



23 April 2025

HUD2025-006775

s 9(2)(a)

Tēnā koe s 9(2)(a)

On 28 March 2025 Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (the Ministry) received your request for the following information under the Official Information Act 1982 (the Act):

Any Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development reports or data that outline gaps in housing supply or community housing demand for the West Auckland region

This request was transferred to the Ministry by Kāinga Ora – Homes and Communities because the information requested aligns more closely with the functions of this agency.

One document has been found to be within scope of your request and is released to you (see Annex A). Some information has been withheld under section 9(2)(f)(iv) of the Act *to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.*

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the decision to withhold information under section 9 of the Act is not outweighed by other considerations that render it desirable to make the information available in the public interest.

You have the right to seek an investigation and review of my response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website at: www.ombudsman.parliament.nz.

As part of our ongoing commitment to openness and transparency, the Ministry proactively releases information and documents that may be of interest to the public. As such, this response, with your personal details removed, may be published on our website.

Ngā mihi

Natasha Tod
Director, Place - Tāmaki Makaurau (Auckland)
Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

Annex A: Document schedule

Document released – HUD2025-006775			
	Date	Document	Section of the Act applied
1	01/03/2024	West Auckland Housing Needs Pilot Project	9(2)(f)(iv)



Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development

West Auckland Housing Needs

Pilot Project

1/03/2024

Executive Summary

West Auckland is growing fast, with changing demographics and shifting needs. The sub-region's housing system displays a mismatch between housing supplied and what residents are seeking.

This report found that the sub-region's housing stock does not cater to the changing demographic needs of the area, as the demographic trends show a shift away from European households towards larger Asian and Pasifika communities who are more likely to require larger multi-generational homes.

Simultaneously, there is strong projected growth in the younger population segment, and the elderly, both groups who are likely to require more 1-to-2-bedroom homes.

The private market has started to respond to some of these changing needs. 70% of new dwellings consented in West Auckland are multi-unit townhouses or apartments. However, these homes generally have a smaller footprint and so are unlikely to meet the needs of larger households.

Social housing delivery is steady with significant new Kāinga Ora supply being completed in the short to medium term. The responsiveness of social housing delivery is slow in comparison to the private market; however, the consistency of the social housing construction pipeline mitigates a downturn in the private market.

There are a significant number of households in West Auