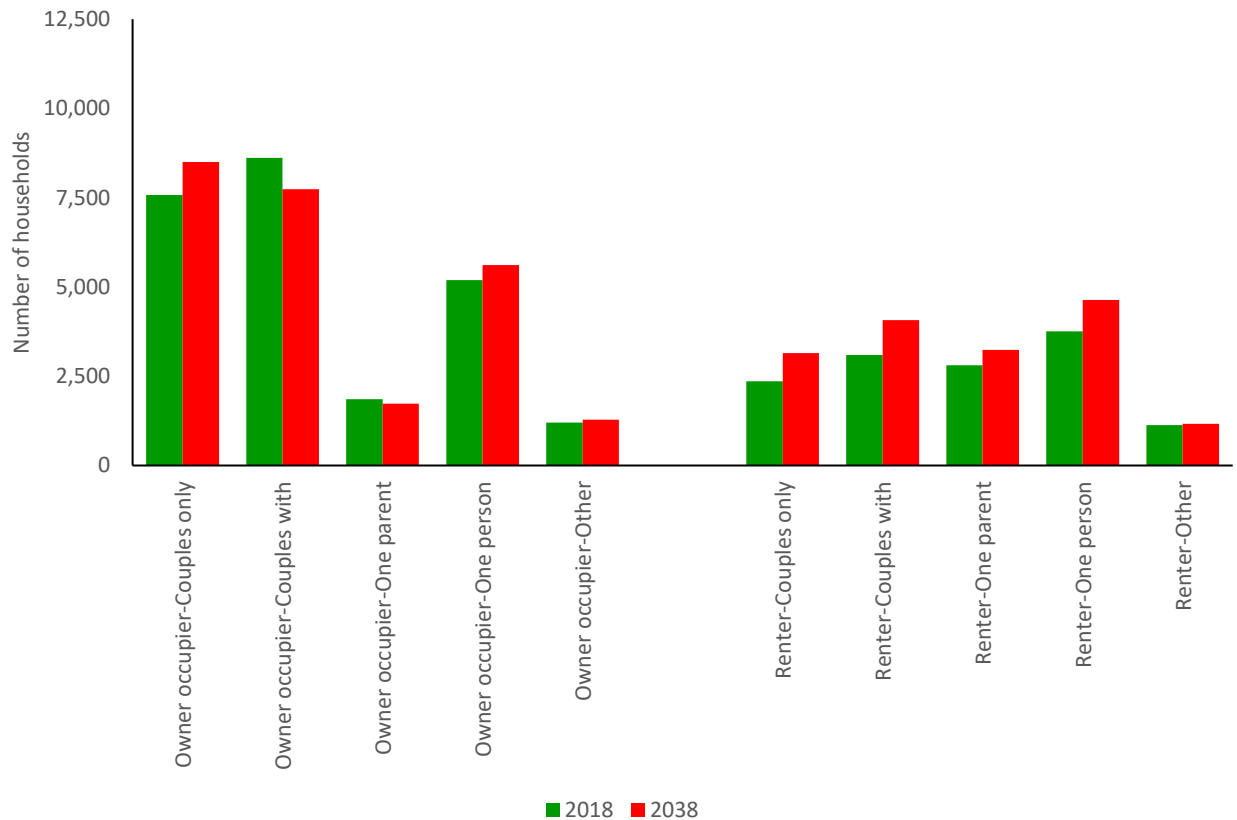
At the same time the characteristics of the population are expected to change. Like the rest of New Zealand, the projections demonstrate an aging of the population, a trend towards more one person and couple only households as well as a fall in the rate of owner occupation.

² The greater Wellington metropolitan area refers to Hutt City, Wellington City, Upper Hutt City, Porirua City and Kapiti Coast District combined.



Figure 1.1 presents the projected trend in the number of households by composition and tenure between 2018 and 2038.

Figure 1.1: The number of households by tenure and composition



Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand
NB: Numbers are rounded to the nearest 10 in the modelling

The number of owner occupied couple only and one person households is expected to increase. Over the same time period the number of owner occupier couple with children households is expected to decline. The number of renter households across all types of household composition is expected to increase.



Table 1.2 presents the trend in the number of households by tenure and the age of the reference person between 2018 and 2038.

Table 1.2: Number of households by tenure and age of the household reference person 2018 to 2038

	Number of households						Change in the number of households				
	Less than 30 yrs	30 to 39 yrs	40 to 49 yrs	50 to 64 yrs	65 yrs & over	Total	Less than 30 yrs	30 to 39 yrs	40 to 49 yrs	50 to 64 yrs	65 yrs & over
Owners											
2018	1,540	3,560	4,740	7,870	6,740	24,450					
2023	1,410	3,690	4,070	7,710	7,670	24,550	-130	130	-670	-160	930
2028	1,250	3,750	3,930	6,940	8,810	24,680	-160	60	-140	-770	1,140
2033	1,190	3,470	4,190	6,300	9,670	24,820	-60	-280	260	-640	860
2038	1,150	3,210	4,340	5,790	10,370	24,860	-40	-260	150	-510	700
Renters											
2018	3,420	3,050	2,360	2,460	1,860	13,150					
2023	3,210	3,540	2,400	2,660	2,090	13,900	-210	490	40	200	230
2028	3,000	3,790	2,670	2,660	2,530	14,650	-210	250	270	0	440
2033	2,950	3,590	3,180	2,770	2,910	15,400	-50	-200	510	110	380
2038	2,930	3,470	3,520	3,050	3,300	16,270	-20	-120	340	280	390

Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand

NB: Numbers are rounded to the nearest 10 in the modelling

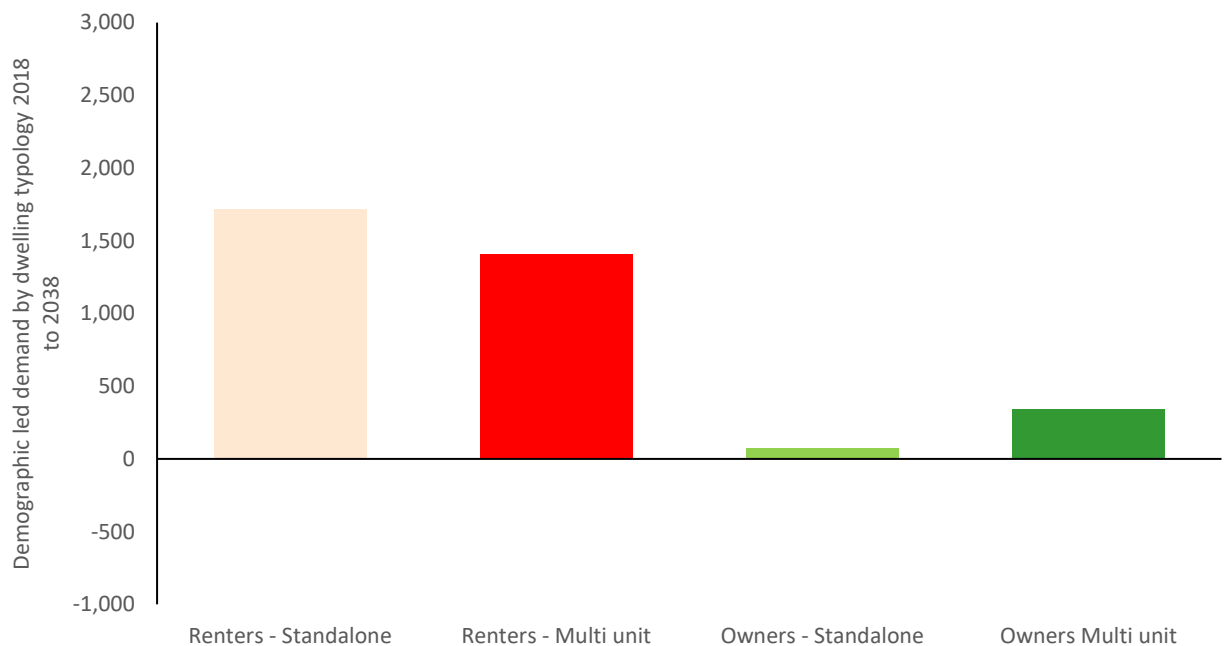
The number of owner occupier households aged 65 years and older is projected to increase by 54% between 2018 and 2038. Over the same time period owner occupiers aged less than 30 years of age is projected to fall by 25%. The number of renter households is expected to increase across all age groups except those less than 30 years of age.



Demand by dwelling typology

The implications of the demographic and tenure trends on the demand for dwellings by typology³ is presented in Figure 1.2. Dwelling typology is divided into the following categories; standalone dwelling with two bedrooms or less; standalone dwelling with three bedrooms or more; multi-unit dwelling with two bedrooms or less; and multi-unit dwelling with three bedrooms or more.

Figure 1.2: Projected demand by dwelling typology and tenure 2018 to 2038



Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand

NB: Numbers are rounded to the nearest 10 in the modelling

Demand for standalone dwellings is predominately for units with three or more bedrooms whilst multi-unit demand is typically for units with fewer bedrooms. The analysis implies renters in Hutt City have a higher propensity to rent multi-unit dwellings relative to standalone dwellings when compared to owner occupiers.

Between 2018 and 2038, approximately, 50% of the growth in demand is projected to be for multi-unit dwellings.

Changes in the demographic profile of households suggest owner occupier demand for standalone dwellings will decline as a result of a greater proportion of older one person and couple only households. This implies some of the existing standalone dwellings will transfer from owner occupation to renter households to meet their increased demand. At the same time this does not exclude ongoing demand from owner occupiers for new dwellings. Stock churn between owner occupation and renter households is likely to continue as households (particularly renters) move to match their housing needs with the available stock.

³ An overview of the methodology used is presented in Appendix 2 and assumes the propensity for households with different characteristics (age, household composition and tenure) for different dwelling typologies remains the same between 2018 and 2038.



Housing affordability

Housing affordability comes under pressure when housing costs increase at a faster rate than household incomes. Variations in interest rates can mask the underlying trends in first home buyer affordability in the short to medium term.

Table 1.3 presents the trend in median house sale prices, rents and household incomes between 2001 and 2018.

Table 1.3: Median house prices, median rents and median gross household incomes – 2001 to 2018

Year	Rents, lower quartile house price and median income				% of median household income required to affordably pay rent or service a loan		
	Lower quartile rent	Median rent	Lower quartile house price	Median household income	Lower Quartile rent	Median Rent	Lower quartile house price
2001	\$200	\$240	\$118,000	\$45,700	76%	91%	70%
2006	\$231	\$270	\$220,000	\$56,700	71%	83%	122%
2013	\$300	\$350	\$259,000	\$69,500	75%	87%	85%
2018	\$400	\$450	\$420,000	\$82,500	84%	95%	107%
% change							
2001 to 2018	100%	88%	256%	81%	8%	4%	37%

Source: Statistics New Zealand, MBIE and Corelogic

Over the last 17 years house prices have increased over three times faster than household incomes and rents have increased at a slightly faster rate than incomes. When compared to 2001, it takes between four and eight percentage points more of median household income to affordably pay the lower quartile and median market rent in Hutt City. The cost of affordably servicing a loan to buy a dwelling at the lower quartile house sale price has increased 47 percentage points. This would have been significantly higher had interest rates not fallen by two percentage points.

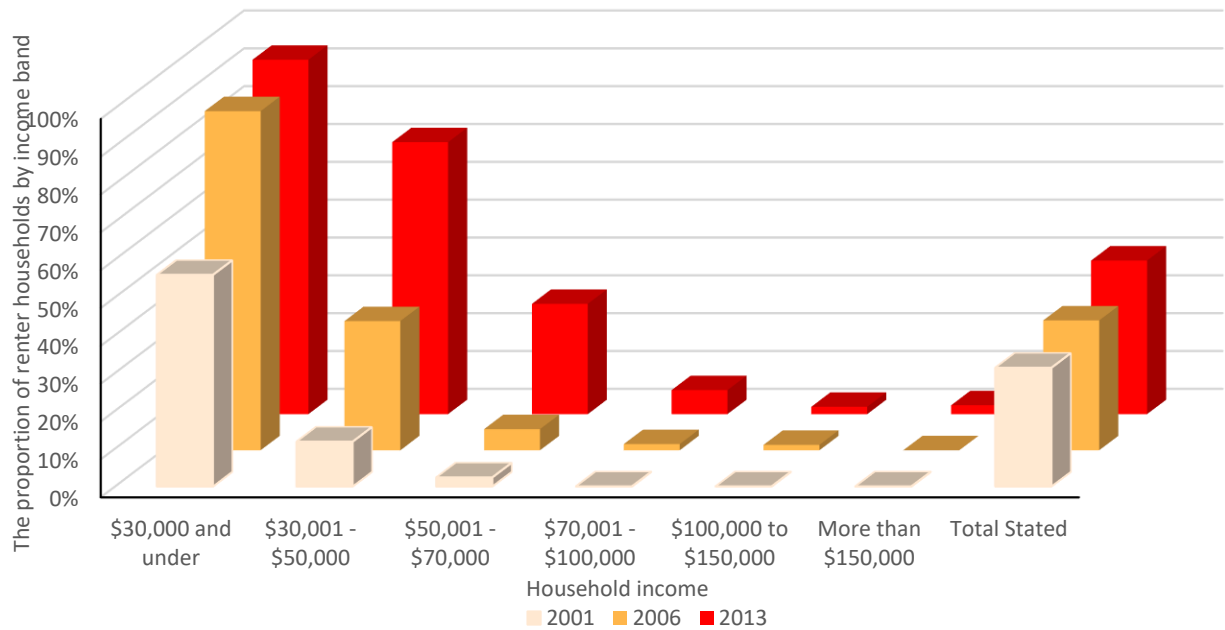
Renter occupied dwellings are considered to experience housing stress when they pay more than 30% of their gross household income in rent. The deterioration in housing affordability has increased the number of private renter occupied dwellings experiencing housing stress⁴.

⁴ Renter stress is significantly lower in social housing as current income related rent policy limits the cost to 25% of income in eligible households. These households typically have needs beyond affordability although it is also important to note that if they rented their accommodation in the private market they would very likely to be stressed.



Figure 1.3 presents the trend relating to the level of housing stress between 2001 and 2013 by gross household income in Hutt City.

Figure 1.3: Housing stress by gross household income 2001 and 2013 in Hutt City



Source Statistics New Zealand

The proportion of renter households experiencing housing stress increased for renters. Between 2001 and 2013 the proportion of stressed renters increased from:

- 56% in 2001 to 94% in 2013 for those with household incomes between \$0 and \$30,000;
- 12% in 2001 to 72% in 2013 for those with household incomes between \$30,000 and \$50,000; and
- 2% in 2001 to 29% in 2013 for those with household incomes between \$50,000 and \$70,000.

Typically, private renter housing stress is higher for low income households. Between 2001 and 2018 rents have increased faster than household incomes and this is likely to have resulted in a further increase in the number of stressed renter households.



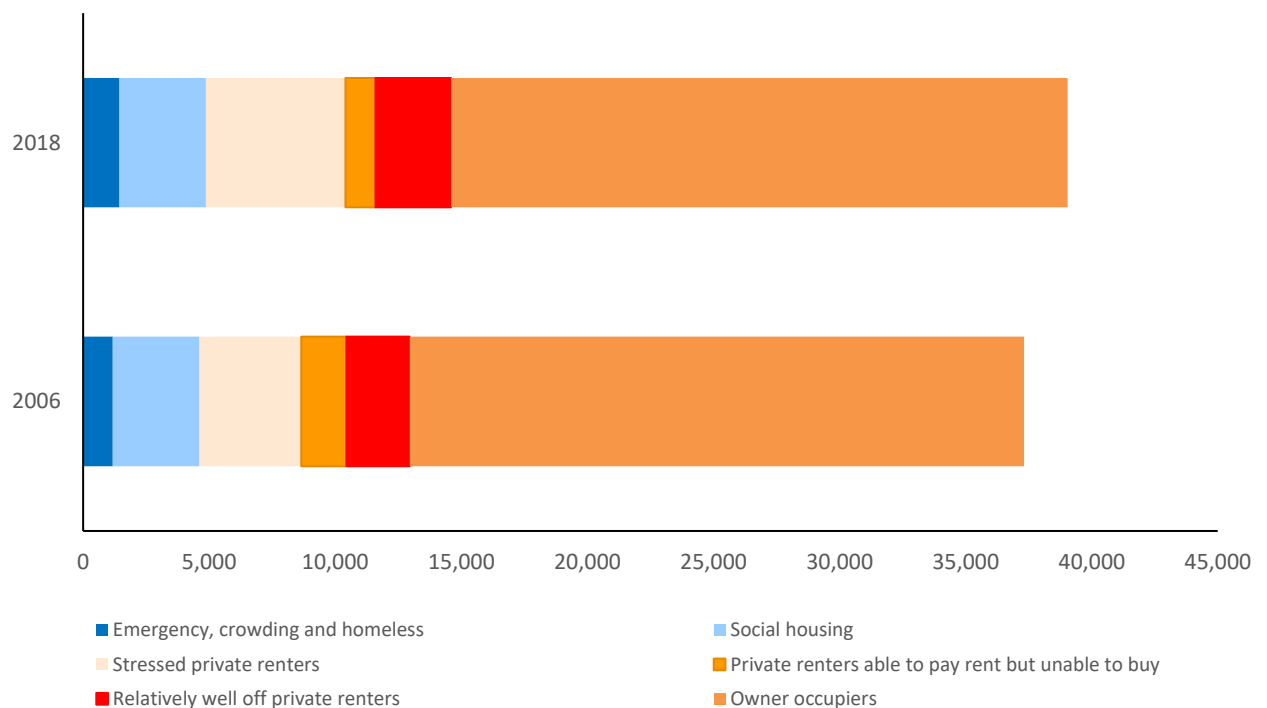
The housing continuum

The Housing Continuum provides insight into the relative sizes of the different housing sub-groups along a continuum which stretches from emergency and homeless households to owner occupation. This progression can be summarised as:

- Emergency, homelessness and crowding;
- Social renters with housing needs in addition to financial affordability;
- Stressed private renters paying more than 30% of their household income in rent;
- Private renters paying less than 30% of their household income in rent but unable to affordably buy a dwelling at the lower quartile house sale price (LQHP);
- Private renter households with sufficient income to affordably buy a dwelling at the lower quartile house sale price; and
- Owner occupier households.

Changes in the relative size of these groups reflect the pressures within the continuum over time. Figure 1.4 presents the modelled housing continuum as at 2006 and 2018.

Figure 1.4: Housing Continuum 2006 and 2018



Source: Modelled based on data from Hutt City, ForecastID, MBIE, and Statistics New

NB: Numbers are rounded to the nearest 10 in the modelling & consequently total households may vary between tables.

The largest group of renter households are categorised as stressed (paying more than 30% of their household income in housing costs). There is also a relatively large group of renters who are earning sufficient income to pay the median rent, however, earn insufficient income to affordably purchase a dwelling at the lower quartile house sale price.



Housing need

Housing need is a measure of the total number of renter occupied dwellings within a community which need some assistance to meet their housing requirements. Total **‘renter housing need’** encapsulates a number of different groups of households and includes the following groups:

- Financially stressed private renter households;
- Those households whose housing requirements are met by social, third sector and emergency housing; and
- People who are homeless or living in crowded dwellings.

Total renter housing need = stressed private renter households + social housing tenants + other need

‘Other need’ encapsulates those households who, because of their circumstances, have housing needs in addition to affordability. Social renters are defined as the number of households, who because of their circumstances, are in Housing New Zealand Corporation (HNZC), local authority, and third sector rentals. Other need includes those households in emergency housing, crowded households, or are homeless. Table 1.4 presents the analysis of total housing need as at 2001 and 2018.

Table 1.4: Total housing need as at 2018

	Financial Housing Stress (A)	Other Need			Total Housing Need (A + D)	% of All Renters	% of All Households
		Social Renters ⁵ (B)	Other (C)	Total Other Need (B + C = D)			
2001	3,640	3,440	1,180	4,620	8,260	71%	24%
2018	5,530	3,440	1,440	4,880	10,410	79%	28%

NB: Numbers are rounded to the nearest 10.

NB: The analysis is Modelled based on data from Hutt City, ForecastID, MBIE, HNZC and Statistics New Zealand.

The overall level of housing need has increased between 2001 and 2018. This is a reflection of the higher rents and number of low income renters and social renters living in the city. Hutt City’s relative level of housing stress is higher than Greater Wellington (54% of all renters), Porirua (68% of all renters) and Masterton (67% of all renters).

The objective of this analysis is to attempt to provide an insight into how the requirement for social housing might change over the next 20 years as a result of the likely changes in the ‘other need’ category, relative to the existing social housing stock if the current relationship between social housing stock and total housing need over the next 20 years is maintained.

⁵ Social renter households are calculated from HNZC’s managed stock statistics (3,348 units as at December 2018) less their vacant units (107 units as at December 2018) plus households accommodated by other community housing providers including Urban Plus (approximately 200 units).



Table 1.5 presents analysis of the estimated growth in total housing need by financially stressed renter households and other need over the 2018 to 2038 period. These estimates assume:

- The growth in the level of ‘other need’ is proportionate to the growth in financially stressed renter households;
- Household incomes and market rents increase at approximately the same rate;
- There are no significant changes to the financial, structural and institutional environment in which the housing market operates over the next 20 years; and
- There are no unexpected corrections in the housing market over the next 20 years.

Table 1.5: Projected housing need – 2018 to 2038

	Total Need	Need as a % of	
		All renters	All households
2018	10,410	79%	28%
2023	11,170	80%	29%
2028	11,840	81%	30%
2033	12,550	81%	31%
2038	13,320	82%	32%

NB: Numbers are rounded to the nearest 10. These projections assume rents and household incomes increase at approximately the same rate between 2018 and 2038.

Source: Modelling housing outcomes based on data from census, population projections (Statistics New Zealand), Forecast.ID, Hutt City, MBIE, and HNZA.

The relative level of housing need is expected to increase in Hutt City. Between 2018 and 2038 total need is projected to increase by 2,910 households (or 28%). This is primarily a reflection of the projected increase in the number of older one person and couple only renter households aged 65 years and older. As these relatively fixed low-income households increase as a proportion of all renter households the level of housing need increases.

In summary, as shown in Table 1.1, the number of households are projected to experience a 9% increase respectively over the next 20 years. However, the nature of the demand is likely to change reflecting the variation in the metropolitan area’s households by tenure, age of the household reference person and household composition. These changes will result in:

- Changing typology with approximately 50% of the growth in demand projected to be for multi-unit dwellings;
- More one person and couple only households as well as a fall in the rate of owner occupation;
- The number of renter households across all types of household composition is expected to increase;
- A large increase in renter and owner occupier households aged 65+; and
- A projected 28% increase (2,910 households) of housing need, dominated by older one person and couple only renter households aged 65+.



Policies and Strategies

The final section of the report presents a range of actions Hutt City could consider with the objective of improving housing outcomes particularly for those on lower incomes. The policies and strategies offered for consideration in the final section of the report are responses to the documented trends in housing supply, household demographics, and housing affordability.

Hutt City is proactive in trying to improve housing outcomes. Council has developed and is implementing multiple projects, initiatives and strategies to influence the market and support residents. Examples include the *Empowering Tamariki* programme and the *Homelessness Strategy*. Council plays multiple roles in these efforts including as an advocate to central government, as a provider of services, by enlisting other partners to deliver and as a partner with community, business and other institutions. These efforts should continue as they are a solid foundation on which to build.

A range of additional policies and strategies are discussed below. Note these potential responses are discussed in greater detail in Section 8 of the report.

1: Targeted incentives

Hutt City should consider targeted incentives to support the delivery of new homes responding to the identified needs. Homes with one and two bedrooms are needed to respond to changing household sizes. Council should consider targeting such incentives to specific areas and affordability levels in addition to typologies to respond to the housing needs identified in the report. Further consideration is also recommended to incentivise retained affordable homes. Development and consent remissions and mandatory affordability requirements are potential tools.

2: Ensure current stock is fit-for-purpose and fully utilised

Hutt City should continue its activities in support of housing quality improvements. Current activities which are recommended to continue include the Eco Design Advisor programme, participation in the Wellington Regional Healthy Homes Response Group, and other support for insulation and warm-up interventions.

The increase in households aged 65+ presents challenges to fully utilise existing stock. New programmes will be required to assist aging owners to remain in their homes or incentivise their transition to smaller typologies. The under-utilisation of existing homes may become an increasing trend. Potential responses include a programme to match one person renter households aged 65+ with home owners who have under-utilised space in their homes and to partition homes to create two or more units from an existing single home.

3: A regional housing market approach

Hutt City is part of a regional housing market that provides choice of location to residents. Advocacy and coordination with surrounding Councils is critical to addressing the housing needs of the region. It is important that Hutt City assess any incentives and requirements against surrounding Council policies to understand likely effectiveness given the inter-connectedness of the region and mobility of households. This regional approach extends to ensuring transportation links are available to enable access to jobs and essential services.



4: Use local knowledge and resources to address local priorities

The Council should continue to ensure access to social infrastructure in high deprivation areas. Across new development and redevelopment areas, Council needs to plan for the delivery of the social infrastructure to support single parents with children, seniors and other households. Council should consider its options to balance subareas and reduce the concentration of low-income renters evident in the North East and Petone subareas. The impacts of climate change and projected sea level rise presents another challenge to be addressed. Planning decisions need to incorporate resiliency measures to ensure the safety and viability of development in these identified risk prone areas.

5: Ensure alignment of central government agencies with Hutt City's vision

Hutt Council should seek to leverage Housing New Zealand's development capacity to drive change in the supply of affordable housing in the city. Their actions as a developer and the landlord of over 3,300 existing public houses in Hutt City will have a significant influence on household and neighbourhood outcomes. The Council is engaging with government with a focus on delivering public housing and progressive home ownership opportunities in the city. Strong advocacy and tangible contributions will be required to ensure this approach succeeds. The opportunity to achieve multiple outcomes presented by committing to mixed-income and mixed-tenure neighbourhoods is compelling.

6: Respond to increased need for rental homes

Hutt City's renters are under increasing stress to afford the cost of rent. Responding to this need is a challenge and will require resources from both Council and central government. At the local level, Council can consider how to leverage its land assets and Urban Plus. Advocating to allow Urban Plus to access the Income Related Rent Subsidy is recommended to increase affordable rental housing stock. To assist developers to provide more rental homes, the Council could acquire key parcels, consolidate and rationalise sites for development. Addressing the overall need for senior housing will require many more units to be provided by private sector providers and the community housing sector, in addition to Housing New Zealand/Kainga Ora.

7: Preventing and responding to homelessness

Increasing rents are leading to negative housing outcomes of overcrowding, severe housing stress and homelessness. Council has adopted a Homelessness Strategy and committed \$1.6 million for 2019-22 on implementation. The focus on prevention, working with social service and housing providers to address gaps, and engaging with government to ensure availability of resources is a sound strategy. It will be important to also respond to the increased renter stress to turn off the flow of households becoming homeless.



2. Introduction

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

- Tenure (owner occupiers, private renters and the need for social housing);
- Age of the household reference person; and
- Household composition (household types will include couple only, couples with children, one parent, one person and other).

In addition, a review of the current housing stock typology is included, along with the implications of these demographic trends in terms of the type and size of dwelling typology required for future growth. The range of dwelling typologies included in the analysis are standalone housing, multi-unit dwellings and apartments. In addition to the overall demand estimates, housing affordability trends for both owner occupied and renter occupied dwellings are presented.

Potential policy responses to help address the documented demand are presented. **The responses need to be considered in relation to current and future demand and growth patterns. Any actions taken should be considered alongside neighbouring Council policies. The adoption of incentives or restriction in Hutt City without considering the regional housing market settings, may result in unintended consequences in supply responses which undermine the desired outcomes.**

The results of the analysis are summarised for the Hutt City housing market with additional analysis provided for the following sub-areas⁶. The subareas include:

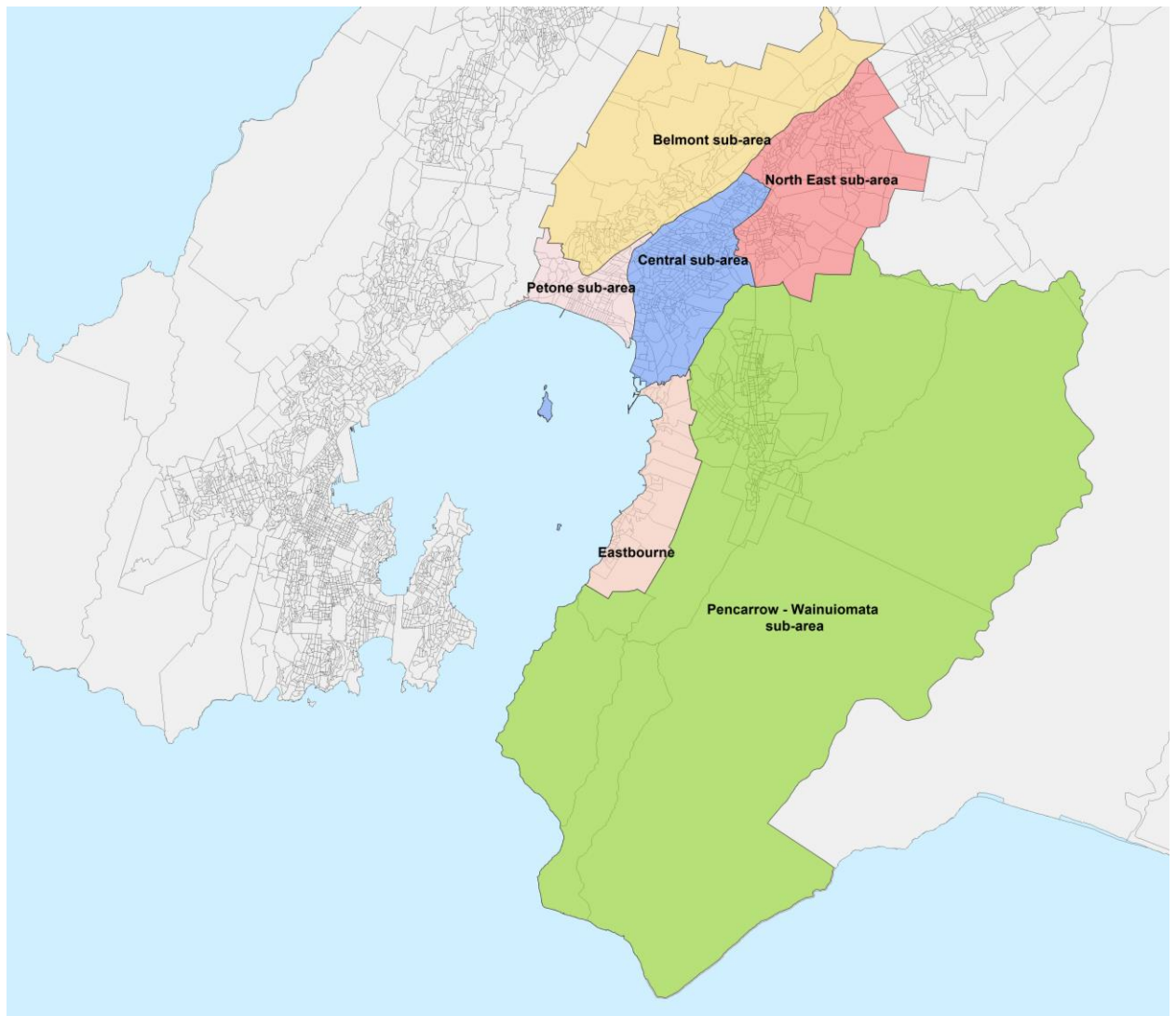
- Pencarrow - Wainuiomata;
- Belmont;
- North-east;
- Central;
- Petone; and
- Eastbourne.

⁶ Definition of the sub area boundaries is included in Appendix 1.



Figure 2.1 presents the subarea boundaries used in this report.

Figure 2.1: Subarea boundaries



NB: The statistical area units in each sub-area is listed in appendix one.



3. Housing demand by location and demographic characteristic

3.1 Introduction

The objective of this section of the report is to present the results of the housing demand analysis between 2018 and 2038 by demographic characteristic and tenure for Hutt City and by sub-market. Demographic characteristics included in the analysis are age of the household reference person and household composition. The implications of these trends on demand by dwelling typology are also presented. An overview of the modelling methodology is presented in Appendix 2. Appendix 3 presents the demand projections in more detail.

As agreed, the demand projections presented in this report assume Hutt City’s population increases in line with the projections provided by ForecastID.

3.2 Hutt City’s housing demand

Table 3.1 presents the projected change in the total number of households in Hutt City between 2018 and 2038.

Table 3.1: Total number of households in Hutt City - 2018 to 2038

Year	Households	Total change	Ann ave chge
2018	37,600		
2023	38,450	850	170
2028	39,330	880	176
2033	40,220	870	174
2038	41,130	910	182

Source: Hutt City – Ex ForecastID

The number of households living in Hutt City is expected to increase by 3,530, or 9%, between 2018 and 2038. Over the same time period the number of households in the greater Wellington metropolitan area⁷ is expected to increase by 32,330 or 19%. These projections suggest Hutt City is likely to get 11% of the total expected growth in greater Wellington metropolitan area’s households between 2018 and 2038.

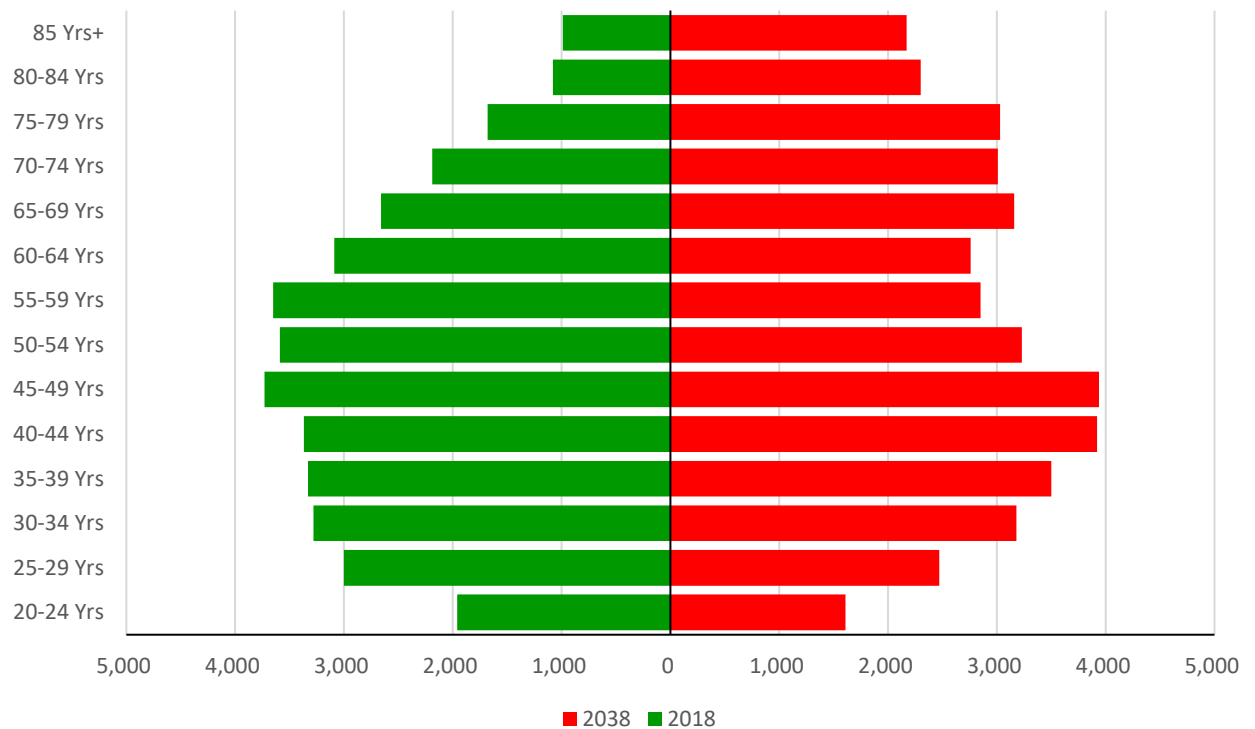
At the same time the characteristics of the population are expected to change. Like the rest of New Zealand, the projections demonstrate an aging of the population.

⁷ The greater Wellington metropolitan area refers to Hutt City, Wellington City, Upper Hutt City, Porirua City and Kapiti Coast District combined.



Figure 3.1 presents the change in the number of households by the age of the household reference person between 2018 and 2038.

Figure 3.1: Hutt City households by age of the reference person – 2018 and 2038



Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand
 NB: Numbers are rounded to the nearest 10 in the modelling.

Table 3.2 presents the projected trend in the number of households in Hutt City by the age of the household reference person.

Table 3.2: Number of households by age of the household reference person – 2018 to 2038

	Less than 30 yrs	30 to 39 yrs	40 to 49 yrs	50 to 64 yrs	65 yrs and over	Total
2018	4,960	6,610	7,100	10,330	8,600	37,600
2023	4,620	7,230	6,470	10,370	9,760	38,450
2028	4,250	7,540	6,600	9,600	11,340	39,330
2033	4,140	7,060	7,370	9,070	12,580	40,220
2038	4,080	6,680	7,860	8,840	13,670	41,130
Total change						
2018 to 2028	-710	930	-500	-730	2,740	1,730
2028 to 2038	-170	-860	1,260	-760	2,330	1,800

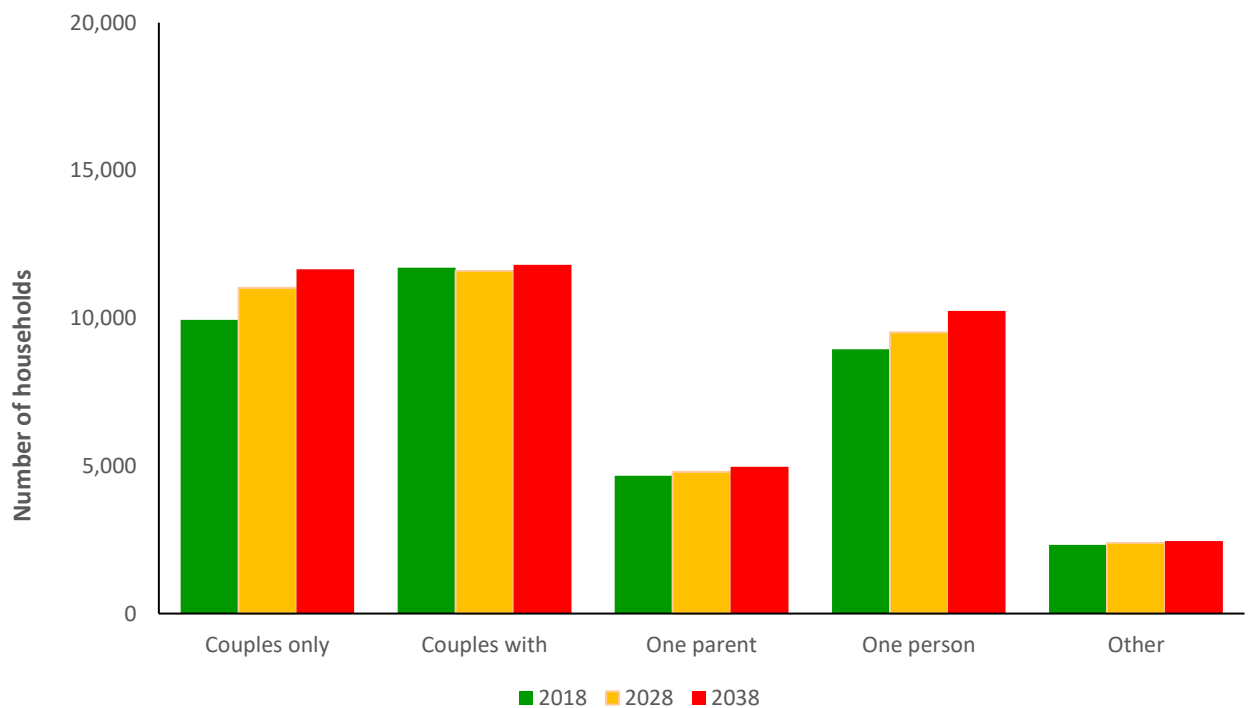
Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand
 NB: Numbers are rounded to the nearest 10 in the modelling



The proportion of households in Hutt City with reference people aged 65 years and older is projected to increase from 23% in 2018 to 33% by 2038. These trends reflect the region’s aging population. The majority of the total household growth is in households with reference people aged 65 years and over. Over the study period the number of households with people aged in the younger cohorts (aged less than 40 years older) is projected to either decline or not change significantly between 2018 and 2038.

Figure 3.2 presents the projected change in the number of households in Hutt City by family composition between 2018 and 2038.

Figure 3.2: Hutt City’s households by family composition – 2018 and 2038



Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand
NB: Numbers are rounded to the nearest 10 in the modelling



Table 3.3 presents the projected trend in the number of households in Hutt City by family composition.

Table 3.3: Number of households by family composition – 2018 to 2038

Household Composition	Number of Households					Change in no. of households	
	2018	2023	2028	2033	2038	18 to 28	28 to 38
couple only	9,940	10,440	11,030	11,390	11,650	1,090	620
couple with child(ren)	11,710	11,640	11,600	11,680	11,810	-110	210
one parent with child(ren)	4,670	4,730	4,790	4,890	4,970	120	180
one person	8,950	9,290	9,520	9,850	10,250	570	730
Other	2,330	2,350	2,390	2,410	2,450	60	60
Total	37,600	38,450	39,330	40,220	41,130	1,730	1,800

Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand

NB: Numbers are rounded to the nearest 10 in the modelling

The change in the age profile of Hutt City’s population also has implications for the proportion of the types of households living in the area. As the population ages the proportion of couples without children and one-person households increases. In Hutt City, couples without children are projected to increase by 1,710 or 17% and one-person households by 1,300 or 15% between 2018 and 2038. These household groups are projected to account for 85% of the total growth between 2018 and 2038.

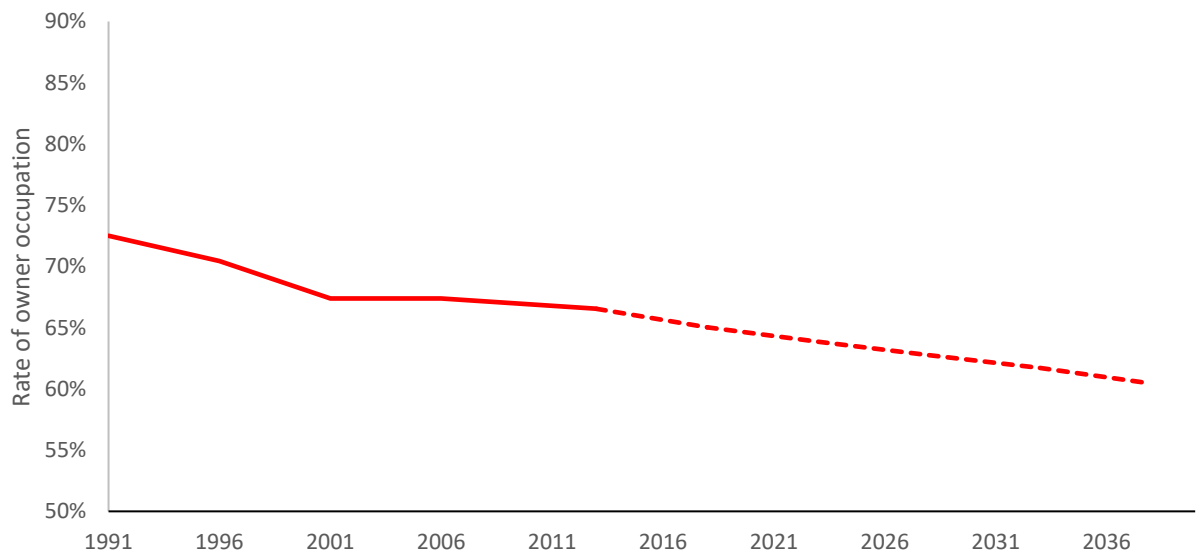
These changes signal a challenge to the historic typology of predominately three bedroom homes on large sections. While there will continue to be strong demand for that typology, there is an increasing need to provide smaller homes which can most efficiently be delivered on smaller sections or as multi-unit buildings.

In addition to these demographic changes, poor housing affordability is projected to result in the continued erosion of the rates of owner occupation in Hutt City.



Figure 3.3 presents the actual change in the rate of owner occupation between 1991 and 2013 along with the projected change out to 2038.

Figure 3.3: Projected rate of owner occupation



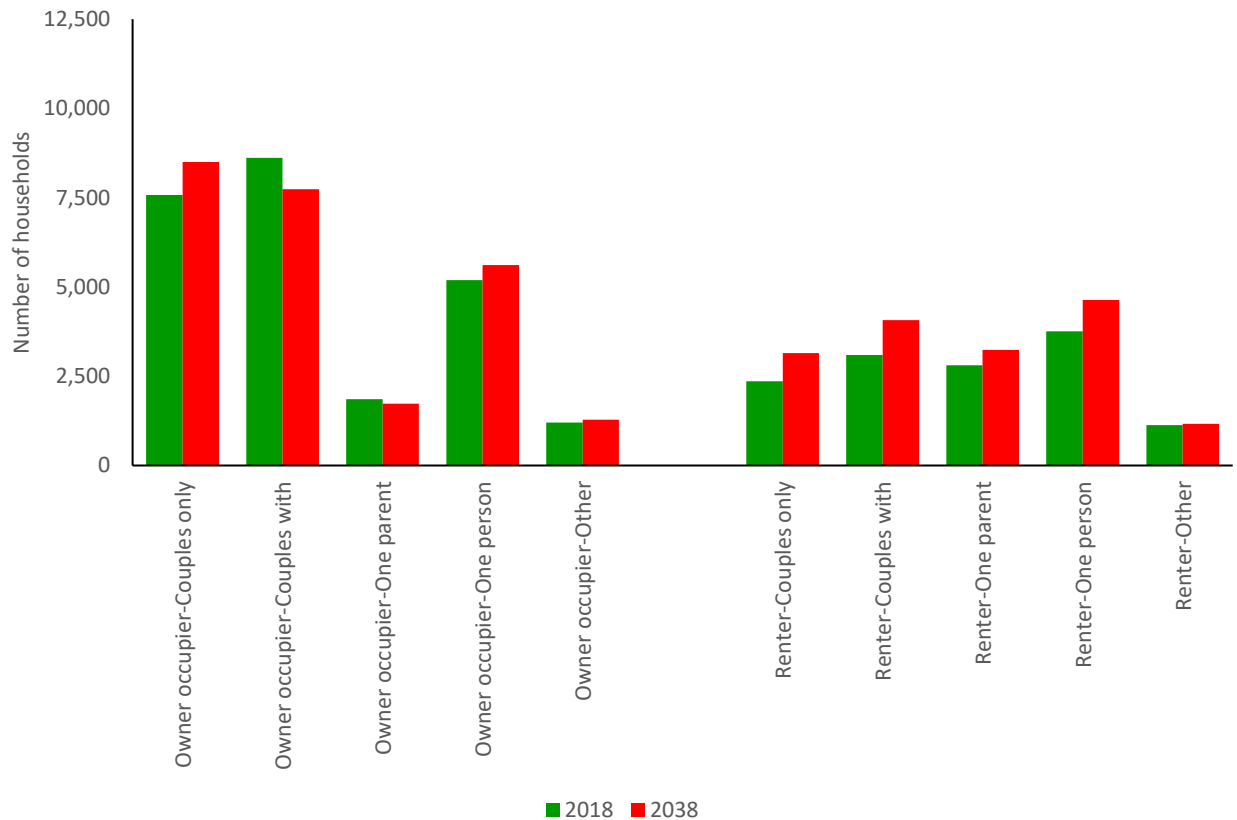
Source: Modelled based on data from Statistics New Zealand

Rates of owner occupation fell by 6 percentage points in Hutt City between 1991 and 2013. Tenure modelling projections indicate that the rate of owner occupation will erode to 60 percent in Hutt City by 2038, a fall of 6.1 percentage points between 2013 and 2038.



Figure 3.4 presents the projected trend in the households by household composition and tenure between 2018 and 2038.

Figure 3.4: The number of households by tenure and composition



Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand
NB: Numbers are rounded to the nearest 10 in the modelling

The number of owner occupier couple only and one person households is expected to increase. Over the same time period the number of owner occupier couple with children households is expected to decline. The number of renter households across all types of household composition is expected to increase.

Table 3.4 presents the projected trend in the number of occupied dwellings by tenure and household composition between 2018 and 2038.

**Table 3.4: The number of occupied dwellings by tenure and household composition between 2017 and 2047**

	Number of households					Change	
	2018	2023	2028	2033	2038	18 to 28	28 to 38
Owners							
couple only	7,580	7,960	8,350	8,510	8,500	770	150
couple with child(ren)	8,620	8,260	7,950	7,810	7,740	-670	-210
one parent with child(ren)	1,860	1,800	1,750	1,750	1,730	-110	-20
one person	5,190	5,290	5,350	5,470	5,610	160	260
Other	1,200	1,240	1,280	1,280	1,280	80	0
Total	24,450	24,550	24,680	24,820	24,860	230	180
Renters							
couple only	2,360	2,480	2,680	2,880	3,150	320	470
couple with child(ren)	3,090	3,380	3,650	3,870	4,070	560	420
one parent with child(ren)	2,810	2,930	3,040	3,140	3,240	230	200
one person	3,760	4,000	4,170	4,380	4,640	410	470
Other	1,130	1,110	1,110	1,130	1,170	-20	60
Total	13,150	13,900	14,650	15,400	16,270	1,500	1,620

Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand

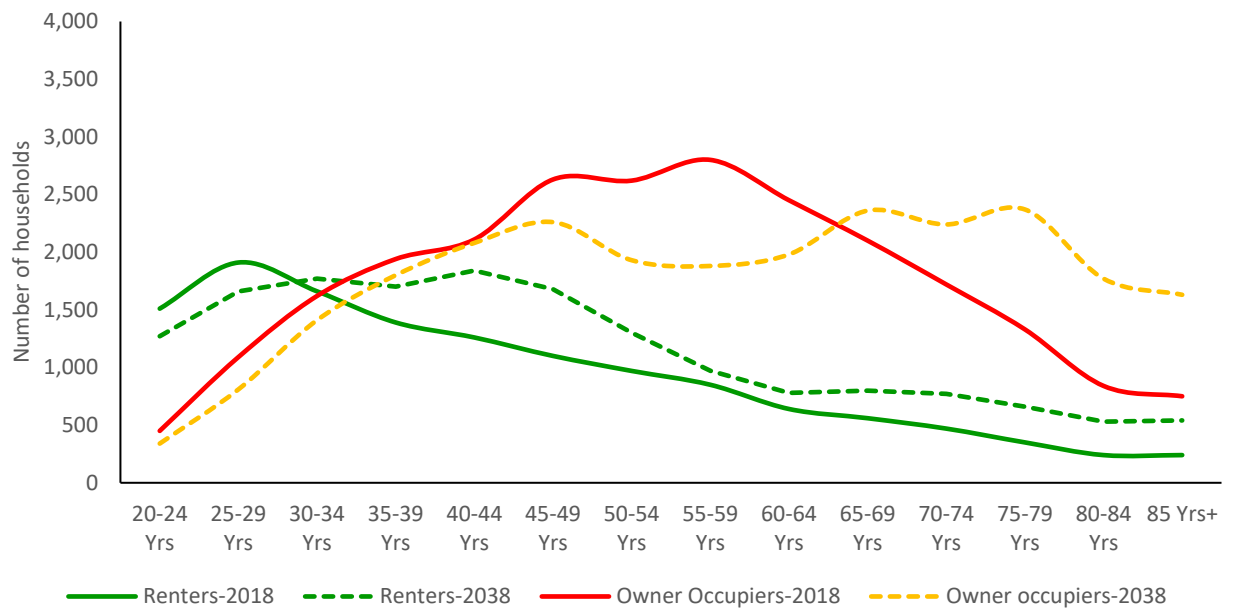
NB: Numbers are rounded to the nearest 10 in the modelling

The strongest growth is projected to occur in renter households particularly those couple only, couples with children and one person configurations. Owner occupiers are also expected to experience strong growth in couple only and one person occupied dwellings.



Figures 3.5 presents the projected trend in the number of households by tenure and age of the reference person between 2018 and 2038.

Figure 3.5: Number of households by tenure & age of the reference person 2018 to 2038



Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand
NB: Numbers are rounded to the nearest 10 in the modelling

Renter occupied dwellings are expected to increase across most age groups whilst the growth in owner occupied dwellings is concentrated in those with reference people aged 65 years and older.



Table 3.5 presents the trend in the number of occupied dwellings by tenure and the age of the reference person between 2018 and 2038.

Table 3.5: Number of occupied dwellings by tenure and age of the household reference person 2018 to 2038

	Number of households						Change in the number of households				
	Less than 30 yrs	30 to 39 yrs	40 to 49 yrs	50 to 64 yrs	65 yrs & over	Total	Less than 30 yrs	30 to 39 yrs	40 to 49 yrs	50 to 64 yrs	65 yrs & over
Owners											
2018	1,540	3,560	4,740	7,870	6,740	24,450					
2023	1,410	3,690	4,070	7,710	7,670	24,550	-130	130	-670	-160	930
2028	1,250	3,750	3,930	6,940	8,810	24,680	-160	60	-140	-770	1,140
2033	1,190	3,470	4,190	6,300	9,670	24,820	-60	-280	260	-640	860
2038	1,150	3,210	4,340	5,790	10,370	24,860	-40	-260	150	-510	700
Renters											
2018	3,420	3,050	2,360	2,460	1,860	13,150					
2023	3,210	3,540	2,400	2,660	2,090	13,900	-210	490	40	200	230
2028	3,000	3,790	2,670	2,660	2,530	14,650	-210	250	270	0	440
2033	2,950	3,590	3,180	2,770	2,910	15,400	-50	-200	510	110	380
2038	2,930	3,470	3,520	3,050	3,300	16,270	-20	-120	340	280	390

Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand

NB: Numbers are rounded to the nearest 10 in the modelling

The number of owner occupier households aged 65 years and older is projected to increase by 54% between 2018 and 2038. Over the same time period owner occupiers aged less than 30 years of age is projected to fall by 25%. The number of renter households is expected to increase across all age groups except those less than 30 years of age.



3.3 Housing demand by subarea

The objective of this subsection of the report is to present the trends in the growth in the number of households by subarea, tenure, age of the household reference person and household composition. Appendix 1 presents the agreed subarea boundaries used in this report. The statistical area units included in each subarea area are also presented in Appendix 1.

Table 3.6 presents the projected growth distributed across the subareas within Hutt City.

Table 3.6: Projected growth in households by subarea

	Belmont	Central	North East	Pencarrow - Wainuiomata	Petone-Eastbourne	Hutt City
2018	4,820	11,800	8,400	6,180	6,360	37,600
2023	4,890	12,070	8,520	6,440	6,530	38,450
2028	5,020	12,330	8,680	6,600	6,700	39,330
2033	5,180	12,610	8,830	6,750	6,870	40,220
2038	5,340	12,890	8,950	6,890	7,050	41,130
Change						
18 to 28	200	530	280	420	340	1,730
28 to 38	320	560	270	290	350	1,800

Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand
 NB: Numbers are rounded to the nearest 10 in the modelling

The number of households in all subareas are expected to increase between 2018 and 2038. Growth is expected to be reasonably evenly distributed across the subareas with North East growing at the slowest rate (7% between 2018 and 2038) with Pencarrow - Wainuiomata being the highest growth area (11% between 2018 and 2038).

These **projections** are based on historical trends and do not account for potential policy choices which may influence the actual growth in each subarea. The North East, in particular, may see higher levels of growth with recent central government announcements regarding redevelopment of Housing New Zealand properties in the area.



Table 3.7 presents the projected change in the number of occupied dwellings by tenure and subarea between 2018 and 2038.

Table 3.7: The projected change in the number of occupied dwellings by tenure and subarea

	Owner Occupiers				Renters			
	2018	2028	2038	18 to 38	2018	2028	2038	18 to 38
Belmont	3,870	3,900	3,960	90	950	1,120	1,380	430
Central	7,510	7,580	7,690	180	4,290	4,750	5,200	910
North East	4,520	4,470	4,360	-160	3,880	4,210	4,590	710
Pencarrow - Wainuiomata	4,360	4,540	4,580	220	1,820	2,060	2,310	490
Petone-Eastbourne	4,110	4,140	4,210	100	2,250	2,560	2,840	590
Hutt City	24,450	24,680	24,860	410	13,150	2,530	16,270	3,120

Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand

NB: Numbers are rounded to the nearest 10 in the modelling

The number of renter households are expected to increase at a faster rate than owner occupiers in all subareas with the North East experiencing the fastest growth in the number of renter households whilst the number of owner occupiers is expected to decline.

Table 3.8 presents the projected growth in the number of occupied dwellings by household composition and subarea between 2018 and 2038.



Table 3.8: Projected households by household composition and subarea

	Renter households				Owner occupier households			
	2018	2028	2038	18 to 38	2018	2028	2038	18 to 38
Belmont								
Couples only	240	290	380	140	1,390	1,570	1,620	230
Couples with child(ren)	300	370	460	160	1,490	1,340	1,290	-200
One parent with child(ren)	130	160	170	40	250	230	230	-20
One person	210	210	280	70	600	630	680	80
Other	70	90	90	20	140	130	140	0
Total	950	1,120	1,380	430	3,870	3,900	3,960	90
Central								
Couples only	750	830	950	200	2,370	2,610	2,700	330
Couples with child(ren)	990	1,180	1,320	330	2,590	2,360	2,300	-290
One parent with child(ren)	780	850	900	120	490	460	460	-30
One person	1,420	1,520	1,650	230	1,760	1,860	1,940	180
Other	350	370	380	30	300	290	290	-10
Total	4,290	4,750	5,200	910	7,510	7,580	7,690	180
North East								
Couples only	450	510	600	150	1,370	1,510	1,510	140
Couples with child(ren)	960	1,040	1,160	200	1,560	1,450	1,360	-200
One parent with child(ren)	1,060	1,130	1,180	120	380	330	320	-60
One person	1,030	1,120	1,240	210	970	970	950	-20
Other	380	410	410	30	240	210	220	-20
Total	3,880	4,210	4,590	710	4,520	4,470	4,360	-160
Pencarrow-Wainuiomata								
Couples only	200	260	290	90	1,300	1,420	1,480	180
Couples with child(ren)	530	620	690	160	1,500	1,470	1,420	-80
One parent with child(ren)	530	560	610	80	440	460	450	10
One person	380	420	510	130	890	940	990	100
Other	180	200	210	30	230	250	240	10
Total	1,820	2,060	2,310	490	4,360	4,540	4,580	220
Petone-Eastbourne								
Couples only	480	540	620	140	1,370	1,490	1,500	130
Couples with child(ren)	400	490	550	150	1,400	1,280	1,260	-140
One parent with child(ren)	320	350	390	70	270	260	260	-10
One person	760	870	960	200	930	980	1,060	130
Other	290	310	320	30	140	130	140	0
Total	2,250	2,560	2,840	590	4,110	4,140	4,210	100

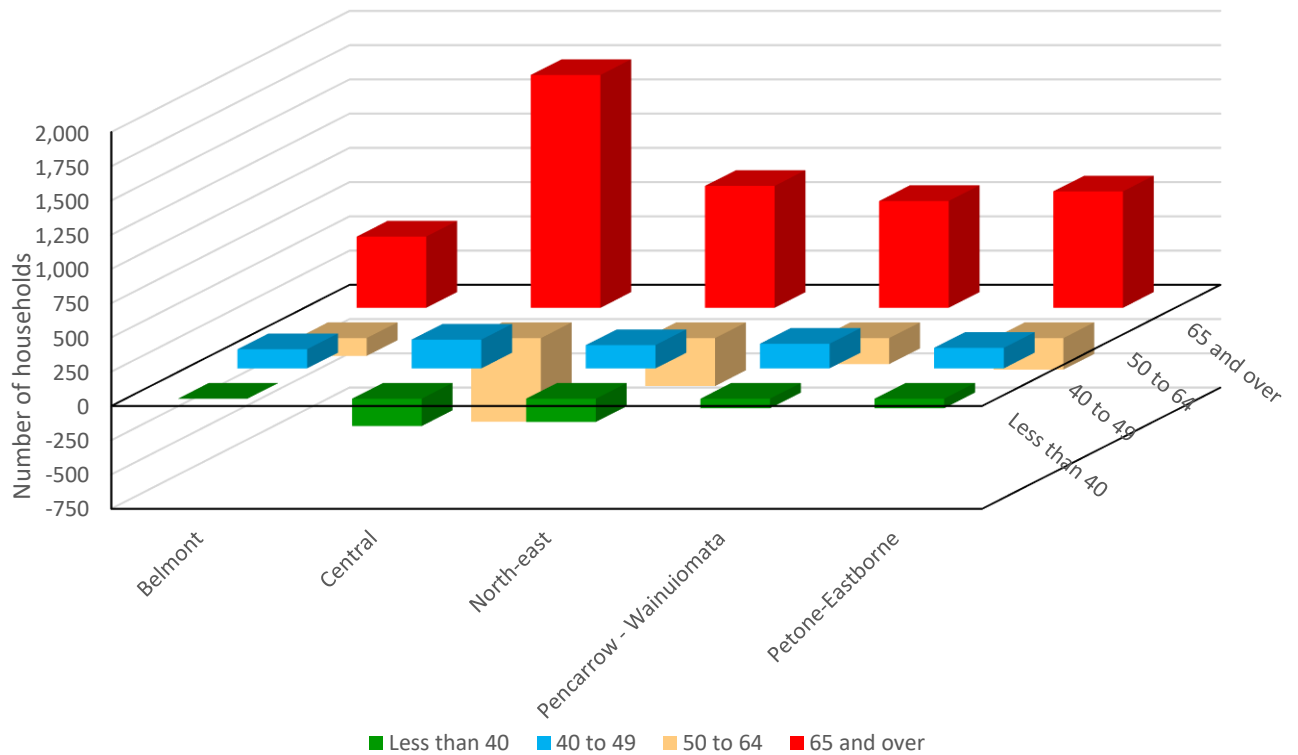
Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand

NB: Numbers are rounded to the nearest 10 in the modelling



Figure 3.7 presents the projected growth in the number of households by age of the reference person and subarea between 2018 and 2038

Figure 3.7: Projected household growth by age and subarea



Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand
NB: Numbers are rounded to the nearest 10 in the modelling

The strongest growth is projected to occur in households with reference people aged 65 years and over between 2018 and 2038.



Table 3.9 presents the projected growth in the number of households by age of the reference person, tenure and subarea between 2018 and 2038.

Table 3.9: The projected growth in the number of households by age of the reference person, tenure and subarea between 2018 and 2038

	Renter households				Owner occupier households			
	2018	2028	2038	18 to 38	2018	2028	2038	18 to 38
Belmont								
Less than 40 yrs	600	640	660	60	860	890	800	-60
40 to 49 yrs	210	280	390	180	890	740	850	-40
50 to 64 yrs	110	170	260	150	1,340	1,220	1,060	-280
65 and over	30	30	70	40	780	1,050	1,260	480
Central								
Less than 40 yrs	1,800	1,930	1,800	0	1,240	1,200	1,040	-200
40 to 49 yrs	820	910	1,180	360	1,450	1,160	1,300	-150
50 to 64 yrs	940	960	1,040	100	2,280	1,960	1,570	-710
65 and over	730	950	1,180	450	2,530	3,260	3,780	1,250
North East								
Less than 40 yrs	1,710	1,810	1,720	10	1,140	1,130	960	-180
40 to 49 yrs	780	830	1,060	280	860	680	750	-110
50 to 64 yrs	830	840	900	70	1,410	1,220	990	-420
65 and over	560	730	910	350	1,120	1,450	1,660	540
Pencarrow – Wainuiomata								
Less than 40 yrs	1,010	1,110	1,050	40	1,000	1,010	890	-110
40 to 49 yrs	370	440	570	200	860	740	840	-20
50 to 64 yrs	290	300	390	100	1,340	1,240	1,050	-290
65 and over	150	210	300	150	1,160	1,550	1,790	630
Petone-Eastbourne								
Less than 40 yrs	1,100	1,210	1,130	30	680	670	580	-100
40 to 49 yrs	460	500	680	220	880	730	810	-70
50 to 64 yrs	430	490	580	150	1,410	1,230	1,030	-380
65 and over	260	360	450	190	1,140	1,510	1,800	660

Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand
 NB: Numbers are rounded to the nearest 10 in the modelling



Table 3.10 presents the percentage change in the number of occupied dwellings by age of the reference person and subarea between 2018 and 2038.

Table 3.10: Percentage change in the number of occupied dwellings between 2018 and 2038 by age and subarea

	Less than 40 yrs	40 to 49 years	50 to 64 years	65 yrs and over
Belmont	0%	13%	-9%	64%
Central	-7%	9%	-19%	52%
North East	-6%	10%	-16%	53%
Pencarrow – Wainuiomata	-3%	15%	-12%	60%
Petone-Eastbourne	-4%	11%	-13%	61%

Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand

NB: Numbers are rounded to the nearest 10 in the modelling

The strongest growth is projected to occur in households with reference people aged 65 years and over in all subareas.



3.4 Housing outcomes by ethnicity

The objective of this sub-section of the report is to provide an overview of key statistics relevant to housing outcomes by ethnicity. Analysis of trends by ethnicity is problematic due in part to the way in which Statistics New Zealand surveys respondents' ethnicity. In the Census respondents are asked to identify which ethnicities they identify with and can respond to multiple ethnic groupings. Hence there are more responses by ethnicity than people living in an area. In addition, the household reference persons ethnicity may or may not reflect the ethnicity of the rest of the people living in the dwelling.

Previous research⁸ into trends in the rate of owner occupation show that the majority of the statistically significant variation in home ownership rates can be explained by age of the key householders, household composition, household income and a locational variable. The research suggests that once these variables are included in the analysis ethnicity is not a statistically significant variable. Personal and household incomes have a significant impact on housing outcomes. Lower income households typically have much higher levels of housing stress and are also more likely to rent rather than own the dwelling they live in. Table 3.11 presents the level of household income by ethnicity of the household reference person in Hutt City in 2013.

Table 3.11: Household income by ethnicity in 2013

	European / NZer		Māori		Pacific person		Other		Total	
	Hhlds	% of Total	Hhlds	% of Total	Hhlds	% of Total	Hhlds	% of Total	Hhlds	% of Total
Hutt City										
Less than \$30,000	4,569	19%	999	28%	381	23%	717	19%	6,666	20%
\$30,000 to \$50,000	3,750	16%	606	17%	294	18%	582	15%	5,232	16%
\$50,000 to \$70,000	3,339	14%	543	15%	258	16%	570	15%	4,710	14%
\$70,000 to \$100,000	4,431	19%	630	17%	318	19%	729	19%	6,108	19%
\$100,000 to \$150,000	4,407	18%	528	15%	258	16%	693	18%	5,886	18%
Over \$150,000	3,408	14%	303	8%	138	8%	465	12%	4,314	13%
Total stated	23,904	100%	3,609	100%	1,647	100%	3,756	100%	32,916	100%
Greater Wellington										
Less than \$30,000	19,050	17%	2,958	24%	1,308	22%	3,138	19%	26,454	18%
\$30,000 to \$50,000	16,155	14%	1,962	16%	984	17%	2,427	14%	21,528	15%
\$50,000 to \$70,000	14,244	13%	1,749	14%	870	15%	2,397	14%	19,260	13%
\$70,000 to \$100,000	19,785	18%	2,163	18%	1,149	20%	3,111	18%	26,208	18%
\$100,000 to \$150,000	21,243	19%	1,929	16%	948	16%	3,225	19%	27,345	19%
Over \$150,000	21,612	19%	1,446	12%	594	10%	2,586	15%	26,238	18%
Total	112,089	100%	12,207	100%	5,853	100%	16,884	100%	147,033	100%

Source: Statistics New Zealand

⁸ See Morrison P. (2005) "The changing patterns of home ownership in New Zealand". A report for the Centre for Housing Research Aotearoa New Zealand.



There are proportionally more Hutt City households with Pacific people or people of Māori descent with household incomes of less than \$30,000 per annum than households with people of European descent. In addition, the proportion of low income households (with people of Māori or Pacific descent) is higher than the average for greater Wellington.

Table 3.12 presents the number of households by ethnicity of the household reference person and tenure.

Table 3.12: Number of households by ethnicity and tenure

Stated Ethnicity	Hutt City			Greater Wellington		
	2001	2006	2013	2001	2006	2013
Living in owner occupied dwelling						
European	19,446	16,893	18,534	79,812	71,859	82,842
Māori	1,473	1,584	1,656	4,614	5,088	5,616
Pacific Peoples	591	720	741	2,142	2,292	2,472
Asian	1,116	1,491	1,974	4,515	5,775	7,602
Middle Eastern/Latin American/African		84	75		384	525
Other / NEI	267	3,126	600	1,098	13,275	2,649
Total	22,893	23,898	23,580	92,181	98,673	101,706
Living in a rented dwelling						
European	7,599	6,570	7,143	33,861	32,010	37,155
Māori	2,331	2,559	2,619	7,080	7,779	8,430
Pacific Peoples	1,092	1,191	1,344	4,161	4,296	4,809
Asian	552	753	1,167	2,718	4,149	5,724
Middle Eastern/Latin American/African		159	195		984	1,320
Other / NEI	270	933	315	1,248	4,869	1,698
Total	11,844	12,165	12,783	49,068	54,087	59,136
Implied rate of owner occupation						
European	71.9%	72.0%	72.2%	70.2%	69.2%	69.0%
Māori	38.7%	38.2%	38.7%	39.5%	39.5%	40.0%
Pacific Peoples	35.1%	37.7%	35.5%	34.0%	34.8%	34.0%
Asian	66.9%	66.4%	62.8%	62.4%	58.2%	57.0%
Middle Eastern/Latin American/African	-	34.6%	27.8%	-	28.1%	28.5%
Other / NEI	49.7%	77.0%	65.6%	46.8%	73.2%	60.9%
Total	65.9%	66.3%	64.8%	65.3%	64.6%	63.2%

Source: Statistics New Zealand

Hutt City households with people of European descent had higher levels of owner occupation than both the average for Greater Wellington and for households with people of other ethnicities. Care needs to be taken in interpreting these results due to the way data on household ethnicity is collated by Statistics New Zealand.



Figure 3.8 presents the percentage point change in the implied level of owner occupation between 2001 and 2013 in Hutt City by ethnicity.

Figure 3.8: The percentage point change in the implied rate of owner occupation by ethnicity 2001 and 2013



Source: Statistics New Zealand

In Hutt City, households with Pacifica peoples and people of Asian descent recorded falls in the relative level of owner occupation while European and Māori households either experienced little change or a small uplift in their home ownership rates. These trends were not consistent with the trend for Greater Wellington where the majority of households experienced a fall in the rate of owner occupation.



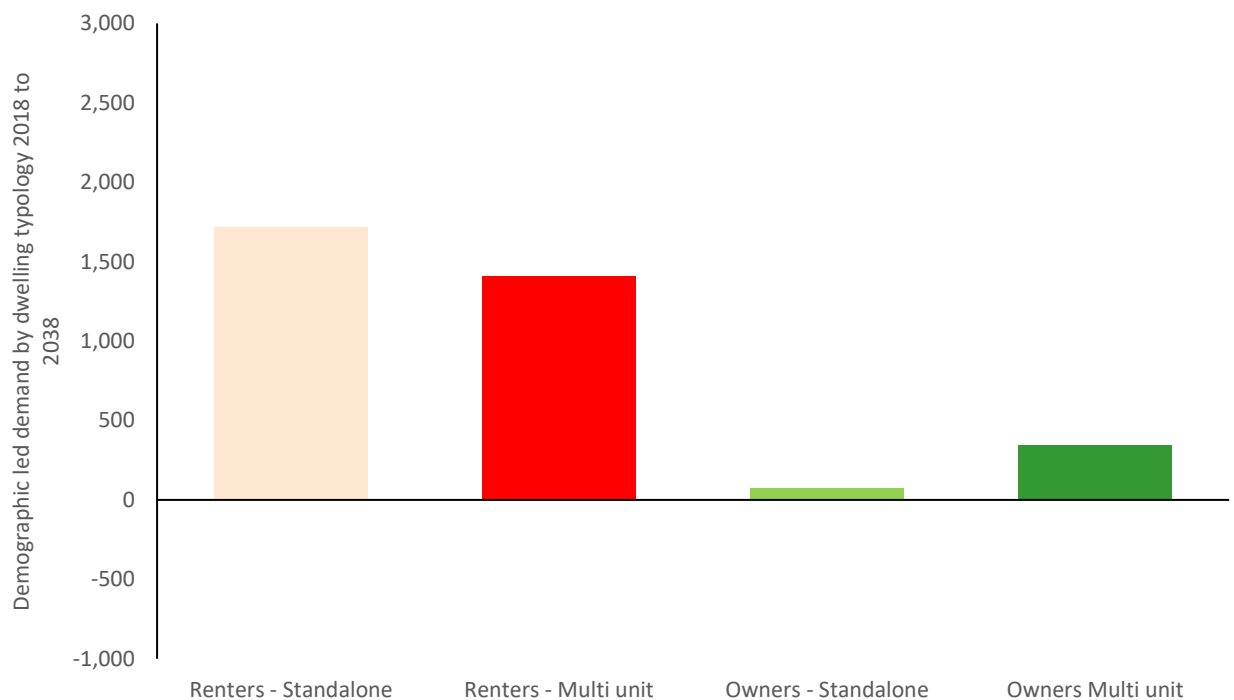
3.5 Hutt City housing demand by dwelling typology

The objective of this section of the report is to present the results of the modelling of the implications of the demographic and tenure trends on the demand for dwellings by typology. An overview of the methodology used is presented in Appendix 2 and assumes the propensity for households with different characteristics (age, household composition and tenure) for different dwelling typologies⁹ remains the same between 2018 and 2038. Dwelling typology is divided into the following categories:

- Standalone dwelling with two bedrooms or less;
- Standalone dwelling with three bedrooms or more;
- Multi-unit dwelling with two bedrooms or less; and
- Multi-unit dwelling with three bedrooms or more.

Figure 3.9 presents a summary of the projected growth in demand by dwelling typology and tenure in Hutt City between 2018 and 2038. Note more detail is provided in the following table.

Figure 3.9: Projected demand by dwelling typology and tenure



Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand
NB: Numbers are rounded to the nearest 10 in the modelling

⁹ Standalone dwellings are defined as single unit dwellings not attached to any other buildings. Multi unit dwellings includes a wide range of dwelling typologies where two or more dwellings are physically attached to each other. Multi-units include duplexes, terraced houses and apartments.



Demand for standalone dwellings is predominately for units with three or more bedrooms whilst multi-unit demand is typically for units with fewer bedrooms. The analysis implies renters in Hutt City have a higher propensity to rent multi-unit dwellings relative to standalone dwellings when compared to owner occupiers.

Table 3.13 presents the trend in dwelling demand in Hutt City by tenure and dwelling typology between 2018 and 2038.

Table 3.13: Hutt City dwelling demand by typology and tenure

	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
Change 18 to 38												
Total	240	-170	60	340	10	350	490	1,230	1,710	1,240	170	1,410
Average pa	12	-9	3	17	1	18	25	62	86	62	9	71

Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand
 NB: Numbers are rounded to the nearest 10 in the modelling

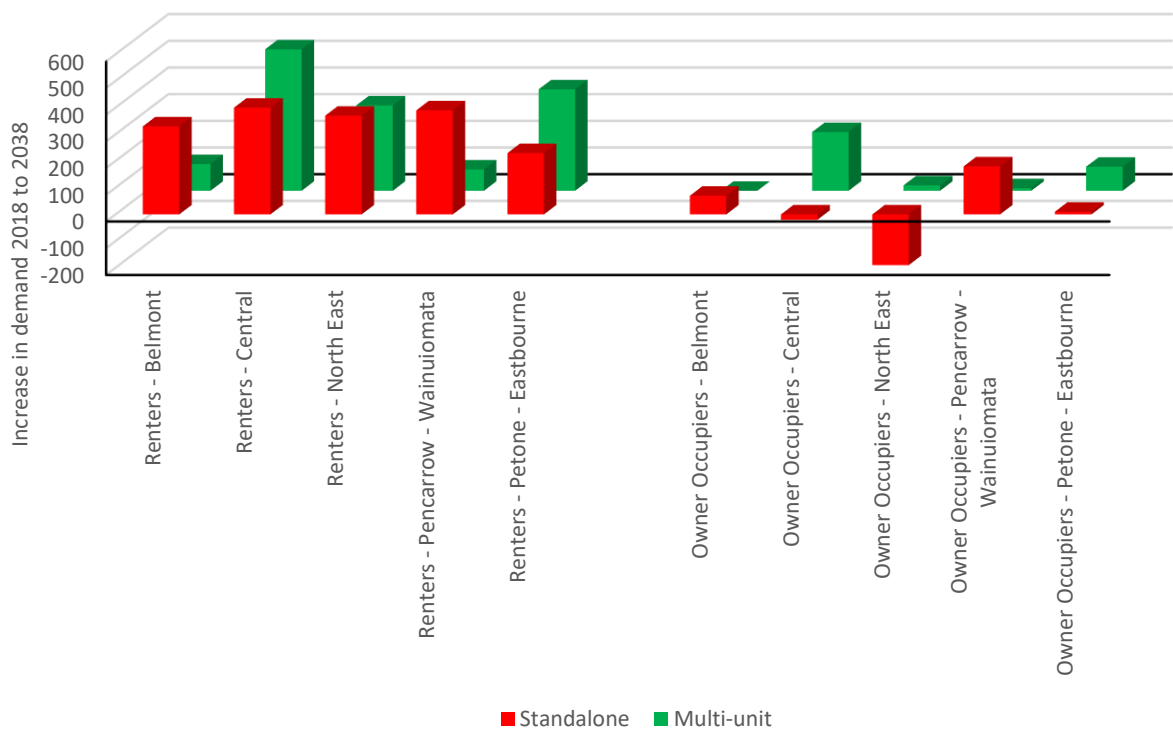
Between 2018 and 2038, approximately, 50% of the growth in demand is projected to be for multi-unit dwellings. Changes in the demographic profile of households suggest owner occupier demand for standalone dwellings will decline as a result of a greater proportion of older one person and couple only household. This implies some of the existing standalone dwellings will transfer from owner occupation to renter households to meet their increased demand. At the same time this does not exclude ongoing demand from owner occupiers for new dwellings. Stock churn between owner occupation and renter households is likely to continue as households (particularly renters) move to match their housing needs with the available stock.



3.6 Subarea housing demand by dwelling typology

Figure 3.10 presents the projected growth in the number of occupied dwellings by subarea, tenure and dwelling typology between 2018 and 2038.

Figure 3.10: The projected growth in the number of occupied dwellings by subarea, tenure and dwelling typology



Source: Modelled based on data from Hutt City, Forecast.ID and Statistics New Zealand
NB: Numbers are rounded to the nearest 10 in the modelling



Table 3.14 presents the projected growth in the number of occupied dwellings by subarea, tenure and dwelling typology between 2018 and 2038.

Table 3.14: The projected growth in the number of occupied dwellings by subarea, tenure and dwelling typology between 2018 and 2038

	Standalone dwelling				Multi-unit dwellings			
	2018	2028	2038	Change	2018	2028	2038	Change
Renters								
Belmont	680	810	1,010	330	270	310	370	100
Central	2,030	2,240	2,430	400	2,230	2,490	2,760	530
North East	2,510	2,690	2,880	370	1,370	1,510	1,690	320
Pencarrow - Wainuiomata	1,340	1,530	1,730	390	490	530	570	80
Petone - Eastbourne	1,000	1,120	1,230	230	1,230	1,420	1,610	380
Total Renters	7,560	8,390	9,280	1,720	5,590	6,260	7,000	1,410
Owner Occupiers								
Belmont	3,680	3,700	3,750	70	180	180	180	0
Central	6,410	6,360	6,390	-20	1,190	1,320	1,410	220
North East	4,200	4,120	4,010	-190	320	330	340	20
Pencarrow - Wainuiomata	4,150	4,300	4,330	180	200	210	210	10
Petone - Eastbourne	3,630	3,600	3,640	10	510	560	600	90
Total	22,070	22,080	22,120	50	2,400	2,600	2,740	340

Source: Modelled based on data from Hutt City, ForecastID and Statistics New Zealand

NB: Numbers are rounded to the nearest 10 in the modelling & consequently totals may slightly vary between tables.

Demand from renter households is strong for both standalone and multi-unit dwellings. Demand from owner occupier households is more complex. Demand for standalone dwellings is expected to fall in the Central and North East subareas and increase in the others. Owner occupier demand for multi-unit dwelling is expected to be flat in Belmont and increase in other subareas, particularly in the Central subarea.



Table 3.15 presents the change in the number of occupied dwellings between 2018 and 2038 by tenure and dwelling typology.

Table 3.15: Change in the number of occupied dwellings by tenure typology and subarea 2018 - 2038.

	Owner Occupied				Renters			
	Standalone		Multi-unit		Standalone		Multi-unit	
	Number	% inc	Number	% inc	Number	% inc	Number	% inc
Belmont	70	2%	0	0%	330	49%	100	37%
Central	-20	0%	220	18%	400	20%	530	24%
North East	-190	-5%	20	6%	370	15%	320	23%
Pencarrow – Wainuiomata	180	4%	10	5%	390	29%	80	16%
Petone -Eastbourne	10	0%	90	18%	230	23%	380	31%
Total	50	0%	340	14%	1,720	23%	1,410	25%

Source: Modelled based on data from Hutt City, ForecastID and Statistics New Zealand

NB: Numbers are rounded to the nearest 10 in the modelling & consequently total occupied dwellings may vary between tables.

The strongest projected growth for multi-unit dwellings is from renter occupied dwellings. Demand for standalone dwellings is also expected to be dominated by renter households with the strongest demand in Belmont subarea.



3.7 Current dwelling stock

Hutt City had 36,231 occupied dwellings as at the 2013 census. Table 3.16 presents a summary of the number of occupied and unoccupied dwellings.

Table 3.16: Housing stock in 2013

Local Authority	Occupied Dwellings			Unoccupied dwellings			% Vacant
	Private ¹⁰	Non-private ¹¹	Total	Residents away	Empty dwelling ¹²	Total	
Pencarrow – Wainuiomata	5,988	3	5,991	105	192	297	4.7%
Belmont	4,611	9	4,620	102	87	189	3.9%
North-east	8,100	24	8,124	135	318	453	5.3%
Central	11,340	60	11,400	255	462	717	5.9%
Petone	4,203	33	4,236	75	264	339	7.4%
Eastbourne	1,857	3	1,860	69	84	153	7.6%
Total Hutt City	36,099	132	36,231	741	1,407	2,148	5.6%

Source: Statistics New Zealand

A total of 2,148, or 5.6%, of Hutt City’s dwellings were unoccupied in 2013. Petone and Eastbourne had the highest proportion of unoccupied dwellings at 7.4% and 7.6% respectively. These levels of unoccupied dwellings are typical of the levels experienced in most urban areas.

Table 3.17 presents the trend in the number of occupied private dwellings between 2001 and 2013 for Hutt City and the various subareas.

Table 3.17: Number of occupied private dwellings 2001 to 2013

Area	Number of occupied dwellings			Change		Change 2001 to 2013	
	2001	2006	2013	01 to 06	06 to 13	Number	% change
Pencarrow – Wainuiomata	5,637	5,802	5,988	165	186	351	6.2%
Belmont	4,200	4,440	4,611	240	171	411	9.8%
North-east	7,896	8,100	8,100	204	0	204	2.6%
Central	10,890	11,277	11,340	387	63	450	4.1%
Petone	4,122	4,161	4,203	39	42	81	2.0%
Eastbourne	1,854	1,866	1,857	12	-9	3	0.2%
Total Hutt City	34,599	35,646	36,099	1,047	453	1,500	4.3%

Source: Statistics New Zealand

¹⁰ A private dwelling accommodates a person or a group of people. It is not generally available for public use. The main purpose of a private dwelling is as a place of habitation, and it is usually built (or converted) to function as a self-contained housing unit.

¹¹ A non-private dwelling provides short or long-term communal or transitory type accommodation. Non-private dwellings are generally available to the public for reasons of employment, study, special need, legal requirement or recreation.

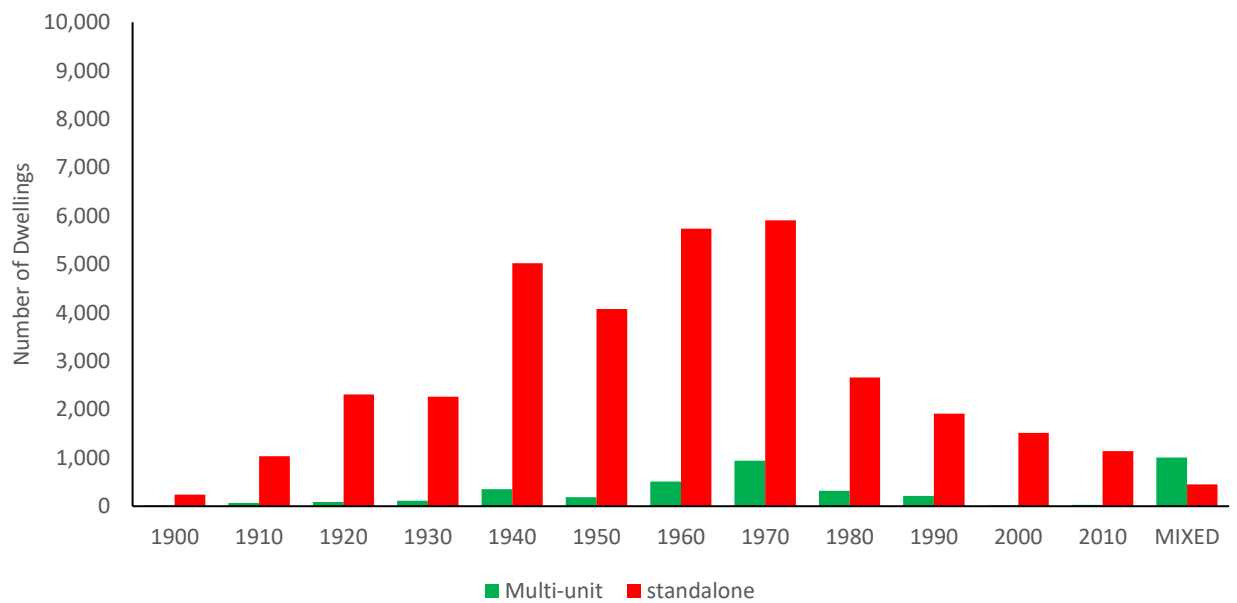
¹² An existing dwelling that is being altered, repaired, or extended and is unoccupied is coded as an 'empty dwelling'.



The Central, Pencarrow-Wainuiomata and Belmont subareas experienced the strongest growth in the number of occupied dwellings between 2001 and 2013. The number of occupied dwellings grew by 150 per annum or 0.4% between 2001 and 2013.

Figure 3.11 presents the age profile of Hutt City’s housing stock by the decade in which the dwellings were constructed.

Figure 3.11: Housing stock’s age profile



Source: Hutt City 2019

Median age of standalone dwellings is between 1960 and 1969 whereas multi unit dwellings’ median age is between 1970 and 1979.



Table 3.18 presents the proportion of dwellings by decade of construction and typology.

Table 3.18: Age of the dwelling stock

	Stand alone		Multi- unit		Total	
	No of Dwellings	% of total	No of Dwellings	% of total	No of Dwellings	% of total
Pre 1920	1,273	3.7%	81	2.1%	1,354	3.6%
1920 to 1929	2,307	6.7%	85	2.2%	2,392	6.3%
1930 to 1939	2,261	6.6%	114	3.0%	2,375	6.2%
1940 to 1949	5,018	14.6%	349	9.1%	5,367	14.1%
1950 to 1959	4,076	11.9%	186	4.8%	4,262	11.2%
1960 to 1969	5,738	16.8%	513	13.3%	6,251	16.4%
1970 to 1979	5,905	17.2%	942	24.5%	6,847	18.0%
1980 to 1989	2,660	7.8%	317	8.2%	2,977	7.8%
1990 to 1999	1,913	5.6%	210	5.5%	2,123	5.6%
2000 to 2009	1,518	4.4%	16	0.4%	1,534	4.0%
Post 2010	1,137	3.3%	29	0.8%	1,166	3.1%
Mixed	448	1.3%	1,008	26.2%	1,456	3.8%
Total	34,254	100.0%	3,850	100.0%	38,104	100.0%

Source: Hutt City 2019

Over half of Hutt City’s housing stock was built prior to 1970 and 7.1% has been built since 2000. Overall, the area’s housing stock is relatively old compared to other locations reflecting the low level of population growth since 1990.

Figure 3.12 presents the estimated average value of dwellings by typology and decade in which they were constructed.



Figure 3.12: Average dwelling value by decade built and typology



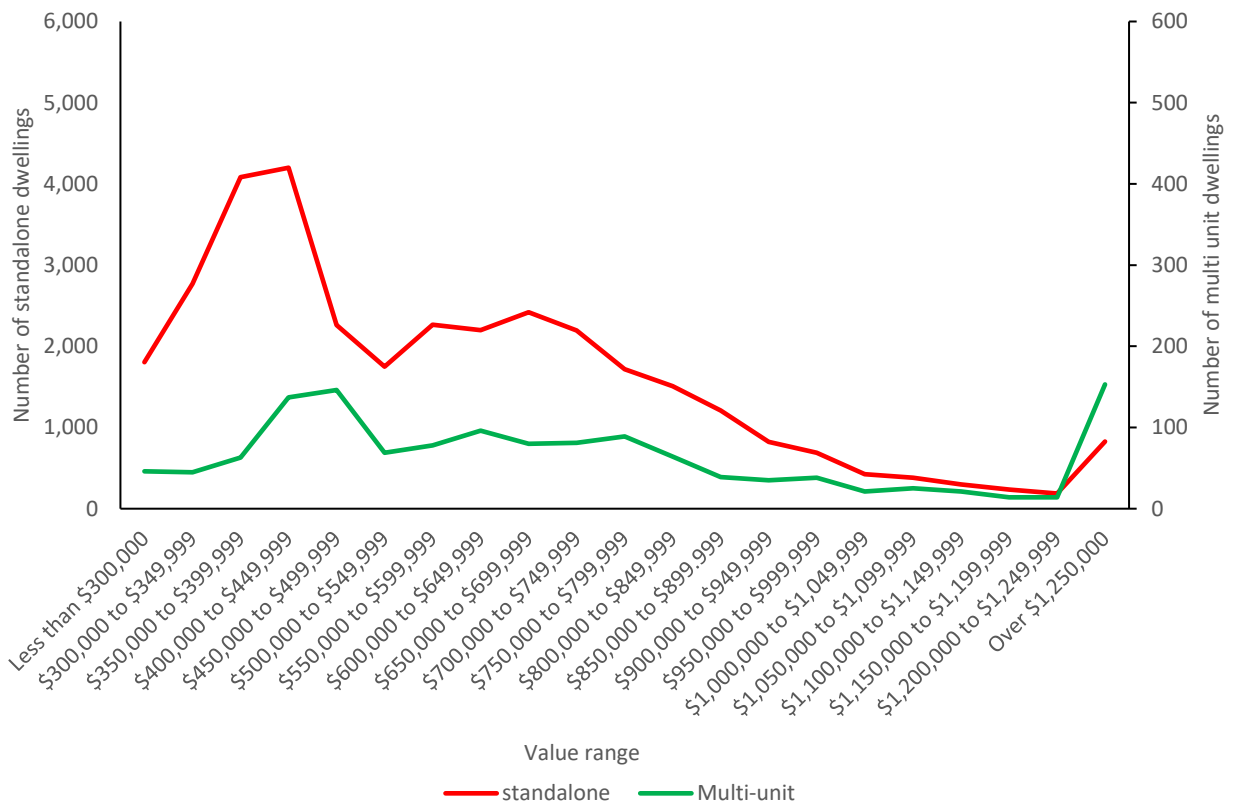
Source: Modelled on data sourced from Hutt City 2019

Standalone dwellings built between 1940 and 1979, and Multi-unit dwellings built between 1970 and 1989 have the lowest average values. This is likely to reflect the subareas in which they were constructed, the size of the dwellings, their condition and the relative level of demand in that location.



Figure 3.13 presents the distribution of property values in Hutt City. These values are based on the capital values using rating valuations adjusted for the movement in market values post roll date.

Figure 3.13: Residential dwelling value distribution as at June 2018



Source: Modelled from data provided by Hutt City

Table 3.19 presents the estimated value distribution of dwellings by subarea.

Table 3.19: Dwelling value by subarea

Dwelling value range	Belmont	Central	Eastbourne	North East	Pencarrow - Wainuiomata	Petone
Less than \$400,000	5%	10%	1%	35%	66%	11%
\$400,000 to \$499,999	6%	11%	2%	42%	23%	5%
\$500,000 to \$599,000	17%	15%	4%	14%	5%	5%
\$600,000 to \$699,000	29%	20%	7%	6%	2%	15%
\$700,000 to \$799,000	23%	14%	13%	3%	1%	26%
\$800,000 to \$899,000	10%	11%	19%	0%	1%	21%
\$900,000 to \$999,000	4%	7%	16%	0%	1%	9%
Over \$1,000,000	6%	12%	39%	0%	1%	8%
Total	100%	100%	100%	100%	100%	100%

Source: Modelled on data sourced from Hutt City



A total of 77% of North East’s and 89% of Pencarrow-Wainuiomata’s dwelling stock is estimated to be worth less than \$500,000 as at 2018. Comparatively, 19% of Central and 54% of Eastbourne’s dwellings are estimated to have values in excess of \$900,000.

Table 3.20 presents the dwellings in Hutt City by the number of bedrooms in 2001 and 2013.

Table 3.20: Hutt City - Dwelling stock by number of bedrooms

No of bedrooms	Number of Dwellings			Change in no of dwellings		% Change 01 to 13
	2001	2006	2013	01 to 06	06 to 13	
One	1,866	1,926	1,881	60	-45	1%
Two	7,869	7,935	7,458	66	-477	-5%
Three	15,969	16,437	15,963	468	-474	0%
Four	6,081	6,516	7,050	435	534	16%
Five +	1,695	1,812	1,929	117	117	14%
Total stated	33,480	34,626	34,281	1,146	-345	2%
Unknown	1,116	1,023	1,812	-93	789	62%
Total	34,596	35,649	36,093	1,053	444	4%

Source: Statistics New Zealand

The increase in the number of unknown dwellings (number of bedrooms not stated) makes it difficult to interpret the change in the number of dwellings by number of bedrooms. However, they do demonstrate that the majority of Hutt City’s dwelling stock has three bedrooms with also a large number of two and four bedroom dwellings.

Table 3.21 presents dwellings by the number of bedrooms and subarea in 2013.

Table 3.21: Dwellings by subarea and number of bedrooms

	Pencarrow - Wainuiomata		Belmont		North-east		Central		Petone		Eastbourne		Hutt City	
	No	%	No	%	No	%	No	%	No	%	No	%	No	%
One	96	2%	54	1%	393	5%	777	7%	441	11%	114	6%	1,875	5%
Two	717	12%	483	11%	1,809	22%	2,994	26%	1,104	26%	345	19%	7,452	21%
Three	3,432	57%	2,148	47%	3,816	47%	4,263	38%	1,662	40%	645	35%	15,966	44%
Four	1,113	19%	1,383	30%	1,230	15%	2,154	19%	633	15%	513	28%	7,026	19%
Five +	294	5%	402	9%	297	4%	621	5%	153	4%	159	9%	1,926	5%
Total stated	5,652	94%	4,470	97%	7,545	93%	10,809	95%	3,993	95%	1,776	96%	34,245	95%
Unknown	330	6%	126	3%	552	7%	519	5%	204	5%	75	4%	1,806	5%
Total	5,982	100%	4,596	100%	8,097	100%	11,328	100%	4,197	100%	1,851	100%	36,051	100%

Source: Statistics New Zealand



The Central subarea has a higher proportion of one and two bedroom dwellings than the average for Hutt City while Pencarrow-Wainuiomata and North East subareas have proportionally more three bedroom dwellings. Belmont and Eastbourne have a higher proportion of four bedroom dwellings.

The suitability of the stock relative to the population is difficult to measure. However, the level of crowding and underutilisation of the housing stock does provide a gauge of the “fit” of the dwelling stock relative to the housing market’s population. Care needs to be taken as the unaffordability of housing costs can drive crowding. Table 3.22 presents the relative level of crowding and underutilisation of the housing stock as at 2013.

Table 3.22: The relative level of crowding and underutilisation of the housing stock in 2013

	Hutt City		Greater Wellington		New Zealand	
	Dwellings	% of total	Dwellings	% of total	Dwellings	% of total
Owner Occupiers						
1 bedroom needed (crowded)	468	2.2%	1,659	1.8%	16,995	1.9%
2 or more bedrooms needed (severely crowded)	132	0.6%	351	0.4%	5,013	0.5%
Total - crowded	600	2.8%	2,010	2.1%	22,008	2.4%
Total - No extra bedrooms required	3,270	15.1%	13,362	14.1%	117,600	12.9%
1 bedroom spare	7,779	35.9%	33,624	35.5%	298,137	32.6%
2 or more bedrooms spare	10,635	49.0%	47,745	50.4%	498,504	54.5%
Total not crowded	18,414	84.9%	81,369	85.9%	796,641	87.1%
Total stated	21,684	100.0%	94,731	100.0%	914,241	100.0%
Renters						
1 bedroom needed (crowded)	1,029	10.4%	3,855	8.0%	37,407	8.2%
2 or more bedrooms needed (severely crowded)	333	3.4%	1,080	2.2%	12,855	2.8%
Total - crowded	1,362	13.7%	4,935	10.3%	50,262	11.0%
Total - No extra bedrooms required	4,350	43.8%	22,857	47.5%	181,146	39.8%
1 bedroom spare	3,996	40.2%	17,787	37.0%	174,114	38.2%
2 or more bedrooms spare	1,584	16.0%	7,488	15.6%	100,398	22.0%
Total - not crowded	5,580	56.2%	25,275	52.5%	274,512	60.2%
Total dwellings stated	9,930	100.0%	48,132	100.0%	455,658	100.0%

Source: Statistics New Zealand

Hutt City’s owner occupiers had a slightly higher than average level of crowding in 2013. However, 13.7% of renter households were crowded compared to the greater Wellington average of 11.0%. The proportion of owner occupier and renter households which had spare bedrooms (slightly underutilising their capacity) was slightly lower than the national average in 2013. Interviews with social services agencies indicate that levels of crowding may be increasing.



Table 3.23 presents the trend in crowding and underutilisation by tenure and subarea between 2001 and 2013.

Table 3.23: Crowding and underutilisation trends by tenure and subarea 2001 to 2013

	Number of households			As a % of households by tenure		
	2001	2006	2013	2001	2006	2013
Crowded Households						
Renters						
Belmont	27	24	42	4%	3%	5%
Central	363	381	405	10%	11%	11%
North East	465	549	540	15%	17%	17%
Pencarrow - Wainuiomata	162	174	189	13%	13%	12%
Petone-Eastbourne	204	165	189	10%	9%	10%
Owner Occupiers						
Belmont	51	48	21	2%	1%	1%
Central	129	150	144	2%	2%	2%
North East	207	201	189	5%	5%	5%
Pencarrow - Wainuiomata	210	222	168	5%	5%	4%
Petone-Eastbourne	90	75	75	2%	2%	2%
Underutilised dwellings						
Renters						
Belmont	531	480	564	69%	67%	70%
Central	1,758	1,695	1,806	48%	48%	48%
North East	1,437	1,395	1,434	46%	44%	44%
Pencarrow - Wainuiomata	645	711	849	53%	52%	55%
Petone-Eastbourne	870	924	921	44%	48%	48%
Owner Occupiers						
Belmont	2,796	3,132	3,204	85%	88%	89%
Central	5,397	5,718	5,724	82%	82%	84%
North East	3,285	3,264	3,222	77%	78%	78%
Pencarrow - Wainuiomata	3,087	3,183	3,174	75%	78%	80%
Petone-Eastbourne	2,949	3,018	3,075	81%	82%	83%

Source: Statistics New Zealand – Census

The North East subarea had the highest levels of crowding and the level of crowding increased by two percentage points between 2001 and 2013.



4. Hutt City migration trends

4.1 Introduction

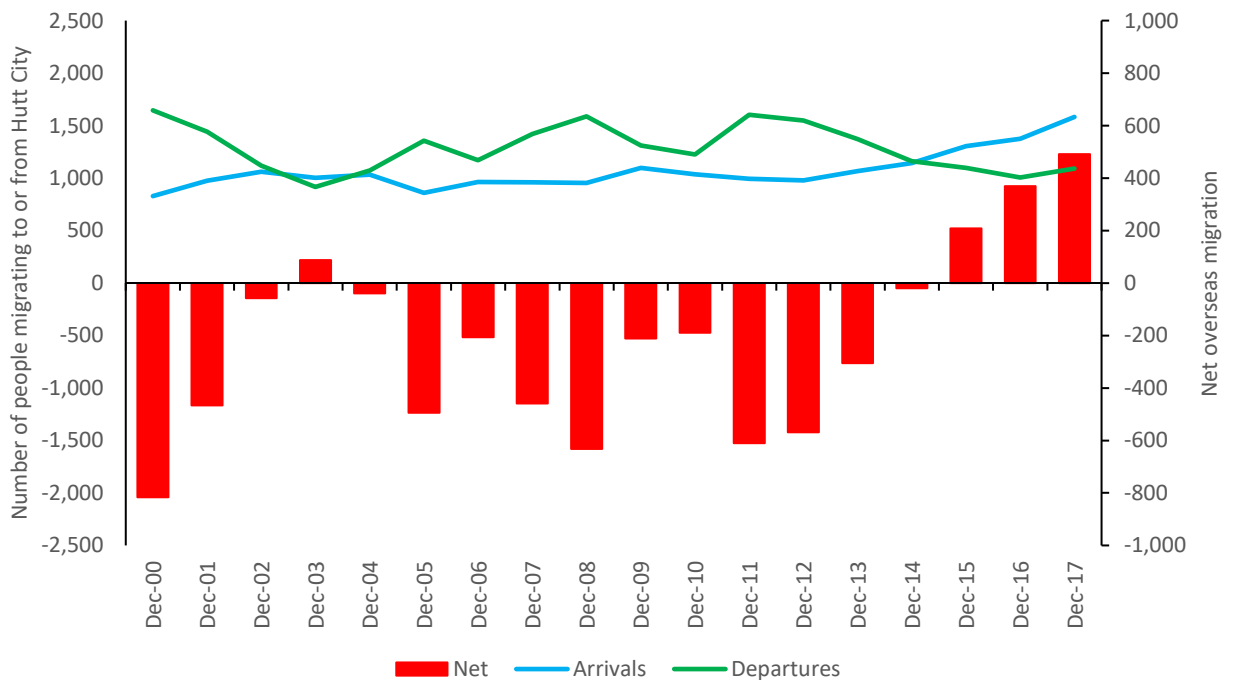
The objective of this section of the report is to present analysis of migration trends into and out of Hutt City. The analysis includes net overseas migration trends and internal migration patterns.

4.2 Oversea net migration trends

Hutt City’s net overseas migration patterns are similar to a number of other locations. In the longer term typically there has been a net outflow of people overseas. However, with the high levels of national net migration gains over the last four years this trend has reversed. Over the three years ending December 2017 Hutt City’s overseas net migration gain totalled 1068 people. Over the last 10 years the net outflow totalled 1,499 people.

Figure 4.1 presents the trend in Hutt City’s overseas migration inflows, outflows and the net gain or loss between 2000 and 2017.

Figure 4.1: Hutt City’s overseas migration flows



Source: Statistics New Zealand



4.3 Internal migration patterns

Internal migration refers to the number of New Zealand residents shifting between locations within New Zealand. Table 4.1 presents the trend in Hutt City’s internal migration between 2013 and 2017.

Table 4.1: Hutt City’s internal migration patterns

	Jun-2014	Jun 2015	Jun 2016	Jun 2017	Total
Number of Hutt City residents departing	6,414	6,840	7,314	6,726	27,294
Number of people shifting to Hutt City	6,096	6,408	6,795	6,327	25,626
Net loss or gain	-318	-432	-519	-399	-1,668

Source: Statistics New Zealand

Over the four year period 2014 to 2017 Hutt City has had a net internal migration loss of between 318 and 519 people per year. Table 4.2 presents the total internal migration statistics for the four year period (2014 to 2017) by location of majority loss or gains of residents.

Table 4.2: Internal migration by location

Local authority area	Number of Hutt City residents departing	Number of people shifting to Hutt City	Net loss or gain
Wellington city	6,075	7,491	1,416
Upper Hutt city	4,662	3,936	-726
Porirua city	1,593	1,596	3
Kapiti Coast district	1,320	984	-336
Carterton district	276	120	-156
South Wairarapa district	426	246	-180
Masterton district	519	363	-156
Total Wellington Region	14,871	14,736	-135
Other main centres			
Auckland	2,622	2,286	-336
Christchurch city	969	834	-135
Hamilton city	459	516	57
Tauranga city	594	441	-153
Napier/Hastings	918	771	-147
Palmerston North	936	762	-174
Overall to all areas within New Zealand	27,294	25,626	-1,668

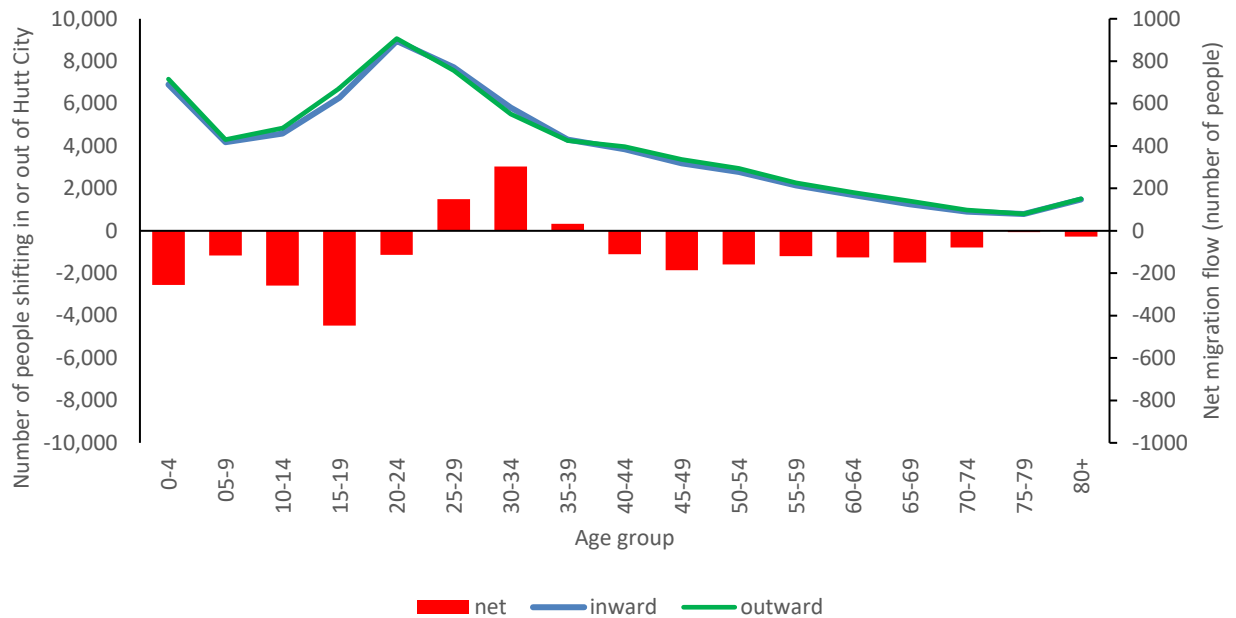
Source: Statistics New Zealand

Hutt City had a significant internal migration gain from Wellington City although it experienced a net outflow to most other locations.



Figure 4.2 presents a summary of Hutt City’s internal migration by age of the migrant between 2013 and 2017.

Figure 4.2: Hutt City’s inward migration by age between 2013 and 2017



Source: Statistics New Zealand

Although Hutt City had a net outflow of internal migrants between 2013 and 2017 it experienced a gain in the number of people aged between 25 and 39 years. Table 4.3 presents the trend in the net flow of internal migrants between Wellington City and Hutt City between 2013 and 2017.

Table 4.3: Net internal migration flow between Wellington and Hutt Cities

Age group	Number of Wellington City residents shifting to Hutt City	Number of Hutt City residents departing to Wellington City	Net loss or gain
Less than 20 years	1,599	1,500	99
21 to 30 years	2,361	2,091	270
30 to 39 years	1,665	1,053	612
40 to 49 years	753	621	132
50 to 65 years	705	555	150
Over 65 years	408	255	153
Total	7,491	6,075	1,416

Source: Statistics New

Hutt City gained people across all age groups from Wellington City with 43% aged between 30 to 39 years of age.



5. Workplace geography

5.1 Introduction

The objective of this section of the report is to present analysis of where Hutt City resident live and work (workplace geography). The analysis is present in two parts. First, for All Hutt City residents combined and second by housing subarea areas.

5.2 Hutt City workplace geography

The objective of this section of the report is to examine the workplace geography of Hutt City residents. Table 5.1 presents analysis of where all Hutt City renter households work by household income.

Table 5.1: Hutt City renter households workplace geography

Hutt City residents Workplace	Less than \$50,000 (low income)		\$50,000 to \$100,000 (middle income)		over \$100,000 (high income)		All renters	
	Hhlds	% of Total	Hhlds	% of Total	Hhlds	% of Total	Hhlds	% of Total
Pencarrow - Wainuiomata	126	4%	117	2%	48	2%	291	3%
Belmont	0	0%	0	0%	0	0%	0	0%
North-East	324	11%	366	7%	153	5%	843	8%
Central	879	29%	1,353	27%	717	23%	2,949	26%
Petone	399	13%	690	14%	333	11%	1,422	13%
Eastbourne	39	1%	33	1%	33	1%	105	1%
Petone - Eastbourne	438	15%	720	14%	366	12%	1,524	14%
Lower Hutt undefined	84	3%	93	2%	45	1%	222	2%
Total Hutt City	2,289	77%	3,372	67%	1,695	55%	7,356	66%
Upper Hutt	96	3%	216	4%	108	3%	420	4%
Wellington City	561	19%	1,392	28%	1,227	40%	3,180	29%
Porirua	36	1%	72	1%	60	2%	168	2%
Kapiti	6	0%	6	0%	6	0%	18	0%
Total	2,988	100%	5,058	100%	3,096	100%	11,142	100%

Source: Statistics New Zealand

Lower income (earning less than \$50,00 per annum) households are more likely to work in Hutt City than higher income households. High income households proportionally are more likely to work in Wellington City than middle and low income households. Low income households are also more likely to work in Central and North East subarea areas than middle and high income households.



Table 5.2 presents analysis of where all Hutt City owner occupied households work by household income.

Table 5.2: Hutt City owner occupied households workplace geography

	Less than \$50,000 (low income)		\$50,000 to \$100,000 (middle income)		over \$100,000 (high income)		All owner occupiers	
	Hhlds	% of Total	Hhlds	% of Total	Hhlds	% of Total	Hhlds	% of Total
Pencarrow - Wainuiomata	168	7%	432	5%	381	2%	981	4%
Belmont	0	0%	0	0%	0	0%	0	0%
North-East	339	14%	939	10%	1,176	7%	2,454	9%
Central	774	32%	2,769	31%	4,128	26%	7,671	28%
Petone	375	15%	1,260	14%	1,758	11%	3,393	12%
Eastbourne	84	3%	117	1%	339	2%	540	2%
Lower Hutt undefined	72	3%	171	2%	174	1%	417	2%
Total Hutt City	1,812	75%	5,688	63%	7,953	50%	15,453	57%
Upper Hutt	99	4%	354	4%	501	3%	954	3%
Wellington City	489	20%	2,826	31%	7,041	45%	10,356	38%
Porirua	21	1%	144	2%	279	2%	444	2%
Kapiti	0	0%	27	0%	30	0%	57	0%
Total	2,421	100%	9,039	100%	15,804	100%	27,264	100%

Source: Statistics New Zealand

Owner occupier households have similar workplace geography patterns as renter households. Proportionally more lower income households work in Hutt City than higher income households. Typically, more lower income households work in North East, Central, Pencarrow-Wainuiomata and Petone than higher income households. In addition, a higher proportion of owner occupier households (38%) work in Wellington City than renter households (29%).



5.3 Workplace geography by subarea

The objective of this section of the report is to examine the trend in workplace geography by subarea. Table 5.3 presents a summary of the subarea workplace geography analysis. The table presents the proportion of workers who work in the subarea they live in, Hutt City, and Wellington city by household income and tenure. A detailed breakdown of the subarea workplace geography is presented in Appendix Three.

Table 5.3: Subarea workplace geography.

	Less than \$50,000 (low income)			\$50,000 to \$100,000 (middle income)			Over \$100,000 (high income)		
	Subarea	Hutt City	Wgtn City	Subarea	Hutt City	Wgtn City	Subarea	Hutt City	Wgtn City
Renters									
Belmont	0%	59%	21%	0%	49%	33%	0%	42%	43%
Central	40%	62%	20%	36%	55%	31%	29%	44%	42%
North east	21%	57%	15%	16%	54%	22%	11%	48%	35%
Pencarrow – Wainuiomata	22%	66%	16%	13%	62%	21%	11%	54%	31%
Petone Eastbourne	9%	60%	23%	3%	50%	36%	3%	43%	46%
Owner Occupiers									
Belmont	0%	66%	18%	0%	55%	33%	0%	45%	44%
Central	44%	66%	17%	40%	57%	30%	34%	49%	42%
North east	23%	60%	16%	18%	58%	25%	16%	48%	36%
Pencarrow – Wainuiomata	24%	65%	14%	16%	61%	25%	13%	53%	34%
Petone Eastbourne	18%	68%	20%	9%	55%	36%	10%	42%	49%

Source: Statistics New Zealand

As an example of how to interpret the statistics in Table 5.3, 40% of low income renters households who live in Central subarea also work in the Central subarea. In addition, 62% of central subarea households also work in Hutt City and a further 20% work in Wellington City. Key trends include:

- Proportionally fewer renters living in North East and Pencarrow-Wainuiomata subareas work in Wellington City;
- The Petone Eastbourne subarea has proportionally more low income residents living and working in the same subarea;
- The Petone Eastbourne also has proportionally more residents working in Wellington City than other subareas across all income groups and tenures;
- The Central subarea also has a high proportion of residents living and working in the same subarea; and
- Low income residents (both renters and owner occupiers) are likely to live and work in the same subarea.



Table 5.4 compares where Hutt City Residents live and the distribution of Hutt City residents place of employment for low income¹³ and all households.

Table 5.4: Distribution of households and workplace for Hutt City usually resident households

	Hutt City residents location		Hutt City residents' work place	
	Low income	All households	Low income	All households
Belmont	7%	13%	0%	0%
Central	33%	31%	28%	26%
North East	27%	22%	11%	8%
Pencarrow-Wainuiomata	18%	16%	5%	3%
Petone - Eastbourne	15%	17%	15%	13%
Wellington City	-	-	18%	32%
Other local authorities	-	-	23%	18%
Total	100%	100%	100%	100%

Source: Statistics New Zealand

Key trends include:

- A total of 33% of households live in the Central sub area while 26% of all Hutt City residents work in the central area;
- Belmont, North East and Pencarrow-Wainuiomata sub areas all have proportionally fewer jobs relative to the number of households living in the area;
- Approximately half the proportion of low income households work in Wellington City relative to all households resident in Hutt City.

¹³ Low income refers to households earning less than \$50,000 per annum.



6. Housing affordability and need

6.1 Introduction

The objective of this section of the report is to present the trends in housing affordability in Hutt City and subareas and discuss:

- Trends in housing affordability;
- Housing continuum;
- Renter housing stress;
- Location of where low-income renters live within the urban area; and
- Crowding, homelessness; and
- Housing need.

6.2 Trends in housing affordability

Housing affordability varies with the movement in household incomes, interest rates, market rents and house prices. Housing affordability is considered compromised when housing costs (rents or the cost to service a mortgage plus other housing costs) exceed 30% of gross household income. Housing affordability is typically measured as:

- Renter affordability – renters’ ability to pay affordably the median market rent; and
- First home buyer affordability - renters’ ability to purchase a dwelling at either the lower quartile or median dwelling sale price.

Housing affordability comes under pressure when housing costs increase at a faster rate than household incomes. Variations in interest rates can mask the underlying trends in first home buyer affordability in the short to medium term. Table 6.1 presents the trend in median house sale prices, rents and household incomes between 2001 and 2018.

Table 6.1: Median house prices, median rents and median gross household incomes – 2001 to 2018

	Lower quartile rent	Median rent	Lower quartile house sale price	Median household income
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
% change				
2001 to 2006	16%	13%	86%	24%
2006 to 2013	30%	30%	18%	23%
2013 to 2018	33%	29%	62%	19%
2001 to 2018	100%	88%	256%	81%

Source: Statistics New Zealand, MBIE and Corelogic



Over the last 17 years house prices have increased over three times faster than household incomes and rents have increased at a slightly faster rate.

Table 6.2 presents the proportion of median household income required to affordably pay the lower quartile rent, median rent and service a dwelling purchased at the lower quartile house sale price.

Table 6.2: The proportion of median household income required to affordably pay rent or buy a dwelling

Year	Rents, lower quartile house price and median income				% of median household income required to affordably pay rent or service a loan		
	Lower quartile rent	Median rent	Lower quartile house price	Median household income	Lower Quartile rent	Median Rent	Lower quartile house price
2001	\$200	\$240	\$118,000	\$45,700	76%	91%	70%
2006	\$231	\$270	\$220,000	\$56,700	71%	83%	122%
2013	\$300	\$350	\$259,000	\$69,500	75%	87%	85%
2018	\$400	\$450	\$420,000	\$82,500	84%	95%	107%
% change							
2001 to 2018	100%	88%	256%	81%	8%	4%	37%

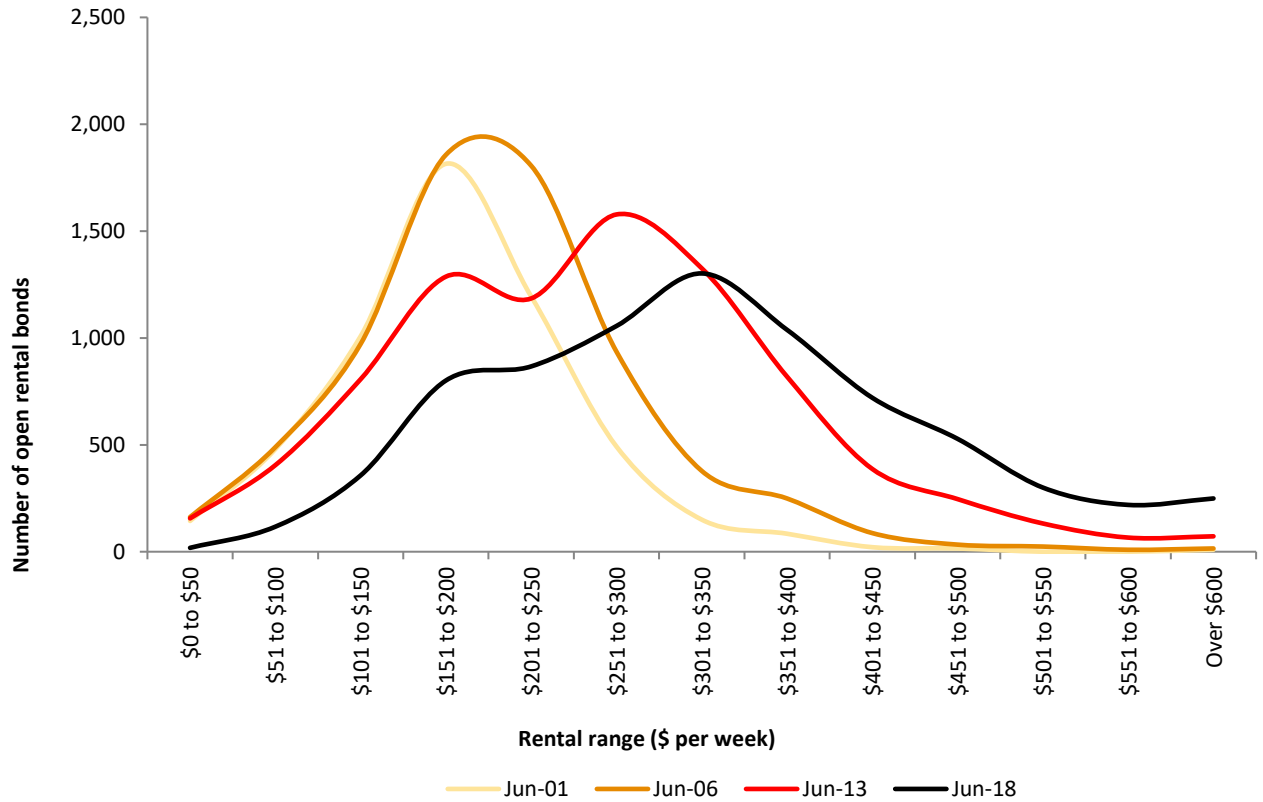
Source: based on data from Statistics New Zealand, MBIE and Corelogic

When compared to 2001, it takes between four and eight percentage points more of median household income to affordably pay the lower quartile and median market rent in Hutt City. The cost of affordably servicing a loan to buy a dwelling at the lower quartile house sale price has increased 47 percentage points. This would have been significantly higher had interest rates not fallen by two percentage points.

In addition to the change in key market statistics (lower quartile and median rents) the shape of the distribution of market rents has also changed. Figure 6.1 presents the trend in market rental distribution in Hutt City between 2001 and 2018.



Figure 6.1: Hutt City’s open tenancy rental distribution 2001 to 2018



Source: MBIE

The distribution of open rents has changed with a significantly wider and flatter spread of rental prices. This suggests that renter households will be paying a wider range of rents with some paying costs significantly higher than others.



Table 6.3 presents the ratio of median house sale price to median household income between 2001 and 2018.

Table 6.3: Median house price to median household income

	Belmont	Central	North East	Pencarrow - Wainuiomata	Petone - Eastbourne	Hutt City
MHI to house price ratio						
2001	3.1	4.6	3.3	2.4	4.6	3.7
2006	4.4	6.4	5.2	4.3	6.5	5.0
2013	4.4	5.8	5.1	3.8	5.7	5.0
2018	5.5	7.2	7.0	5.7	6.8	6.2
01 to 18	2.4	2.6	3.7	3.3	2.2	2.5
Cost as a % of MHI						
2001	68%	96%	74%	53%	96%	70%
2006	122%	157%	140%	112%	148%	122%
2013	83%	105%	99%	77%	101%	85%
2018	109%	136%	139%	112%	117%	116%
01 to 18	40%	40%	65%	59%	20%	47%

Source: Modelled based on Statistics New Zealand data

The ratio of the subarea median house prices to median household incomes in each individual subarea have increased in all subareas between 2001 and 2018. These trends reflect the high growth in house prices relative to incomes. The least affordable location in 2018 is the Central subarea closely followed by the North East subarea. The house price ratios in all subareas are now in the range considered not affordable.

The proportion of median household income required to affordably buy a median price house in each individual subarea has also increased in all subareas between 2001 and 2018. These trends reflect the high growth in house prices relative to incomes. The least affordable location in 2018 is the North East subarea closely followed by the Central subarea. This is reflective of the relatively low median household income in the North East subarea and the relatively high median house price in the Central subarea.



Table 6.4 presents the median market rent as a percentage of the median gross household income between 2001 and 2018.

Table 6.4: Median rent to median household income

	Belmont	Central	North East	Pencarrow - Wainuiomata	Petone - Eastbourne	Hutt City
Lower Quartile rent						
2001	59%	74%	80%	73%	80%	76%
2006	56%	76%	81%	73%	75%	71%
2013	63%	76%	86%	80%	68%	75%
2018	60%	86%	93%	84%	67%	84%
01 to 18	1%	12%	13%	11%	-12%	8%
Median Rents						
2001	69%	87%	93%	78%	94%	91%
2006	64%	89%	90%	81%	88%	83%
2013	72%	90%	100%	87%	85%	87%
2018	74%	102%	110%	92%	87%	95%
01 to 18	5%	16%	18%	14%	-7%	4%

Source: Modelled based on Statistics New Zealand and HUD data

Median market rent to median household income ratio increased in all but one subarea between 2001 and 2018. This reflects the strong growth in rents in some locations relative to household incomes. The Petone-Eastbourne subarea result is likely related to a change in the composition off rental stock (more smaller units renting at lower rates than larger units) rather than a decrease in rents within the subarea.

Table 6.5 presents the proportion of renter households that are unable to affordably¹⁴ pay the median market rent or buy a dwelling at the median market sale price.

Table 6.5: The proportion of renter households unable to affordably rent or buy in 2001 and 2018

	% of renters unable to affordably rent			% of renters unable to affordably purchase		
	2001	2018	Change	2001	2018	Change
Belmont	42.7%	51.1%	8.5%	42.1%	79.4%	37.3%
Central	61.9%	80.5%	18.7%	66.5%	97.3%	30.9%
North East	66.4%	78.2%	11.8%	55.9%	87.8%	31.8%
Pencarrow - Wainuiomata	53.7%	68.5%	14.8%	37.1%	78.8%	41.7%
Petone - Eastbourne	62.3%	60.7%	-1.6%	63.6%	76.7%	13.0%
Hutt City	62.2%	68.1%	5.9%	51.6%	81.3%	29.7%

Source: Modelled based on data from Hutt City, ForecastID, MBIE, and Statistics New Zealand

¹⁴ A household can affordably rent or buy a dwelling if it spends no more than 30% of its gross household income on housing costs



The number of renters unable to affordably pay the median market rent increased in all subareas between 2001 and 2018 (with the exception of the Petone Eastbourne subarea). In 2018 between 51% and 81% of all renters were unable to affordably rent a dwelling. The proportion of renters unable to affordably purchase a dwelling at the median house price increased by between 13 and 42 percentage points between 2001 and 2018. Table 6.6 presents the trend in key price points for renter households. These statistics reflect the projected trend in the number renter households that can affordably rent a dwelling at different price points.

Table 6.6: The projected number of renter households by key rental price points – 2018

Weekly rent	Number of renters	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%
	13,150	100.0%

Source: Modelled based on data from Hutt City, ForecastID, MBIE, and Statistics New Zealand

Hutt City’s median market rent is \$450 per week. These statistics suggest 68% of renters are unable to pay the median market rent and 62% were unable to affordably pay the lower quartile rent.



Table 6.7 presents the number of renters able to affordably purchase a dwelling by price band in 2018.

Table 6.7: Renter households' ability to affordably purchase - 2018

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%

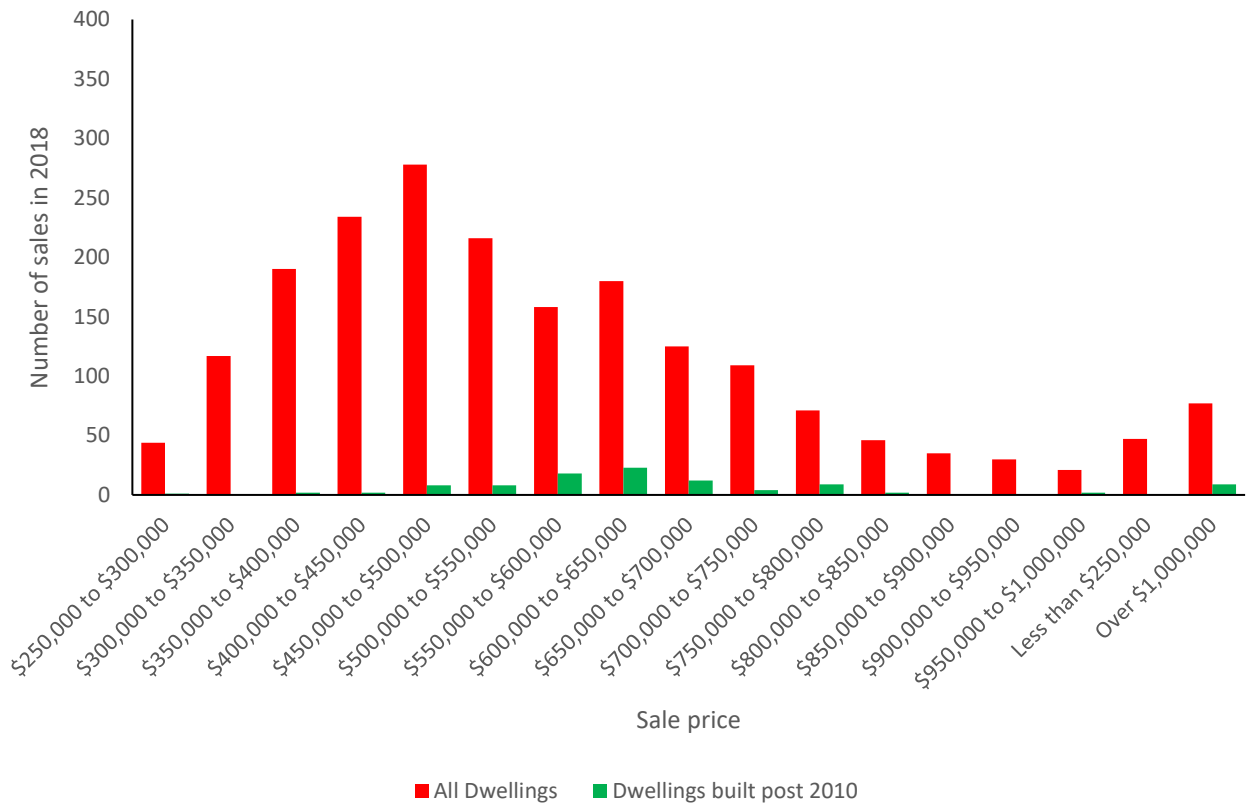
Source: Modelled based on data from Hutt City, ForecastID, MBIE, and Statistics New Zealand

Over 78% of renters are unable to affordably purchase a dwelling at \$420,000 (the Lower Quartile House Price) in Hutt City. This increases to almost 89% of renters at a sale price of \$550,000.



Figure 6.2 presents the number of dwellings sold in Hutt City during 2018 by price band. In addition, the number of properties sold that have been built since 2010 is also included.

Figure 6.2: House sales by price band since the beginning of 2016



Source: Headway Systems

There is a mismatch between the prices being achieved and renters households' ability to pay market prices. There were approximately 400 sales for dwellings with prices less than \$400,000. This represents approximately 20% of the market.



6.3 New supply

Market participants report strong demand coming from buyers outside of Hutt City. The proximity to employment in Wellington via the motorway and public transit mean that Hutt City is an attractive real estate market. The constrained Wellington market and relatively more affordable homes in Hutt City are leading to increased prices and development activity. The type of new homes being supplied varies by subarea. In general, the changes in household size are not yet fully addressed in the new supply being delivered.

Development of new supply in Hutt City is responding to incentives available in the market. This is reflected in new supply delivery in Wainuiomata where traditional detached 3- & 4-bedroom homes are popular. The price points set at the \$550,000 maximum to qualify for the KiwiSaver and Welcome Home loans have high demand. The Masonic Villages Trust is completing a new Retirement Village development in Wainuiomata projected to open in spring 2019. This follows on the completion of a village in Woburn in 2017. While these will provide needed 1- & 2-bedroom homes for seniors, they will not be priced at a level meeting affordability requirements for households whose only income is Superannuation.

Port Nicholson Block Settlement Trust is developing a Papakainga housing development in Wainuiomata. The development is on settlement land and will provide a mixture of housing types including kaumatua flats and for sale homes. 82 new homes are planned, including 15 shared ownership homes reserved for Iwi members. These types of progressive homeownership programmes are a good response to enable renter households to transition to ownership.

In the Central City, there are initial projects to convert from office to residential. These are also tied with incentives available from government's KiwiBuild programme. Constraints identified in the central city include higher land costs, relatively large lot sizes and seismic related expenses. Compared to some other subareas, the access to jobs in Wellington is not as convenient. Council is actively improving public spaces and related amenities to encourage more residential development. This will help to develop a sense of place and character which will be developer confidence to invest.

The fringe of the Central City and Petone have seen an increase in medium density typologies. These have been delivered by private developers as well as Urban Plus, the CCO which maintains Council's housing stock. The Petone market enjoys a reputational advantage with an image amongst many as a desirable place to live. Constraints in the area include the impacts of sea level rise and insurability.

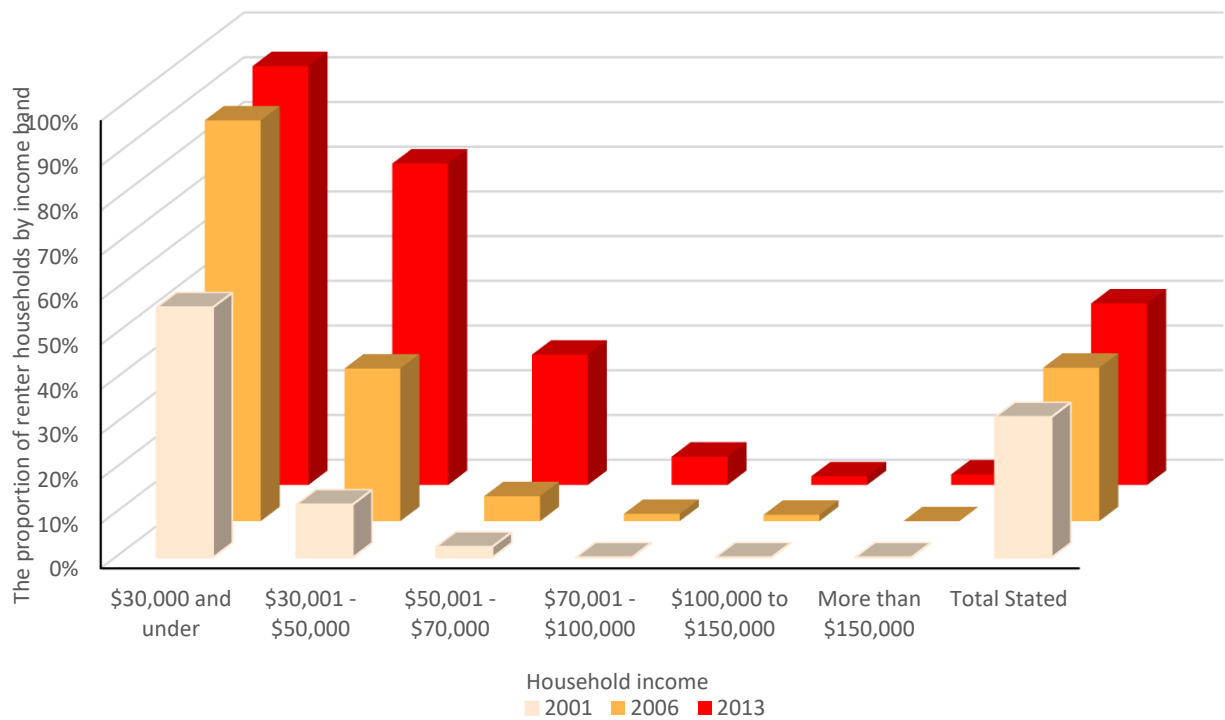
The announced Housing New Zealand developments in Eponi represent what is likely to be the beginning of more active redevelopment of their portfolio in the North East subarea. Hutt City is actively engaging with HNZ and the Minister of Housing regarding these proposals. Our understanding is that Hutt City is seeking agreement on the level of concentration of new public homes. The intention to create mixed-income, mixed-tenure communities that offer a diversity of price points and typologies is justified based on the housing needs documented in this report. In addition, this can respond to the trend of increasing concentration of lower quartile rentals identified in Figures 6.5 and 6.6 in this report.



6.4 Trends in housing stress

Private renter housing stress¹⁵ is experienced by households that have insufficient income to affordably pay their housing costs. This can occur because either housing costs are high relative to market norms or incomes in an area are low. Renter housing stress is defined as those households that are paying more than 30% of their gross household income in rent. Severe housing stress is those households paying more than 50% of their gross household income in rent. Figure 6.3 presents the trend on the level of housing stress between 2001 and 2013 by gross household income in Hutt City.

Figure 6.3: Housing stress by gross household income 2001 and 2013



Source Statistics New Zealand

The proportion of renter households experiencing housing stress increased for renters. Between 2001 and 2013 the proportion of stressed renters between increased from:

- 56% in 2001 to 94% in 2013 for those with household incomes between \$0 and \$30,000;
- 12% in 2001 to 72% in 2013 for those with household incomes between \$30,000 and \$50,000; and
- 2% in 2001 to 29% in 2013 for those with household incomes between \$50,000 and \$70,000.

¹⁵ Renter stress is significantly lower in social housing as current income related rent policy limits the cost to 25% of income in eligible households. These households typically have needs beyond affordability although it is also important to note that if they rented their accommodation in the private market they would very likely be stressed.



Typically, private renter housing stress is higher for low income households. Between 2001 and 2018 rents have increased faster than household incomes and this is likely to have resulted in an increase in the number of stressed renter households.

Table 6.8 presents the relative levels of renter housing stress by income bands in Hutt City.

Table 6.8: The relative level of renter housing stress in 2013

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%

Source Statistics New Zealand

The majority of households earning less than \$50,000 per annum are likely to be paying more than 30% of their gross household income in rent and a significant proportion of households earning less than \$30,000 are also paying more than 50% in rent.

Table 6.9 presents the proportion of renter households experiencing housing stress by subarea between 2001 and 2013.

Table 6.9: Housing stress by subarea

Subarea	2001	2006	2013	Change 2001 to 2013
Belmont	25%	28%	33%	8%
Central	31%	32%	38%	7%
North East	28%	40%	49%	20%
Pencarrow - Wainuiomata	42%	40%	48%	5%
Petone	32%	31%	34%	2%
Eastbourne	35%	32%	38%	3%

Source Statistics New Zealand

The highest proportion of renters experiencing housing stress live in the North East and Pencarrow - Wainuiomata subareas. The greatest increase in the proportion of households experiencing housing stress occurred in the North East subarea.



Table 6.10 presents the modelled number of stressed private renter households at 2018.

Table 6.10: Number of stressed private renter households by sub region in 2018

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

Source: Modelled based on data from Hutt City, ForecastID, MBIE, and Statistics New

NB: Numbers are rounded to the nearest 10 in the modelling & consequently total households may vary between tables.

The results of the modelling take into account the change in median market rents between 2013 and 2018 and also assume household incomes continue to increase at the same rate between 2013 and 2018.

6.5 The housing continuum

The Housing Continuum provides insight into the relative sizes of the different housing sub-groups along a continuum which stretches from emergency and homeless households to owner occupation. This progression can be summarised as:

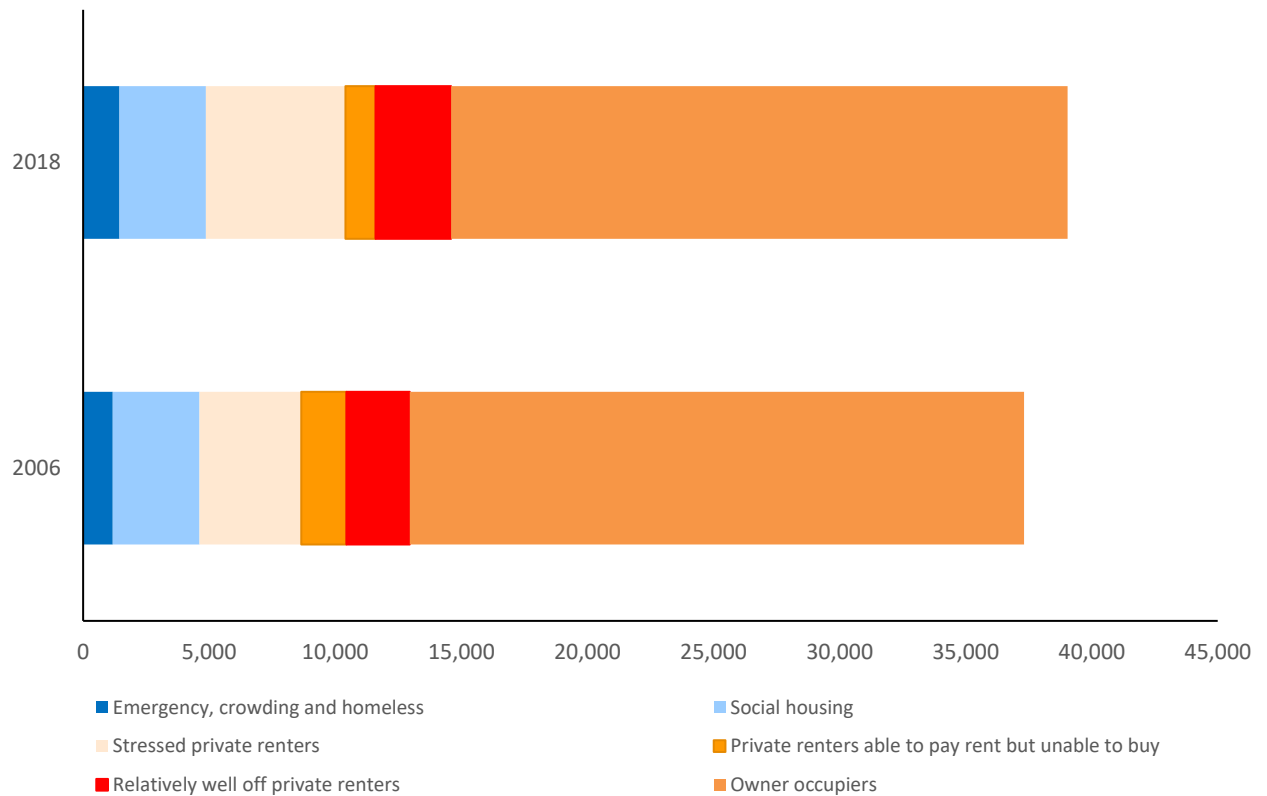
- Emergency, homelessness and crowding;
- Social renters with housing needs in addition to financial affordability;
- Stressed private renters paying more than 30% of their household income in rent;
- Private renters paying less than 30% of their household income in rent but unable to affordably buy a dwelling at the lower quartile house sale price (LQHP);
- Private renter households with sufficient income to affordably buy a dwelling at the lower quartile house sale price; and
- Owner occupier households.

Changes in the relative size of these groups reflect the pressures within the continuum overtime.



Figure 6.4 presents the modelled housing continuum as at 2006 and 2018¹⁶

Figure 6.4: Housing Continuum 2006 and 2018



Source: Modelled based on data from Hutt City, ForecastID, MBIE, and Statistics New Zealand
NB: Numbers are rounded to the nearest 10 in the modelling & consequently total households may vary between tables.

The largest group of renter households are categorised as stressed (paying more than 30% of their household income in housing costs). There is also a relatively large group of renters who are earning sufficient income to pay the median rent however earn insufficient income to affordably purchase a dwelling at the lower quartile house sale price.

6.6 Distribution of low income renter households within Hutt City

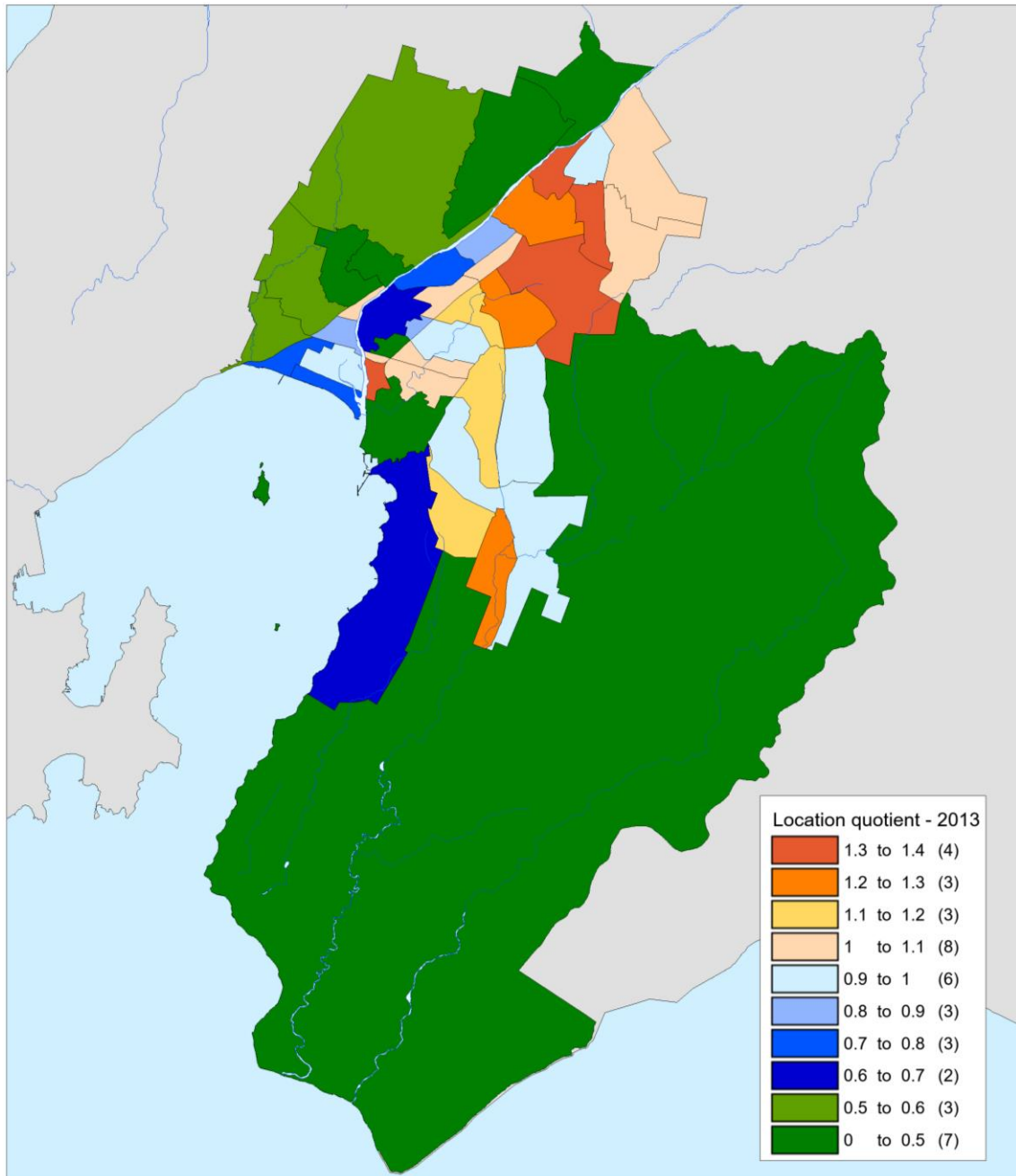
Figures 6.5 and 6.6 present the distribution of low income (earning less than \$50,000 per annum) renters (both social and private renters combined) across Hutt City in 2001 and 2013. Low income renter households are presented using a location quotient. The location quotient is calculated by the ratio of the density of low income renters in the area unit relative to the average across Hutt City.¹⁷

¹⁶ These estimates assume the number of social housing units remains constant.

¹⁷ Location quotient = ((the number of low income renters in the area unit/the total number of households in the area unit)/(the number of low income renters in Hutt City/the total number of households Hutt City))



Figure 6.5: Low income location quotient 2013

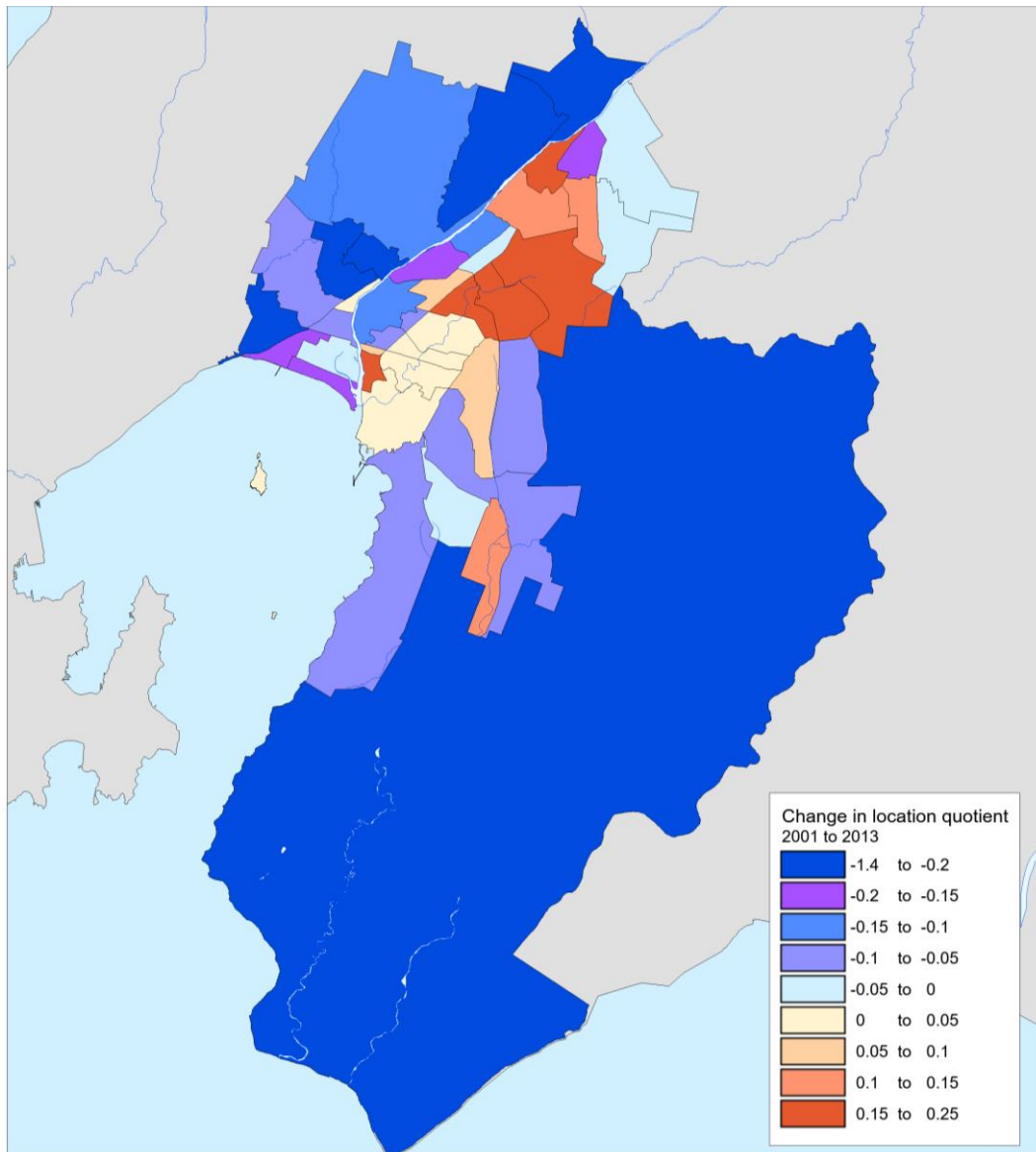


Source: Modelled based on Statistics New Zealand data

NB: The redder the colours the higher the concentration of low income renters



Figure 6.6: Low income renter location quotient Change 2001 to 2013



Source: Modelled based on Statistics New Zealand data

NB: The redder the colours the higher the concentration of low income renters

These trends reflect the changes that have occurred within the housing market and include variations in rents, the relative level of demand from different types of renters and changes in availability of rental housing stock. In 2001 and 2013 low income renters were largely concentrated in the North East of the city. In the 12 years to 2013 there has been an increase in the concentration of renters in the North East and in Petone.



6.7 Housing need

Housing need is a measure of the total number of renter households within a community which require some assistance to meet their housing requirements. Total **'renter housing need'** encapsulates a number of different groups of households and includes the following groups:

- Financially stressed private renter households;
- Those households whose housing requirements are met by social, third sector and emergency housing; and
- People who are homeless or living in crowded dwellings.

Total renter housing need = stressed private renter households + social housing tenants + other need

'Other need' encapsulates those households who because of their circumstances have housing needs in addition to affordability. Social housing is defined as the number of households, who because of their circumstances are in Housing New Zealand Corporation (HNZC), local authority, and third sector housing. Other need is defined as crowded households, or are homeless.

This section of the report presents analysis of:

- Current levels of housing need;
- Current need by household demographic characteristics;
- Projected growth in housing need; and
- Implications of the current and expected trends in housing need.

Estimates of current housing need build on the analysis presented in the previous sections of the report including the number of social tenants, levels of homelessness, and the number of stressed private renter households. Table 6.11 presents the analysis of total housing need as at 2018.

Table 6.11: Total Housing Need as at 2018

	Financial Housing Stress (A)	Other Need			Total Housing Need (A + D)	% of All Renters	% of All Households
		Social Renters ¹⁸ (B)	Other (C)	Total Other Need (B + C = D)			
2001	3,640	3,440	1,180	4,620	8,260	71%	24%
2018	5,530	3,440	1,440	4,880	10,410	79%	28%

NB: Numbers are rounded to the nearest 10.

NB: The analysis is Modelled based on data from Hutt City, ForecastID, MBIE, HNZC and Statistics New Zealand.

¹⁸ Social renter households are calculated from HNZC's managed stock statistics (3,348 units as at December 2018) less their vacant units (107 units as at December 2018) plus households accommodated by other community housing providers including Urban Plus (approximately 200 units).



The overall level of housing need has increased between 2001 and 2018. This is a reflection of the higher rents and number of low income renters and social renters living in the city. Hutt City’s relative level of housing stress is higher than Greater Wellington (54% of all renters), Porirua (68% of all renters) and Masterton (67% of all renters).

The objective of this analysis is to attempt to provide an insight into how the requirement for social housing might change over the next 20 years as a result of the likely changes in the ‘other need’ category, relative to the existing social housing stock if the current relationship between social housing stock and total housing need over the next 20 years is maintained.

Table 6.12 presents analysis of the estimated growth in total housing need by financially stressed renter households and other need over the 2018 to 2038 period. These estimates assume:

- The growth in the level of ‘other need’ is proportionate to the growth in financially stressed renter households;
- Household incomes and market rents increase at approximately the same rate;
- There are no significant changes to the financial, structural and institutional environment in which the housing market operates over the next 20 years; and
- There are no unexpected corrections in the housing market over the next 20 years.

Table 6.12: Projected housing need – 2018 to 2038

	Total Need	Need as a % of	
		All renters	All households
2018	10,410	79%	28%
2023	11,170	80%	29%
2028	11,840	81%	30%
2033	12,550	81%	31%
2038	13,320	82%	32%

NB: Numbers are rounded to the nearest 10. These projections assume rents and household incomes increase at approximately the same rate between 2018 and 2038.

Source: Modelling housing outcomes based on data from census, population projections (Statistics New Zealand), Forecast.ID, Hutt City, MBIE, and HNZC.

The relative level of housing need is expected to increase in Hutt City. Between 2018 and 2038 total need is projected to increase by 2,910 households (or 28%). This is primarily a reflection of the projected increase in the number of older one person and couple only renter households aged 65 years and older. As these relatively fixed low-income households increase as a proportion of all renter households the level of housing need increases.



6.8 Implications of housing affordability and need trends on the demand for social housing

The objective of this section of the report is to discuss the implications of the current and projected level of housing need on the demand for additional social renter dwellings. Table 6.13 presents the potential increase in demand if the level of social renters relative to the total level of housing need remained constant between 2018 and 2038. This does not imply the current ratio of social renters to total need is appropriate, as this is a policy decision and beyond the scope of this project.

Table 6.13: Projected increase in demand for social housing units 2018 to 2038

	Total need	Social
2018	10,410	3,440
2023	11,170	3,690
2028	11,840	3,910
2033	12,550	4,150
2038	13,320	4,400
Change		
18 to 38	2,910	960

Source: Modelled based on data from Hutt City, HNZN, NIDEA and Statistics New Zealand

NB: Numbers are rounded to the nearest 10 in the modelling & consequently total households may vary between tables.

This analysis suggests there will be additional demand for 48 extra social housing dwellings per annum between 2018 and 2038 if the current ratio of social renter dwellings to total housing need is maintained. Ideally these would be located in mixed tenure communities close to major employment centres, transport routes and with access to a range of social services. However, the geographical distribution of the additional social dwellings required is also a policy issue.

Demand information for social and affordable housing is also provided in the Ministry of Housing and Urban Development’s Housing Quarterly Review¹⁹. At the end of June 2019 there were 3,218 Public Housing tenancies in Hutt City. There were 404 households on the Housing Register waiting for a tenancy in Hutt City. Government reported 66 Transitional Housing places in addition to the Public Housing tenancies. These provide temporary accommodation with supportive services for households to assist their transition into permanent tenancies, either in Public or private homes. During the quarter, 986 Emergency Housing Special Needs Grants were awarded, totalling \$1,823,307 in support.

¹⁹<https://www.hud.govt.nz/assets/Community-and-Public-Housing/Follow-our-progress/June-2019/6c4f746f30/Housing-Quarterly-Report-June-2019-v11.pdf>



7. Social, health and other outcomes

The objective of this section of the report is to provide an overview of the social, health and other outcomes being experienced in Hutt City relative to the wider Wellington metropolitan area. This includes:

- The relative level of poverty in Hutt City;
- The relative level of crimes committed;
- The level of social spending by Ministry of Social Development;
- Health outcomes; and
- Educational outcomes being achieved.

The results in this section of the report are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI), managed by Statistics New Zealand. The opinions, findings, recommendations, and conclusions expressed in this section of the report are those of the author(s), not Statistics NZ, NZ Police, or other government organisations. Access to the anonymised data used in this study was provided by Statistics NZ under the security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, household, business, or organisation, and the results in this report have been confidentialised to protect these groups from identification and to keep their data safe.

7.1 Poverty outcomes

New Zealand does not have an official poverty measure. However, low-income thresholds or poverty lines can be used. The OECD uses an income threshold of 60 percent of median equivalised disposable household income²⁰ as its poverty threshold. This is the measure Statistics New Zealand recommended and is used in the following tables.

²⁰ Disposable household income is the sum of disposable personal income for all members in a household who are 15 years and over. Equivalised disposable income adjusts disposable household income to allow for household size and composition so living standards are comparable across different types of households. This is equivalisation. Equivalisation reflects the two common-sense notions that; a larger household needs more income than a smaller household for the two households to have similar standards of living (all else being equal); and there are economies of scale as household size increases.



Table 7.1 presents the relative level of poverty in Hutt City by subarea and tenure in 2010 and 2018.

Table 7.1: Relative level of poverty in Hutt City in 2010 and 2018

Subarea / tenure	Number of households living in poverty				Proportion of households living in poverty		
	2010	2018	Chge 10 to 18	% chge 10 to 18	2010	2018	Chge 10 to 18
Pencarrow - Wainuiomata							
Social renter	48	45	-3	-8%	39%	35%	-4%
Private renter	231	243	+12	5%	29%	28%	-1%
Owner occupier	954	1020	+66	7%	19%	19%	0%
Total	1,233	1,308	+75	6%	21%	21%	0%
Belmont							
Social renter	0	0	0	0%	-	-	-
Private renter	114	132	+18	16%	21%	24%	+3%
Owner occupier	744	741	-3	0%	18%	17%	-1%
Total	858	873	+15	2%	18%	18%	0%
North East							
Social renter	666	753	87	13%	40%	46%	+6%
Private renter	354	366	12	3%	29%	28%	-1%
Owner occupier	1,101	1170	69	6%	20%	21%	+1%
Total	2,121	2,289	168	8%	26%	26%	0%
Central							
Social renter	474	600	+126	27%	38%	47%	+9%
Private renter	393	498	+105	27%	24%	25%	+1%
Owner occupier	1,866	2,205	+339	18%	22%	25%	+3%
Total	2,733	3,303	+570	21%	24%	27%	+3%
Petone/Eastbourne							
Social renter	135	141	+6	4%	42%	43%	+1%
Private renter	219	291	+72	33%	20%	24%	+4%
Owner occupier	1,068	1266	+198	19%	22%	25%	+2%
Total	1,422	1,698	+276	19%	23%	25%	+2%
Hutt City							
Social renter	1,323	1,542	+219	17%	39%	46%	+7%
Private renter	1,311	1,521	+210	16%	25%	25%	0%
Owner occupier	5,733	6,399	+666	12%	20%	22%	+2%
Total	8,367	9,462	+1,095	13%	23%	24%	+1%
Greater Wellington²¹							
Social renter	3,660	4,590	930	25%	39%	47%	+8%
Private renter	6,609	8,235	1,626	25%	24%	25%	+1%
Owner occupier	26,580	31,296	4,716	18%	22%	24%	+2%
Total	36,849	44,121	7,272	20%	23%	25%	+2%

Statistics New Zealand IDI data lab

²¹ Greater Wellington includes the Kapiti Coast, Porirua City, Upper and Lower Hutt Cities and Wellington City,



The total number of Hutt City households with incomes below the poverty threshold of 60% of median equivalised disposable household income increased by 1,095 between 2010 and 2018, or 13%. Although an undesirable outcome the rate of growth was lower than for greater Wellington as a whole which experienced growth in households below the poverty threshold of 20% (7,272 households) over the same time period. The number of social renter households with incomes less than the poverty threshold increased by 17% between 2010 and 2018 compared to an average increase in greater Wellington of 25% over the same time period. The number of private renters living in households with incomes below the poverty also increased. Between 2010 and 2018 they increased by 16% in Hutt City compared to an increase of 25% in greater Wellington.

Within Hutt City, Central subarea experienced the strongest growth in households below the poverty threshold with growth of 570 households or 21% between 2010 and 2018. The increase in households below the poverty threshold in Central subarea represented 52%²² of the total increase in Hutt City.

The proportion of social renters with incomes below the poverty thresholds was highest in the North East (46% of all social renters), Central (47% of all social renters) and Petone-/Eastbourne (43% of all social renters) subareas. The growth in the proportion of social renters with incomes below the poverty threshold also increased faster than other tenures. Between 2010 and 2018 the proportion of social renters with incomes below the poverty threshold increased by 6 percentage points in the North East, 9 percentage points in Central subareas.

The proportion of private renters with incomes below the poverty threshold was 28% in the North East and 28% in Pencarrow-Wainuiomata subareas in 2018. These proportions were slightly higher than the average for greater Wellington and Hutt City at 25% of all private renters.

²² 570 households with incomes below the poverty threshold in Central subarea out of the total increase of 1,095 households in Hutt City



Table 7.2 presents the number of children living in households below the poverty thresholds (60% of median equivalised disposable household income) in 2018.

Table 7.2: Number of children living in poverty - 2018

Subarea	Number of children living in poverty				Maori and Pacifica children as a % of all children living in poverty			
	Social renter	Private renter	Owner occupier	Total	Social renter	Private renter	Owner occupier	Total
Pencarrow - Wainuiomata	108	387	816	1,311	94%	67%	49%	58%
Belmont	0	138	513	651	-	26%	16%	18%
North East	1,080	525	903	2,508	78%	63%	45%	63%
Central	561	450	1,107	2,118	61%	31%	18%	32%
Petone/Eastbourne	78	159	501	738	62%	23%	23%	27%
Hutt City	1,827	1,650	3,837	7,314	73%	48%	32%	46%
Greater Wellington	5,685	6,696	16,023	28,404	71%	41%	26%	38%

Statistics New Zealand IDI data lab

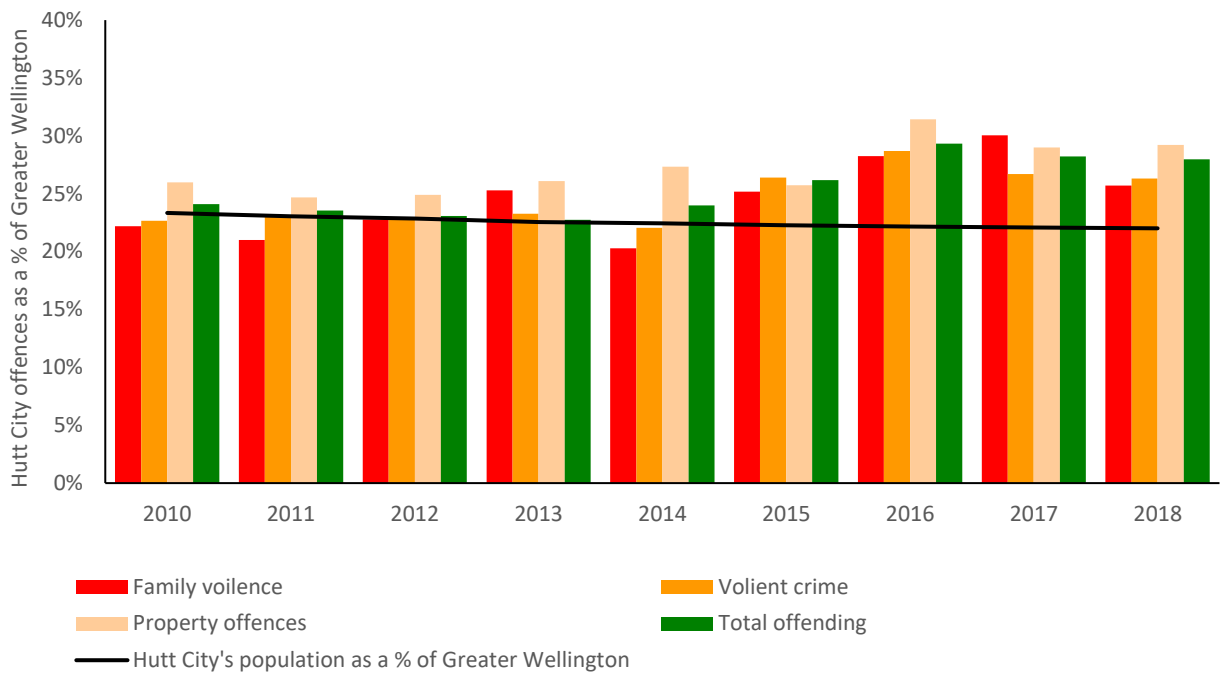
There were approximately 7314 children in households below the poverty threshold in 2018. They account for 26% of all children living below the poverty threshold in greater Wellington. Hutt City has approximately 22% of greater Wellington total population. Central and North East subareas have the highest number of children living in households with incomes below the poverty threshold. The children living in North East and Pencarrow - Wainuiomata subareas are also more likely to be of Maori and Pacifica descent than the greater Wellington average.



7.2 Criminal offending

Hutt City has proportionally higher levels of criminal offending per head of population than greater Wellington. Figure 7.1 presents the level of criminal offending in Hutt City as a proportion of total offences in the greater Wellington area along with Hutt City’s usually resident population as a proportion of greater Wellington’s population.

Figure 7.1: Hutt City’s criminal offending as a proportion of total offences in greater Wellington



Statistics New Zealand IDI data lab

Proportionally the level of criminal offending has been increasing faster than the average for greater Wellington. In 2010 24% of all offending in greater Wellington occurred in Hutt City. This increased to 28% by 2018. Hutt City has approximately 22% of greater Wellington’s population. Th trend is evident across family violence, violent crime and property offences.



Table 7.3 presents the trend in the level of criminal offending per 10,000 residents in Hutt City and greater Wellington between 2010 and 2018.

Table 7.3: Criminal offending per 10,000 residents 2010 to 2018

Year	Family violence		Violent crimes		Property offences		Disorderly / drug / & weapon		Total offences	
	Hutt City	Greater Wgtn	Hutt City	Greater Wgtn	Hutt City	Greater Wgtn	Hutt City	Greater Wgtn	Hutt City	Greater Wgtn
2010	25	26	151	156	213	192	124	138	632	612
2011	21	23	143	143	178	166	110	132	566	555
2012	26	26	123	123	157	144	86	116	489	485
2013	27	24	100	97	128	111	74	99	393	389
2014	24	26	95	97	129	106	58	73	383	358
2015	25	22	107	90	116	100	58	66	401	342
2016	29	23	116	89	142	100	65	69	456	344
2017	30	22	103	85	103	78	55	59	393	308
2018	23	20	95	79	110	83	60	60	386	304
5 yr. ave	26	23	103	88	120	93	59	65	404	331

Statistics New Zealand IDI data lab

Over the last three years Hutt City has had relatively (per 10,000 residents) high levels of family violence, violent crimes, and total levels of offending relative to greater Wellington. Hutt City had low relative levels of disorderly, behaviour, drug and weapon offences when compared to greater Wellington.



Table 7.4 presents the level of criminal offending per 10,000 people (usual residents) for all crimes and violent crimes between 2010 and 2018.

Table 7.4: Criminal offending per 10,000 people 2010 - 2018

Subarea	2010	2011	2012	2013	2014	2015	2016	2017	2018	Ave last 5 yrs.
Family Violence										
Pencarrow - Wainuiomata	26	21	21	34	38	33	46	37	20	35
Belmont	15	6	10	8	12	10	8	15	6	10
North-East	40	36	49	47	30	37	40	38	48	39
Central	22	18	18	19	22	25	26	24	17	23
Petone/Eastbourne	12	15	17	18	11	13	15	37	13	18
Violent crimes										
Pencarrow - Wainuiomata	151	139	122	112	100	110	136	90	81	103
Belmont	91	48	85	55	54	74	59	58	56	60
North-East	179	208	173	126	101	119	136	114	132	120
Central	155	132	111	94	104	120	119	108	97	110
Petone/Eastbourne	151	144	99	92	90	82	92	118	79	92
Property offences										
Pencarrow - Wainuiomata	140	96	99	84	74	78	95	54	61	72
Belmont	51	38	33	37	26	33	17	25	43	29
North-East	193	174	124	118	105	81	125	77	86	95
Central	326	311	267	207	204	179	228	126	144	176
Petone/Eastbourne	229	127	152	107	156	154	139	176	181	161
Disorderly/drug/weapon offences										
Pencarrow - Wainuiomata	136	114	77	54	86	46	69	33	52	57
Belmont	40	23	27	37	20	16	12	28	20	19
North-East	158	102	114	88	51	69	89	53	70	66
Central	151	125	111	108	68	79	71	79	70	73
Petone/Eastbourne	68	161	47	38	42	46	51	55	48	48
Total offences										
Pencarrow - Wainuiomata	535	472	400	326	349	337	404	288	286	333
Belmont	230	140	181	172	131	172	140	160	169	154
North-East	647	614	522	424	359	397	520	408	456	428
Central	857	760	672	518	512	532	581	466	439	506
Petone/Eastbourne	595	555	407	339	389	395	390	474	423	414

Statistics New Zealand IDI data lab



Central and North East subareas have the highest relative levels of offending within Hutt City, while Belmont has significant lower levels. North East subarea has relatively high levels of family violence (71% higher than the average for greater Wellington)²³, violent crimes (37% higher than the average for greater Wellington) and disorderly / drug and weapon offences (12% higher than the average for greater Wellington). Pencarrow - Wainuiomata subarea also experienced high levels of family violence with levels 54% higher than greater Wellington and the relative level violent crimes were also 18% higher. Central also experienced relatively high levels of violent crimes compared to greater Wellington (25% higher) and high levels of property crime (89% higher than the average for greater Wellington). Petone/Eastbourne also experienced relatively high levels of property crime 73% higher than the average for greater Wellington).

Table 7.5 presents the number of offences committed by subarea as a percentage of total offences committed in either Hutt City or the greater Wellington metropolitan area and compares these to the relative populations.

Table 7.5: The relative level of criminal offending in Hutt City

	As a % of Hutt's Pop	Violent offences as a % of total violent offending in Hutt City				Total offences as a % of total offending in Hutt City			
		2010	2014	2018	Chge 10 to 18	2010	2014	2018	Chge 10 to 18
Pencarrow - Wainuiomata	17%	17%	18%	14%	-3%	15%	16%	13%	-2%
Belmont	12%	8%	7%	7%	0%	5%	4%	5%	1%
North-East	24%	29%	26%	33%	5%	25%	23%	28%	4%
Central	31%	31%	34%	32%	1%	41%	41%	35%	-6%
Petone-Eastbourne	16%	15%	14%	13%	-2%	14%	16%	17%	3%
	100%	100%	100%	100%		100%	100%	100%	

Statistics New Zealand IDI data lab

Relative to the size of North-East subarea's population have had proportionally higher levels of violent offences than other locations within Hutt City while Belmont and Petone-Eastbourne have proportionally less. Between 2010 and 2018 North East subarea's proportion of violent crimes has increased by five percentage points. The distribution of total criminal offending across the subareas presents a different pattern with the Central subarea having proportionally more offending although between 2010 and 2018 this improved by six percentage points.

²³ Compares the 5 year average for the subarea relative to the 5 year average rate of offending for greater Wellington



7.3 Social transfers and expenditure

The objective of this section of the report is to summarise the level of social transfers and expenditure occurring in Hutt City by subarea within greater Wellington. Table 7.6 presents the trend in the number of households receiving benefits from MSD along with the estimated total benefits paid, excluding superannuation.

Table 7.6: Number of households paid benefits by MSD and total benefits paid

	Total benefits paid (\$m)				Number of households receiving benefits			
	2006	2010	2014	2018	2006	2010	2014	2018
Pencarrow - Wainuiomata	\$60.7	\$61.5	\$61.7	\$59.8	2,052	2,145	2,142	2,118
Belmont	\$11.2	\$11.2	\$11.0	\$10.9	639	675	687	669
North East	\$101.9	\$97.4	\$95.1	\$92.9	3,375	3,381	3,309	3,228
Central	\$65.8	\$68.0	\$65.8	\$65.8	2,793	2,880	2,847	2,805
Petone-Eastbourne	\$25.8	\$24.8	\$24.8	\$23.3	1,245	1,233	1,230	1,170
Hutt City	\$265.3	\$262.9	\$258.3	\$252.6	10,110	10,317	10,215	9,990
Grtr Wellington	\$932.0	\$919.8	\$905.5	\$883.9	37,023	37,989	37,944	36,921

Statistics New Zealand IDI data lab ²⁴

In 2018, 37% of Hutt City’s total benefits paid were to people living in the North East subarea which accounted for 24% of Hutt City’s population. Pencarrow-Wainuiomata’s residents also attracted high levels of social transfer and accounted for 23% of all benefits paid and 17% of Hutt City’s total population. The number of households receiving benefits in the North East declined by 4% between 2006 and 2018 while the number of households receiving benefits in Pencarrow-Wainuiomata increased by 3% over the same time period.

Table 7.7 presents the trend in the average benefits paid per housing receiving benefits by MSD, excluding superannuation.

Table 7.7: Average benefits paid to households receiving benefits from MSD

	2006	2010	2014	2018
Pencarrow - Wainuiomata	\$29,600	\$28,700	\$28,800	\$28,200
Belmont	\$17,500	\$16,600	\$16,000	\$16,300
North East	\$30,200	\$28,800	\$28,700	\$28,800
Central	\$23,500	\$23,600	\$23,100	\$23,500
Petone - Eastbourne	\$20,700	\$20,200	\$20,100	\$19,900
Hutt City	\$26,200	\$25,500	\$25,300	\$25,300
Greater Wellington	\$25,200	\$24,200	\$23,900	\$23,900

Statistics New Zealand IDI data lab

²⁴ The IDI dataset may under count the benefits paid by approximately 10%



On average the total benefits paid to a household in Hutt City was 6% higher than in greater Wellington in 2018. The average benefits paid to a household receiving benefit payments was highest in the North East subarea (121% of the greater Wellington average in 2018) following closely by Pencarrow-Wainuiomata (118% of the greater Wellington average in 2018).

Table 7.8 presents the trend in the average benefits paid by MSD, excluding superannuation per head of usually resident population.

Table 7.8: Average benefits paid by MSD per usual resident population

	2006	2010	2014	2018
Pencarrow - Wainuiomata	\$3,400	\$3,160	\$2,990	\$2,700
Belmont	\$880	\$790	\$730	\$670
North East	\$4,130	\$3,610	\$3,300	\$2,950
Central	\$2,180	\$2,000	\$1,770	\$1,610
Petone - Eastbourne	\$1,690	\$1,450	\$1,340	\$1,130
Hutt City	\$2,640	\$2,350	\$2,150	\$1,930
Greater Wellington	\$2,270	\$1,920	\$1,690	\$1,480

Statistics New Zealand IDI data lab

On average the payment averaged across the usually resident population was 99% higher in North East subarea and 82% higher in Pencarrow-Wainuiomata than in greater Wellington. Table 7.9 presents the trend in the relative proportion of total benefits paid as a percentage of total benefits paid in greater Wellington.

Table 7.9: Total benefits paid as a percentage of total benefits paid in wider Wellington

	2006	2010	2014	2018
Pencarrow - Wainuiomata	6.5%	6.7%	6.8%	6.8%
Belmont	1.2%	1.2%	1.2%	1.2%
North East	10.9%	10.6%	10.5%	10.5%
Central	7.1%	7.4%	7.3%	7.4%
Petone - Eastbourne	2.8%	2.7%	2.7%	2.6%
Hutt City	28.5%	28.6%	28.5%	28.6%
Greater Wellington	100.0%	100.0%	100.0%	100.0%

Statistics New Zealand IDI data lab

Hutt City has approximately 22% of greater Wellington’s population whilst its residents have consistently received 28.5% to 28.6% of all benefits paid in the area. The proportionally high benefit payments have not been evenly distributed across all residents. North East subarea has 3.7% of all residents in greater Wellington and receives on average 10.5% of all benefits paid. In addition, Pencarrow-Wainuiomata subarea has 5.3% of wider Wellington’s population it receives on average 6.8% of all benefits paid.



Table 7.10 presents an indicative summary of the benefits paid by benefit type in 2018.

Table 7.10: Total benefits paid by benefit type in 2018

	Pencarrow - Wainuiomata	Belmont	North-East	Central	Petone - Eastbourne	Hutt City	Greater Wellington
Invalids	\$6.1	\$1.3	\$12.8	\$11.8	\$4.1	\$36.1	\$126.4
Single parent support	\$23.4	\$3.3	\$30.4	\$18.6	\$7.3	\$83.1	\$279.9
Sickness	\$3.3	\$1.1	\$6.4	\$5.4	\$1.8	\$18.2	\$64.5
Unemployment/ job seeker	\$5.6	\$1.1	\$8.7	\$6.1	\$2.5	\$24.0	\$91.9
Other main benefits	\$6.7	\$1.3	\$11.5	\$8.8	\$2.3	\$30.3	\$105.4
<i>Main benefits</i>	<i>\$45.0</i>	<i>\$8.1</i>	<i>\$69.8</i>	<i>\$50.7</i>	<i>\$18.0</i>	<i>\$191.7</i>	<i>\$668.0</i>
Family tax credit	\$4.4	\$0.6	\$8.4	\$4.1	\$1.1	\$18.5	\$59.4
Accommodation supplement	\$4.0	\$1.0	\$5.2	\$4.1	\$1.7	\$16.0	\$62.7
Other supplementary	\$2.0	\$0.5	\$3.5	\$3.0	\$0.9	\$9.9	\$35.9
Total supplementary	\$10.4	\$2.1	\$17.0	\$11.1	\$3.7	\$44.4	\$158.1
Total lump sum payments	\$4.3	\$0.6	\$6.0	\$3.9	\$1.5	\$16.4	\$57.8
Total benefits	\$59.8	\$10.9	\$92.9	\$65.8	\$23.3	\$252.6	\$883.9
Benefits as a % of the total paid							
Invalids	10.2%	11.9%	13.8%	17.9%	17.6%	14.3%	14.3%
Single parent support	39.1%	30.3%	32.7%	28.3%	31.3%	32.9%	31.7%
Sickness	5.5%	10.1%	6.9%	8.2%	7.7%	7.2%	7.3%
Unemployment/ job seeker	9.4%	10.1%	9.4%	9.3%	10.7%	9.5%	10.4%
Other main benefits	11.2%	11.9%	12.4%	13.4%	9.9%	12.0%	11.9%
<i>Main benefits</i>	<i>75.3%</i>	<i>74.3%</i>	<i>75.1%</i>	<i>77.1%</i>	<i>77.3%</i>	<i>75.9%</i>	<i>75.6%</i>
Family tax credit	7.4%	5.5%	9.0%	6.2%	4.7%	7.3%	6.7%
Accommodation supplement	6.7%	9.2%	5.6%	6.2%	7.3%	6.3%	7.1%
Other supplementary	3.3%	4.6%	3.8%	4.6%	3.9%	3.9%	4.1%
<i>Total supplementary</i>	<i>17.4%</i>	<i>19.3%</i>	<i>18.3%</i>	<i>16.9%</i>	<i>15.9%</i>	<i>17.6%</i>	<i>17.9%</i>
<i>Total lump sum payments</i>	<i>7.2%</i>	<i>5.5%</i>	<i>6.5%</i>	<i>5.9%</i>	<i>6.4%</i>	<i>6.5%</i>	<i>6.5%</i>
Total benefits	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Statistics New Zealand IDI data lab

Key trends include:

- Pencarrow-Wainuiomata subarea where benefit payments were proportionally lower for invalids benefits (10.2% in Pencarrow-Wainuiomata compared to 14.3% in greater Wellington) higher in single parent support payments (39.1% in Pencarrow-Wainuiomata compared to vs 31.7% in greater Wellington;)
- Belmont subarea benefit payments were proportionally lower for invalid benefits (11.9% in Belmont compared to 14.3% in greater Wellington), proportionally higher for sickness benefit payments (10.1% in Belmont compared to 7.3% in greater Wellington) and higher in accommodation supplement payments (9.2% in Belmont compared to 7.1% in greater Wellington);



- North East subarea had proportionally higher family tax credit payments (9% in North East subarea compared to 6.7% in greater Wellington) and lower for accommodation supplement payments (5.6% in the North East subarea compared to 7.1% in greater Wellington);
- Central subarea had proportionally higher invalids benefit payments (17.9% in Central subarea compared to 14.3% in greater Wellington) and proportionally lower single parent support payments (28.3% in Central subarea compared to 31.7% in greater Wellington); and
- Petone/Eastbourne subarea had proportionally invalid benefit payments (17.6% in Petone/Eastbourne compared to 14.3% for greater Wellington) and proportionally lower family tax credit payments (4.7% in Petone/Eastbourne compared to 6.7% in greater Wellington).

In summary these statistics suggest that there is a relatively higher degree of welfare dependency in North East and Pencarrow-Wainuiomata subareas relative to the regional average with higher average payments per beneficiary household, and a greater portion of households receiving social transfers.

7.3.1 Health outcomes

This section of the report summarise health outcomes (measured as the number of hospital admissions) in Hutt City’s subareas and compares these outcomes with the Hutt City and the greater Wellington area. Table 7.11 presents the trend in the number of hospital admissions between 2008 and 2017 by subarea and compares these to Hutt City and greater Wellington.

Table 7.11: Hospital Admissions 2008 to 2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	5 yr. ave
Total admissions											
Pencarrow–Wainuiomata	747	748	729	822	915	879	933	857	962	1,067	940
Belmont	273	265	300	324	356	399	363	309	327	360	352
North East	1,227	1,219	1,128	1,281	1,547	1,493	1,438	1,416	1,401	1,548	1,459
Central	1,226	1,194	1,259	1,441	1,542	1,568	1,491	1,442	1,466	1,518	1,497
Petone - Eastbourne	430	429	492	513	544	597	568	522	633	678	600
Hutt City	3,892	3,846	3,906	4,378	4,897	4,932	4,792	4,546	4,781	5,169	4,844
Greater Wellington	13,461	14,661	15,182	16,161	16,854	17,130	17,714	17,035	17,532	17,200	17,322
Admissions per 10,000											
Pencarrow-Wainuiomata	405	392	375	417	458	431	452	410	450	490	447
Belmont	199	189	211	226	245	269	240	201	208	226	229
North East	476	461	418	464	553	527	499	481	468	503	496
Central	388	363	371	413	431	432	402	381	379	383	395
Petone - Eastbourne	269	259	287	293	304	328	308	278	325	337	315
Hutt City	369	353	350	384	421	418	399	371	382	403	395
Greater Wellington	304	316	317	327	331	327	331	310	310	296	315

Statistics New Zealand IDI data lab



Although the rate of admissions per 10,000 residents has varied over time, typically they averaged 57% higher in North East subarea than for greater Wellington and 42% higher in Pencarrow-Wainuiomata subarea.

Table 7.12 presents the trend in the number of hospital admissions for patients suffering from diseases and disorders of the ear, nose, mouth, throat and respiratory system.

Table 7.12: Diseases and disorders of the ear nose mouth and throat and respiratory system

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	5 yr. ave
Total admissions											
Pencarrow-Wainuiomata	243	184	210	264	272	243	212	237	256	288	247
Belmont	63	63	69	96	78	90	78	85	79	80	82
North East	372	342	360	369	474	382	429	416	383	452	412
Central	333	312	348	360	367	412	410	383	384	392	396
Petone - Eastbourne	110	117	154	139	134	132	129	120	132	162	135
Hutt City	1,119	1,027	1,133	1,228	1,323	1,263	1,258	1,238	1,237	1,380	1,275
Greater Wellington	3,647	3,870	4,139	4,327	4,284	4,055	4,339	4,442	4,283	4,479	4,320
Admissions per 10,000											
Pencarrow-Wainuiomata	132	96	108	134	136	119	103	113	120	132	117
Belmont	46	45	49	67	54	61	52	55	50	51	54
North East	144	129	133	134	169	135	149	141	128	147	140
Central	106	95	103	103	102	114	111	101	99	99	105
Petone - Eastbourne	69	71	90	79	75	73	70	64	68	80	71
Hutt City	106	94	101	108	114	107	105	101	99	108	104
Greater Wellington	82	84	86	87	84	77	81	81	76	77	78

Statistics New Zealand IDI data lab

Although the rate of admissions per 10,000 residents has varied over time over the last five years Hutt City residents had 34% higher levels of the ear, nose, throat and respiratory system admissions than the average for greater Wellington. North East residents had the highest relative incidence of ear, nose, throat and respiratory system admissions (79% higher than the average for greater Wellington) followed by Pencarrow-Wainuiomata subarea residents (50% higher than the average for greater Wellington).



Table 7.13 presents the trend in the number of hospital admissions for patients suffering from diseases and disorders of the skin, subcutaneous tissue and breast.

Table 7.13: Diseases and disorders of the skin, subcutaneous tissue and breast

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	5 yr. ave
Total admissions											
Pencarrow-Wainuiomata	93	111	96	113	110	126	121	105	102	123	115
Belmont	39	24	33	42	24	36	46	39	32	27	36
North East	171	168	158	194	185	213	151	175	178	160	175
Central	125	108	131	157	158	150	117	121	145	158	138
Petone - Eastbourne	60	42	48	72	54	54	59	48	69	56	57
Hutt City	485	466	477	583	537	587	495	490	522	525	524
Greater Wellington	1,472	1,504	1,561	1,723	1,728	1,768	1,599	1,609	1,628	1,637	1,648
Admissions per 10,000											
Pencarrow-Wainuiomata	51	58	49	58	55	62	58	50	48	57	55
Belmont	29	17	24	29	16	25	30	25	21	17	24
North East	66	63	59	70	66	75	52	59	59	52	59
Central	40	33	39	45	44	41	32	32	38	40	37
Petone - Eastbourne	38	25	28	41	30	30	32	26	35	28	30
Hutt City	46	43	43	51	46	50	41	40	42	41	43
Greater Wellington	33	32	33	35	34	34	30	29	29	28	30

Statistics New Zealand IDI data lab

Although the rate of admissions per 10,000 residents has varied over time over the last five years Hutt City residents had 43% higher levels of the skin, subcutaneous tissue and breast admissions than the average for greater Wellington. North East residents had the highest relative incidence of skin, subcutaneous tissue and breast admissions (98% higher than the average for greater Wellington) followed by Pencarrow-Wainuiomata subarea residents (83% higher than the average for greater Wellington).



Table 7.14 presents the trend in the number of hospital admissions for patients suffering from cardiovascular diseases.

Table 7.14: Cardiovascular admissions

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	5 yr. ave
Total admissions											
Pencarrow-Wainuiomata	210	210	168	193	234	225	252	234	221	280	242
Belmont	84	78	79	69	114	114	120	86	96	108	105
North East	324	296	251	299	363	408	347	387	324	392	372
Central	390	356	348	419	444	493	443	451	418	423	446
Petone - Eastbourne	129	112	144	135	159	200	201	177	195	230	201
Hutt City	1,125	1,052	981	1,121	1,306	1,442	1,372	1,340	1,258	1,441	1,371
Greater Wellington	3,742	4,065	3,956	4,173	4,431	4,990	4,937	4,899	5,008	4,824	4,932
Admissions per 10,000											
Pencarrow-Wainuiomata	114	110	86	98	117	110	122	112	103	128	115
Belmont	62	56	55	48	78	77	80	56	61	68	68
North East	126	112	93	108	130	144	120	131	108	127	126
Central	123	108	102	120	124	136	120	119	108	107	118
Petone - Eastbourne	81	67	84	77	89	110	109	95	100	114	106
Hutt City	107	97	88	98	112	122	114	109	100	112	111
Greater Wellington	85	88	83	84	87	95	92	89	89	83	90

Statistics New Zealand IDI data lab

Although the rate of admissions per 10,000 residents has varied over time over the last five years Hutt City residents had 24% higher levels of cardiovascular disease admissions than the average for greater Wellington. North East residents had the highest relative incidence of cardiovascular disease admissions (41% higher than the average for greater Wellington) followed by Pencarrow-Wainuiomata subarea residents (28% higher than the average for greater Wellington).



Table 7.15 presents the trend in the number of hospital admissions for patients suffering from dental admissions.

Table 7.15: Dental admissions

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	5 yr. ave
Total admissions											
Pencarrow-Wainuiomata	42	60	71	54	66	56	65	62	66	71	64
Belmont	18	12	27	15	18	18	18	15	13	21	17
North East	60	93	99	103	134	90	132	87	112	99	104
Central	58	61	86	83	88	65	60	81	75	85	73
Petone - Eastbourne	13	15	24	20	34	24	18	14	27	27	22
Hutt City	188	255	310	288	344	263	308	280	302	309	292
Greater Wellington	763	791	899	889	1,010	945	1,131	944	1,003	990	1,003
Admissions per 10,000											
Pencarrow-Wainuiomata	23	31	37	27	33	28	32	30	31	33	31
Belmont	13	9	19	11	12	12	12	10	8	13	11
North East	23	35	37	37	48	32	46	29	37	32	35
Central	18	18	25	24	25	18	16	21	20	22	19
Petone - Eastbourne	8	9	14	12	19	13	10	8	14	14	12
Hutt City	18	23	28	25	30	22	26	23	24	24	24
Greater Wellington	17	17	19	18	20	18	21	17	18	17	18

Statistics New Zealand IDI data lab

Although the rate of admissions per 10,000 residents has varied over time over the last five years Hutt City residents had 31% higher levels of dental disease admissions than the average for greater Wellington. North East residents had the highest relative incidence of dental disease admissions (93% higher than the average for greater Wellington) followed by Pencarrow-Wainuiomata subarea residents (69% higher than the average for greater Wellington).



Table 7.16 presents the relative annual average level (per 10,000 residents) of hospital admissions for each subarea and tenure.

Table 7.16: Average annual admission rates (2013 to 2017) per 10,000 residents by tenure and subarea

	Cardiovascular	Dental	Respiratory	Skin	Total
Pencarrow-Wainuiomata					
Social renter	48	0	181	105	620
Private renter	58	50	124	63	432
Owner occupier	124	27	112	50	426
Belmont					
Social renter	0	0	0	0	0
Private renter	61	0	58	19	245
Owner occupier	70	12	53	24	226
North-East					
Social renter	145	65	213	98	695
Private renter	79	46	152	69	448
Owner occupier	130	26	115	47	439
Central					
Social renter	190	54	246	104	822
Private renter	79	27	87	35	329
Owner occupier	118	13	88	28	354
Petone-Eastbourne					
Social renter	180	0	173	72	671
Private renter	95	8	55	33	276
Owner occupier	95	14	66	27	287
Hutt City					
Social renter	159	59	221	100	732
Private renter	77	32	100	47	357
Owner occupier	110	18	89	35	355
Greater Wellington					
Social renter	140	58	188	79	641
Private renter	48	21	63	26	237
Owner occupier	95	14	72	27	307

Source: Statistics New Zealand IDI data lab

Relative to the average for greater Wellington, Hutt City residents living in social housing had 14% higher hospital admissions, private renters 51% higher admissions, and owner occupiers 16% higher hospital admissions. On average Hutt City social renters had hospital admission rates 106% higher than the average for owner occupier and private renters.



North East private renters and owner occupiers had relative high levels of hospital discharge rates 89% higher than the average for private rents in greater Wellington and 49% higher for owner occupiers. Pencarrow - Wainuiomata experienced a similar trend with hospital discharge levels 82% higher for private renters and 39% higher for owner occupiers when compared to greater Wellington.

In summary, both Pencarrow-Wainuiomata and North East subareas are experiencing higher rates of injury and illness requiring hospitalisation per 10,000 residential than the average regional outcomes. In particular, illness associated with respiratory system and skin diseases are significantly higher than the regional average. Although it is beyond the scope of this study to link these outcomes with housing market conditions, they are consistent with the both New Zealand based and overseas research that links crowding and poor housing conditions with inferior health outcomes.



7.3.2 Educational outcomes

The current Labour led coalition stopped primary schools measuring student performance using national standards in 2017. Consequently, there are no appropriate available measures of primary school student performance. A guide for secondary school student performance can be presented using NCEA and university entrance results. Table 7.17 summarises education outcomes achieved at secondary schools located in Hutt City and includes the proportion of students attempting a qualification, the percentage of students who attempted a qualification and were successful, and the overall percentage of students who were successful in achieving the qualification.

Table 7.17: Secondary school outcomes

Secondary School	Subarea	School	NCEA level 1			NCEA level 2			NCEA level 3			University entrance		
			% Atmpt	% Achd	Overall success	% Atmpt	% Achd	Overall success	% Atmpt	% Achd	Overall success	% Atmpt	% Achd	Overall success
Taita	North East	458	85%	79%	67%	86%	92%	79%	67%	71%	48%	66%	31%	20%
Naenae	North East	589	72%	77%	55%	78%	76%	59%	40%	72%	29%	40%	33%	13%
Wa Ora Montessori	North East	258	100%	83%	83%	100%	79%	79%	100%	89%	89%	100%	89%	89%
St Bernard's	Central	644	100%	81%	81%	97%	86%	83%	94%	73%	69%	97%	50%	49%
Hutt Valley High	Central	1730	93%	81%	75%	97%	83%	81%	89%	76%	68%	89%	62%	55%
Sacred Heart	Central	794	91%	87%	79%	98%	91%	89%	99%	77%	76%	99%	60%	59%
Chilton	Central	348	95%	95%	90%	93%	100%	93%	92%	83%	76%	92%	80%	74%
St Oran's	Central	506	95%	99%	94%	99%	96%	95%	100%	94%	94%	100%	94%	94%
Wainuiomata	Pencarrow - Wainuiomata	660	91%	87%	79%	83%	87%	72%	89%	76%	68%	80%	33%	26%

Source: Ministry of Education

The level of student achievement varied significant amongst Hutt City's secondary schools. Student NCEA results were better at some schools than others. Some were significantly higher than others, however those located within North East and Pencarrow-Wainuiomata subareas tended to be below those in other areas.



Table 7.18 presents Hutt City’s secondary school student retention rates by location and household tenure in 2017. Ministry of Education defines their retention rate as the proportion of students remaining at school until age 17 and the denominator for this proportion is all student leavers of the period.

Table 7.18: Secondary school retention rates by location and household tenure in 2017

Area	Social renters	Private renters	Owner occupiers
Pencarrow - Wainuiomata	67%	71%	76%
Belmont	-	100%	94%
North East	74%	75%	83%
Central	81%	96%	93%
Petone - Eastbourne	-	91%	91%
Hutt City	73%	82%	87%
Greater Wellington	76%	86%	91%

Statistics New Zealand IDI data lab

Typically, students living in social rented dwellings had lower student retention rates than students living in private rented dwellings or in owner occupied dwellings. Pencarrow-Wainuiomata’s students had the lowest retention rates followed by North East subarea students.

7.4 Summary

In summary, Hutt City residents living in Pencarrow-Wainuiomata and North East subareas had higher levels of households with incomes below the poverty threshold, experienced higher levels of criminal offending, and had inferior health outcomes, particularly if they lived in a social rented dwelling.



8. Potential strategies and policies

8.1 Introduction

The objective of this section of the report is to present a range of actions the Hutt City Council could consider with the objective of improving housing outcomes particularly for those on lower incomes and includes discussion on:

- Policies and actions; and
- Ways to can encourage homes better matched to household sizes and incomes.

The information presented in the previous sections of this report document trends in housing supply, household demographics, and housing affordability. It also projects the potential future status of supply, demographics and affordability based on the trends out to 2038. The results document a challenging current and future environment for many residents. Among the trends detailed in the report are:

- The number of households living in Hutt City is projected to increase by 3,530 (or 9%) between 2018 and 2038;
- One person and couple only households are expected to experience the strangest growth is this in part reflects the projected aging of Hutt City's population;
- By 2038 the rate of owner occupation is projected to have fallen to approximately 60%;
- The number of renter households aged 65 years+ is expected to experience strong growth;
- A deterioration in housing affordability has been driven by house prices and rents increasing faster than household incomes;
- Renter stress²⁵ has increased across the City. In 2013, 82% of private renter households earning less than \$50,000 per year paid more than 30% of their gross household income in rent and 40% paid more than 50% of their gross household income in rent;
- Nearly 90% of renters cannot affordably purchase a home (priced at \$550,000); and
- Total need is projected to increase by 2,910 households (or 28%) by 2038.

8.2 Policies and strategies

Hutt City is proactive in trying to improve housing outcomes. Council has developed and is implementing multiple projects, initiatives and strategies to influence the market and support residents. Examples include the *Empowering Tamariki* programme and the *Homelessness Strategy*. Council plays multiple roles in these efforts including as an advocate to central government, as a provider of services, by enlisting other partners to deliver and as a partner with community, business and other institutions. These efforts should continue as they are a solid foundation on which to build.

Additional policies and actions will be required to accommodate the projected growth in the number of households and the changing demographics of those households. The projections contained herein provide

²⁵ A stressed renter household are where they are paying more than 30% of their gross household income in rent.



information to tailor current responses and the potential additional activities proposed below. Monitoring trends and the market reaction to incentives and requirements will be necessary. Economic, political and social changes will provide new opportunities and challenges that cannot be foreseen. Adapting the City's approach over time will be necessary to ensure long-term sustainable outcomes.

While this report is concerned with housing needs and provides recommendations on housing policies and actions, it is important to note that poverty is identified as a major contributor to housing need. A strong local job market with opportunities for higher wages is a key to good household outcomes. Wages have risen at a much slower rate than house prices and rents and these are a significant component driving increased housing needs documented in this report.

Targeted incentives

Hutt City should consider targeted incentives to support the delivery of new homes responding to the identified needs. Homes with one and two bedrooms are needed to respond to changing household sizes. Homes that are affordable, especially long-term rentals (both public and private), are needed to address renter financial stress. Incentives to develop new rental housing in subareas other than the North East and Petone can help counter the increasing concentration of low-income renters. Homeownership incentives could also be targeted at these areas to increase opportunities for households to access affordable homeownership. Collaboration with Kainga Ora to deliver new supply in these areas for both renters and first home buyers could be a successful strategy.

The Development Charges Remission Policy, introduced in July 2012 and running to December 2018, incentivised new development of medium or high density residential or conversions to residential apartments by not charging building and resource consent fees, nor development and reserves contributions. The scheme was oversubscribed and demonstrated the influence which incentives can have to shape market responses. This policy supported a shift to higher density development than was previously delivered, which now appears to be well established.

In the future, Council should consider targeting such incentives to specific areas and affordability levels in addition to typologies to respond to the housing needs identified in the report. Further consideration is also recommended to incentivise retained affordable homes. Some Councils are investigating community land trusts as a means to retain affordability. Another approach is to work with charities and/or not-for-dividend providers which can deliver long term affordable rentals and recycle proceeds into more homes. Development remissions to registered Community Housing Providers and/or other not-for-dividend providers can help to address the need for homes affordable to low income residents. A mechanism to do this is to require mandatory delivery of a specified level of homes meeting defined requirements. Council could consider an inclusionary zoning policy for the city or an overlay for subareas to require a proportion of new dwellings to meet these requirements; along with the incentives to enable them to be delivered. Queenstown Lakes District Council has operated a type of inclusionary programme for over a decade. There is on-going work to understand how to best structure inclusionary requirements within New Zealand's planning and legal structures. Any such programme should also carefully consider the policies of surrounding councils and should ideally be applied across the regional housing market. The impact of a policy adopted only by Hutt City may be muted and result in development moving to



other councils without such requirements. A coordinated approach across the regional market is a stronger platform to ensure intended results are achieved.

Ensure current stock is fit-for-purpose and fully utilised

Hutt City should continue its activities in support of housing quality improvements. Current activities which are recommended to continue include the Eco Design Advisor programme, participation in the Wellington Regional Healthy Homes Response Group, and other support for insulation and warm-up interventions. Another major contributor to this effort will be the refurbishment of public housing by Housing New Zealand. These housing quality actions are necessary to help address the poor health outcomes identified in Section 7.

Demographic changes will lead to an increase of over 5,000 households aged 65+, as shown in Figure 3.1. The longer lifespan reflected in the growth of households aged 65+ presents a challenge on several fronts. There is a large cohort (but reducing over time) who will enter this age group as home owners. They are most likely to occupy a three to four bedroom home on a section. New programmes will be required to assist aging owners to remain in their homes or incentivise their transition to smaller typologies. Subareas with a range of home sizes, access to transportation and medical facilities will be better positioned to encourage these transitions with households able to remain within familiar physical and social settings. Recent research provides insights into the realities of downsizing in New Zealand and the barriers faced by seniors²⁶.

The under-utilisation of existing homes may become an increasing trend. Table 3.22 shows 10,635 dwellings in Hutt City with 2 or more bedrooms spare in 2013. With the decline in home ownership and aging population trends, there is an increasing number of households aged 65+ entering retirement who will need to rent. A programme to match these renter households with home owners who have under-utilised space in their homes could enable better utilisation and provide social supports for both parties. Careful screening and matching would be required, but it would certainly be less expensive than building new rental properties. Another potential response to under-utilisation is to partition homes to create two or more units from an existing single home²⁷. This would add to the existing stock by increasing the density of existing locations rather than expanding into greenfield areas. If only 5% of the existing under-utilised homes were able to be used for either of these options, nearly half of the projected growth in one person households shown in Table 3.3 could be accommodated in existing homes. The feasibility of doing this has not yet been tested but may be a good candidate for a pilot programme in partnership with government and philanthropy. A first step is to review the District Plan to understand any rules which would apply to such a partition.

A regional housing market approach

Hutt City is part of a regional housing market that provides choice of location to residents. These choices are increasingly broadening as evidenced by the growth occurring further from the main employment centre of the Wellington CBD. Advocacy and coordination with surrounding Councils is critical to addressing the housing needs of the region. Increased regional planning efforts can help to manage impacts of differing constraints and opportunities across Council areas. It is important that Hutt City assess any incentives and requirements against

²⁶ <https://downsizing.goodhomes.co.nz/> and <https://www.ageingwellchallenge.co.nz/>

²⁷ https://www.buildingbetter.nz/news/2017/SRA1_hidden_homes.html



surrounding Council policies to understand likely effectiveness given the inter-connectedness of the region and mobility of households.

This regional approach extends to ensuring transportation links are available to enable access to jobs and essential services. Section 5 shows the importance of the links to Wellington, with 38% of home owners and 29% of renters working there. Within both groups, the largest proportion of those working in Wellington also have the highest incomes.

Use local knowledge and resources to address local priorities

The Council should continue to ensure access to social infrastructure in high deprivation areas. Hutt City is working in partnership with multiple stakeholders to implement the *Empowering Tamariki* programme to support 7,500 children they have identified as high risk²⁸. The Council has developed and resourced community hubs in Taita and Stokes Valley to improve the longer-term outcomes of children growing up in these areas. The IDI outcomes reported in Section 7 demonstrate the need to continue and strengthen these efforts. Across new development and redevelopment areas, Council needs to plan for the delivery of the social infrastructure to support single parents with children, seniors and other households.

Council should work closely with Kainga Ora and other partners to improve the opportunities and housing choices for households in the city. In addition, a package of incentives can be developed targeting households and developers. Targeted first homebuyer incentives in specific areas can provide new tenure opportunities for renters. For instance, Council could support progressive home ownership schemes such as rent to buy and shared equity with a new Development Charges Remission Scheme. Limiting the availability to not-for-dividend entities could ensure the savings result in increased affordability for lower income households. An example of incentives to households is Wellington Council's 5k rates rebate for first homebuyers. Target incentives for rentals in subareas with low numbers of rental homes.

The impacts of climate change and projected sea level rise presents another challenge to be addressed. The Petone subarea, along the foreshore of the harbour, is identified as particularly at risk. In our interviews, Petone was consistently described as a desirable area with a unique identity. It has locational amenities including the foreshore and favourable transportation links into Wellington. It is also most at risk from rising sea levels over the long term and increased wave height during storms. Other areas of the city face flood risks from the Hutt River. Planning decisions need to incorporate resiliency measures to ensure the safety and viability of development in these identified risk prone areas.

Ensure alignment of central government agencies with Hutt City's vision

Hutt Council should seek to leverage Housing New Zealand's development capacity to drive change in the supply of affordable housing in the city. Kainga Ora will be new entity incorporating Housing New Zealand, HLC and the KiwiBuild unit of the Ministry of Housing and Urban Development in place from 1 October 2019. Kainga Ora will be responsible for the previously announced Epuni project of Housing New Zealand. It will also be the owner

²⁸ <http://www.huttcity.govt.nz/Services/Community-Support/empowering-tamariki>



and landlord of over 3,300 existing public houses in Hutt City. Their management and development activities can significantly support or undermine Hutt City plans and priorities.

The Epuni development is the first test of how the future may unfold. Epuni will deliver 153 new homes on a site vacant since 2015, when the earthquake prone homes were demolished after a resettlement process beginning in 2012. This is being delivered as solely State housing, with no diversity of tenure and likely to exacerbate the concentration of rentals in the North East subarea.

The Council is engaging with government to work in partnership on delivering good quality housing in thriving communities which contribute to positive well-being outcomes. Strong advocacy and tangible contributions will be required to ensure this approach succeeds. Council should consider land swaps and other incentives to ensure these regeneration efforts result in mixed-tenure and mixed-income neighbourhoods.

This model has already been demonstrated in Hutt City. The Pomare / Riverside Gardens project completed in 2015 provides a local example of mixed-income and mixed-tenure redevelopment. It took 89 existing HNZ rentals and redeveloped the site into 135 new homes. This private-sector led project delivered market for-sale homes integrated with 20 HZN social rentals, 13 affordable rentals by community housing providers Dwell Housing Trust and Accessible Properties, and 4 shared equity homes by Dwell. It ended up a one-off transaction and on its own did little to address the trend of increasing concentration of rentals in the North East subarea.

A new approach can provide responses to some of the housing needs identified in this report. Delivery of more social homes will address the growing need for those on the lowest incomes. The inclusion of below-market rentals can provide options for the large number of renter households under stress and paying more than 30% (and often 50%) of their income on rents. The further addition of progressive home ownership schemes would provide a means to address falling homeownership rates and help balance tenures in the redevelopment areas. The opportunity to achieve multiple outcomes presented by committing to mixed-income and mixed-tenure neighbourhoods is compelling.

Respond to increased need for rental homes

Hutt City's renters are under increasing stress to afford the cost of rent. The median market rent is \$450 per week and is continuing to rise. There are 10,410 households calculated to need housing assistance (Table 1.4). This need is concentrated in renter households. Table 6.6 statistics suggest 68% of renters are unable to pay the median market rent and 62% were unable to affordably pay the lower quartile rent. Most renters are locked out of opportunities to become owners. Over 78% of renters are unable to affordably purchase a dwelling at \$420,000 (the Lower Quartile House Price) in Hutt City. This increases to almost 89% of renters at a sale price of \$550,000 (Table 6.7).

Responding to this need is a challenge and will require resources from both Council and central government. At the local level, Council can consider how to leverage its land assets and Urban Plus. Urban Plus has the demonstrated ability to deliver new medium density homes which can begin to provide the 1- & 2- bedroom affordable rentals required to meet the City's changing household demographics. It is also committed to 'greening' its new builds and will deliver a Homestar rated home in an upcoming development. The commercial



development it undertakes supports its social/affordable housing provision. Urban Plus manages 171 units serving low-income people over the age of 65 and aims to increase its stock to 220 units.

To fully address the need for the increasing number of 65+ renter households, Urban Plus will need to significantly increase their units or other providers will need to do more. As a Council-Controlled Entity, Urban Plus is currently prohibited from accessing the Income Related Rent Subsidy which is the main tool available to increase affordable rental housing stock. Many council's and Local Government New Zealand have called for a change to this policy; Hutt City should consider advocating for a level playing field for councils. In the interim, working in partnership with registered Community Housing Providers and Kainga Ora is the best alternative for the delivery of affordable senior rentals.

Addressing the overall need for senior housing will require many more units to be provided by private sector providers and the community housing sector. Retirement Villages will likely continue to provide options for wealthier households but struggle to deliver rental products for those with lower incomes.

To assist developers to provide more rental homes, the Council could acquire key parcels, consolidate and rationalise sites for development. By strategically selecting the sites, Council could begin to address the increasing concentration of lower income rentals in the North East and Petone subareas as shown in Figures 6.5 and 6.6. Targeted incentives can also be used to encourage building new rental properties. These should be tied to the identified demographic needs (household size and affordability) and to location considerations to better balance tenures across subareas.

Preventing and responding to homelessness

Increasing rents are leading to negative housing outcomes of overcrowding, severe housing stress and homelessness. Council has adopted a Homelessness Strategy and committed \$1.6 million for 2019-22 to implement it²⁹. These proactive efforts to respond to the causes of homelessness should continue. The focus on prevention, working with social service and housing providers to address gaps, and engaging with government to ensure availability of resources is a sound strategy. Council's commitment of funding demonstrates leadership and the seriousness it attaches to addressing the current hardship facing residents.

It will be important to also respond to the increased renter stress to turn off the flow of households becoming homeless. New affordable rentals and pathways into homeownership are the long-term solutions. It is important to focus not only on the immediate needs of households experiencing homelessness, but also on the long-term response of increased affordable housing options. Council will need to continue its advocacy and coordination with providers and central government to secure the resources to end this problem.

²⁹ <http://www.huttcity.govt.nz/Your-Council/Projects/homelessness>



Appendix 1
Subarea Definition



Appendix 1: Subarea boundary definitions by statistical area unit

Subarea 1: Pencarrow - Wainuiomata

- 565100 Arikara
- 565000 Fern lea
- 564800 Glendale
- 565200 Homedale West
- 565300 Homedale East
- 565400 Pencarrow - Wainuiomata
- 564900 Parkway

Subarea 2: Belmont

- 569402 Belmont
- 569600 Haywards-Manor Park
- 569500 Kelson
- 569302 Maungaraki
- 569301 Normandale
- 569401 Tirohanga

Subarea 3: North East

- 568302 Naenae North
- 568303 Naenae South
- 568101 Tawhai
- 568102 Holborn
- 568103 Delaney
- 568104 Manuka
- 568201 Taita North
- 568202 Taita South



Subarea 4: Central

- 568301 Avalon East
- 568401 Avalon West
- 568402 Boulcott
- 568501 Epuni West
- 568502 Epuni East
- 568800 Gracefield
- 622102 Seaview Marina
- 568701 Waiwhetu North
- 568702 Waiwhetu South
- 569100 Hutt Central
- 568601 Waterloo West
- 568900 Moera
- 569001 Woburn North
- 569002 Woburn South
- 568602 Waterloo East

Subarea 5: Petone/Eastbourne

- 569202 Alicetown
- 569201 Melling
- 570000 Esplanade
- 569800 Korokoro
- 569900 Petone Central
- 570100 Wilford
- 570300 Eastbourne

(Note: that where possible Eastbourne will be listed separately)



Appendix 2

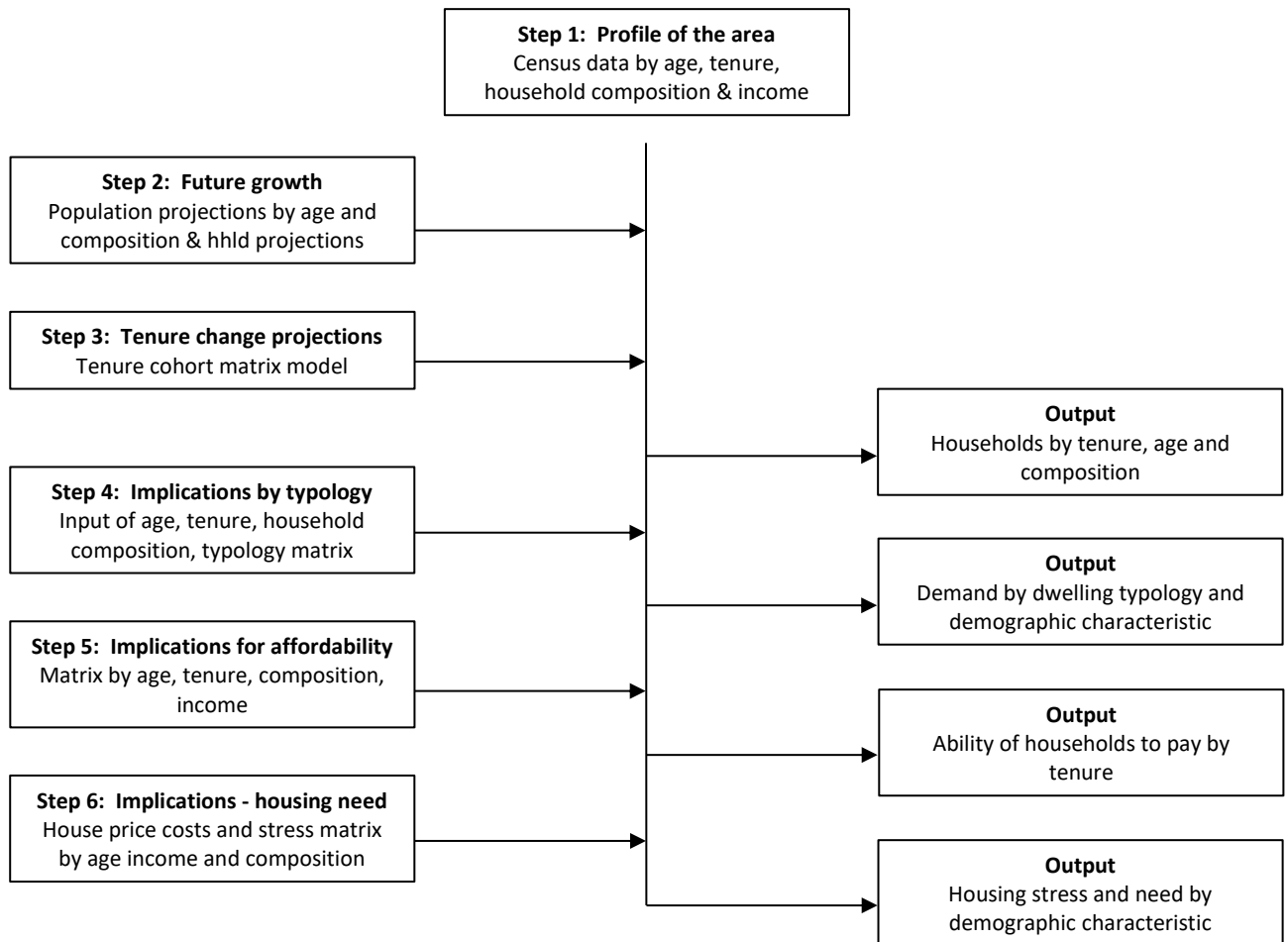
Overview of the modelling methodology



Appendix 2: Overview of modelling methodology

The objective of this appendix is to provide a high level overview of the modelling methodology . An overview of the different stages in the modelling methodology is presented in Figure 1.

Figure 1: Overview of the modelling methodology



The approach adopted has a number of key assumptions and these include:

- As agreed, the number of occupied dwellings increase in line with the projections provided by Hutt City Council and modelling by IDI;
- Underlying change in age structure and family composition changes associated with Statistic New Zealand’s population projections hold true;
- There are no significant unexpected changes to Hutt City’s and the National economies over the projection period;
- There are no significant changes to the institutional and structural settings in the local housing markets.



Description of each stage follows:

Step 1: Subarea household profile

Census results are used to provide a profile of the usually resident households in each subarea by age of the reference person, household composition, household income and tenure.

Step 2: Household projections by subarea and demographic characteristic

Statistics New Zealand population projections by age and family composition are combined with their household projection data and population projections by area unit to model the projected growth in the number of usually resident households living in each subarea by age of the reference person and household composition. These results are cross referenced with the 2013 census results to form a common reference point.

Step 3: Household projections by tenure

Tenure projections (split between owner occupied dwellings and renter households) are modelled using a tenure cohort multi-dimensional matrix approach. This approach tracks individual cohorts (by age and household composition) between 1991 and 2013 by the rate of owner occupation. These trends are projected forward with reference to the tenure change of other cohorts (by age and household composition). The rate of owner occupation matrix (by age and household composition) is combined with the household projections (by age and household composition from stage 2) to provide the projected number of households by age, household composition and tenure.

Step 4: Implications of the projections by age household composition and tenure on the demand by dwelling typology

Step 4 builds on the household projection modelled in step 4. Census data is used to develop a matrix (the dwelling typology matrix) which reflects the propensity of different cohorts (by age, household composition and tenure) to live in different types of dwellings. Dwelling typology is categorised as:

- Standalone dwellings of two bedrooms or less;
- Standalone dwellings of three bedrooms or more;
- Multi-unit dwellings of two bedrooms or less; and
- Multi-unit dwellings of three bedrooms or more.

The dwelling typology matrix (reflecting the propensity of different age groups, household composition and tenure households to live in different dwelling typologies) is combined with the household projections (by tenure, age and household composition) to provide projections of the demand for different dwelling typologies by the demographic characteristics of households.

Step 5: Affordability Statistics

Customised census outputs are used to develop a profile of the usually resident households by age of the reference person, household composition, tenure and household income. This profile is used to profile household income distribution in future years in 2013 dollars assuming the underlying structure of the subarea's income profile by age, household composition and tenure remains constant. Thus, as the proportion of different groups within the subareas population change over time so does its overall income profile.



The subareas' income profiles are combined with housing cost data sourced from MBIE's urban development dashboard to provide a range of affordability measures.

Step 6: Implications for housing need

Housing need is defined as those renter households that need assistance in providing appropriate housing to meet their requirements. Housing need in the context of this report is measured as the total number of renter households within a community which require some assistance to meet their housing requirements and encapsulates a number of different groups of households and includes the following groups:

- Financially stressed private renter households;
- Those households whose housing requirements are met by social, third sector and emergency housing; and
- People who are homeless or living in crowded dwellings.

Total renter housing need = stressed private renter households + social housing tenants + other need

'Other need' encapsulates those households who because of their circumstances have housing needs in addition to affordability. Other housing need is defined as the number of households, who because of their circumstances are in Housing New Zealand Corporation (HNZC), local authority, third sector and emergency housing, crowded households, or are homeless.

This section of the report presents analysis of:

- Current levels of housing need;
- Current need by household demographic characteristics;
- Projected growth in housing need; and
- Implications of the current and expected trends in housing need.

Secondary data sources combined with a series of semi structured interviews with social and emergency housing providers will be used to provide an estimate of the number of households in social and emergency housing and homeless people. Data on the relative level of crowded households is sourced from customised data from Statistics New Zealand.

Financially stressed households are measured using the income profile data (by household composition, household composition, tenure and income) developed in the previous stage and data from statistics New Zealand about the relative level of housing stress by these different household cohorts. The modelled output provides estimates of the number of financially stressed private renters. When combined with different scenarios of variations in key housing costs estimates of future levels of housing stressed can be modelled. The output from this stage of the analysis is the total level of renter housing need combined with projection of future need under a range of assumptions.



Appendix 3

Workplace geography by subarea



Table 1: Belmont subarea residents workplace geography

Belmont residents	Pencarrow - Wainuiomata	Belmont	North East	Central	Petone	Eastbourne	Other Hutt City	Lower Hutt City	Upper Hutt City	Wellington City	Porirua City	Kapiti Coast District	Total
Renters													
Less than \$50,000	0	0	27	48	21	0	0	102	0	36	0	0	174
\$50,000 to \$100,000	0	0	66	117	54	0	0	249	21	168	9	0	510
Over \$100,000	0	0	42	96	45	0	0	186	9	192	18	0	444
Total renters	0	0	135	261	120	0	0	537	30	396	27	0	1,128
<i>As a % of employees</i>													
Less than \$50,000	0%	0%	16%	28%	12%	0%	0%	59%	0%	21%	0%	0%	100%
\$50,000 to \$100,000	0%	0%	13%	23%	11%	0%	0%	49%	4%	33%	2%	0%	100%
Over \$100,000	0%	0%	9%	22%	10%	0%	0%	42%	2%	43%	4%	0%	100%
Total renters	0%	0%	12%	23%	11%	0%	0%	48%	3%	35%	2%	0%	100%
Owner occupiers													
Less than \$50,000	0	0	102	69	45	0	6	240	6	66	0	0	363
\$50,000 to \$100,000	6	0	273	375	180	0	15	867	51	513	27	0	1,578
Over \$100,000	18	0	447	708	354	6	12	1,569	123	1,530	75	6	3,486
Total owner occupiers	24	0	822	1,152	579	6	33	2,676	180	2,109	102	6	5,427
<i>As a % of employees</i>													
Less than \$50,000	0%	0%	28%	19%	12%	0%	2%	66%	2%	18%	0%	0%	100%
\$50,000 to \$100,000	0%	0%	17%	24%	11%	0%	1%	55%	3%	33%	2%	0%	100%
Over \$100,000	1%	0%	13%	20%	10%	0%	0%	45%	4%	44%	2%	0%	100%
Total owner occupiers	0%	0%	15%	21%	11%	0%	1%	49%	3%	39%	2%	0%	100%

Source: Statistics New Zealand



Table 2: Central subarea residents workplace geography

Central residents	Pencarrow - Wainuiomata	Belmont	North East	Central	Petone	Eastbourne	Other Hutt City	Lower Hutt City	Upper Hutt City	Wellington City	Porirua City	Kapiti Coast District	Total
Renters													
Less than \$50,000	6	0	72	390	102	0	24	603	24	198	0	0	978
\$50,000 to \$100,000	6	0	63	561	195	0	24	858	57	486	21	0	1,554
Over \$100,000	0	0	36	318	93	0	24	483	42	459	18	0	1,089
Total renters	12	0	171	1,269	390	0	72	1,944	123	1,143	39	0	3,621
<i>As a % of employees</i>													
Less than \$50,000	1%	0%	7%	40%	10%	0%	2%	62%	2%	20%	0%	0%	100%
\$50,000 to \$100,000	0%	0%	4%	36%	13%	0%	2%	55%	4%	31%	1%	0%	100%
Over \$100,000	0%	0%	3%	29%	9%	0%	2%	44%	4%	42%	2%	0%	100%
Total renters	0%	0%	5%	35%	11%	0%	2%	54%	3%	32%	1%	0%	100%
Owner occupiers													
Less than \$50,000	0	0	39	324	78	6	18	492	15	129	6	0	741
\$50,000 to \$100,000	12	0	117	975	249	0	33	1,401	63	729	18	0	2,445
Over \$100,000	39	0	222	1,911	477	0	72	2,733	129	2,316	66	0	5,571
Total owner occupiers	51	0	378	3,210	804	6	123	4,626	207	3,174	90	0	8,757
<i>As a % of employees</i>													
Less than \$50,000	0%	0%	5%	44%	11%	1%	2%	66%	2%	17%	1%	0%	100%
\$50,000 to \$100,000	0%	0%	5%	40%	10%	0%	1%	57%	3%	30%	1%	0%	100%
Over \$100,000	1%	0%	4%	34%	9%	0%	1%	49%	2%	42%	1%	0%	100%
Total owner occupiers	1%	0%	4%	37%	9%	0%	1%	53%	2%	36%	1%	0%	100%

Source: Statistics New Zealand



Table 3: North East subarea residents workplace geography

North East residents	Pencarrow - Wainuiomata	Belmont	North East	Central	Petone	Eastbourne	Other Hutt City	Lower Hutt City	Upper Hutt City	Wellington City	Porirua City	Kapiti Coast District	Total
Renters													
Less than \$50,000													
\$50,000 to \$100,000	0	0	192	219	81	0	27	525	51	135	15	0	915
Over \$100,000	0	0	186	294	123	0	33	651	84	264	21	0	1,197
Total renters	0	0	48	93	45	0	6	204	12	150	9	0	426
<i>As a % of employees</i>	0	0	426	606	249	0	66	1,380	147	549	45	0	2,538
Less than \$50,000													
\$50,000 to \$100,000	0%	0%	21%	24%	9%	0%	3%	57%	6%	15%	2%	0%	100%
Over \$100,000	0%	0%	16%	25%	10%	0%	3%	54%	7%	22%	2%	0%	100%
Total renters	0%	0%	11%	22%	11%	0%	1%	48%	3%	35%	2%	0%	100%
	0%	0%	17%	24%	10%	0%	3%	54%	6%	22%	2%	0%	100%
Owner occupiers													
Less than \$50,000													
\$50,000 to \$100,000	0	0	153	156	54	0	9	393	45	105	9	0	660
Over \$100,000	12	0	432	597	276	0	36	1,368	141	594	33	0	2,370
Total owner occupiers	6	0	369	501	219	0	21	1,128	141	831	57	0	2,328
<i>As a % of employees</i>	18	0	954	1,254	549	0	66	2,889	327	1,530	99	0	5,358
Less than \$50,000													
\$50,000 to \$100,000	0%	0%	23%	24%	8%	0%	1%	60%	7%	16%	1%	0%	100%
Over \$100,000	1%	0%	18%	25%	12%	0%	2%	58%	6%	25%	1%	0%	100%
Total owner occupiers	0%	0%	16%	22%	9%	0%	1%	48%	6%	36%	2%	0%	100%

Source: Statistics New Zealand



Table 4: Pencarrow - Wainuiomata subarea residents workplace geography

Pencarrow - Wainuiomata residents	Pencarrow - Wainuiomata	Belmont	North East	Central	Petone	Eastbourne	Other Hutt City	Lower Hutt City	Upper Hutt City	Wellington City	Porirua City	Kapiti Coast District	Total
Renters													
Less than \$50,000	105	0	12	117	60	0	18	309	6	75	0	0	468
\$50,000 to \$100,000	93	0	27	207	108	0	21	456	18	153	0	0	738
Over \$100,000	24	0	0	63	21	0	0	114	9	66	0	0	213
Total renters	222	0	39	387	189	0	39	879	33	294	0	0	1,419
<i>As a % of employees</i>													
Less than \$50,000	22%	0%	3%	25%	13%	0%	4%	66%	1%	16%	0%	0%	100%
\$50,000 to \$100,000	13%	0%	4%	28%	15%	0%	3%	62%	2%	21%	0%	0%	100%
Over \$100,000	11%	0%	0%	30%	10%	0%	0%	54%	4%	31%	0%	0%	100%
Total renters	16%	0%	3%	27%	13%	0%	3%	62%	2%	21%	0%	0%	100%
Owner occupiers													
Less than \$50,000	159	0	24	150	84	0	15	435	15	96	0	0	666
\$50,000 to \$100,000	375	0	102	576	297	0	45	1,416	57	576	42	0	2,331
Over \$100,000	282	0	54	504	219	0	15	1,104	45	711	36	0	2,091
Total owner occupiers	816	0	180	1,230	600	0	75	2,955	117	1,383	78	0	5,088
<i>As a % of employees</i>													
Less than \$50,000	24%	0%	4%	23%	13%	0%	2%	65%	2%	14%	0%	0%	100%
\$50,000 to \$100,000	16%	0%	4%	25%	13%	0%	2%	61%	2%	25%	2%	0%	100%
Over \$100,000	13%	0%	3%	24%	10%	0%	1%	53%	2%	34%	2%	0%	100%
Total owner occupiers	16%	0%	4%	24%	12%	0%	1%	58%	2%	27%	2%	0%	100%

Source: Statistics New Zealand



Table 5: Petone-Eastbourne subarea residents workplace geography

Petone-Eastbourne residents	Pencarrow - Wainuiomata	Belmont	North East	Central	Petone	Eastbourne	Other Hutt City	Lower Hutt City	Upper Hutt City	Wellington City	Porirua City	Kapiti Coast District	Total
Renters													
Less than \$50,000	0	0	15	105	135	36	9	303	9	117	6	0	507
\$50,000 to \$100,000	0	0	24	168	210	21	6	435	30	315	0	0	876
Over \$100,000	9	0	12	153	129	24	0	339	33	363	0	0	786
Total renters	9	0	51	426	474	81	15	1,077	72	795	6	0	2,169
<i>As a % of employees</i>													
Less than \$50,000	0%	0%	3%	21%	27%	7%	2%	60%	2%	23%	1%	0%	100%
\$50,000 to \$100,000	0%	0%	3%	19%	24%	2%	1%	50%	3%	36%	0%	0%	100%
Over \$100,000	1%	0%	2%	19%	16%	3%	0%	43%	4%	46%	0%	0%	100%
Total renters	0%	0%	2%	20%	22%	4%	1%	50%	3%	37%	0%	0%	100%
Owner occupiers													
Less than \$50,000	0	0	9	60	102	69	0	264	0	78	0	0	390
\$50,000 to \$100,000	0	0	9	240	261	93	6	630	12	411	6	0	1,155
Over \$100,000	15	0	75	501	489	303	24	1,419	57	1,653	36	6	3,396
Total owner occupiers	15	0	93	801	852	465	30	2,313	69	2,142	42	6	4,941
<i>As a % of employees</i>													
Less than \$50,000	0%	0%	2%	15%	26%	18%	0%	68%	0%	20%	0%	0%	100%
\$50,000 to \$100,000	0%	0%	1%	21%	23%	8%	1%	55%	1%	36%	1%	0%	100%
Over \$100,000	0%	0%	2%	15%	14%	9%	1%	42%	2%	49%	1%	0%	100%
Total owner occupiers	0%	0%	2%	16%	17%	9%	1%	47%	1%	43%	1%	0%	100%

Source: Statistics New Zealand



November 2017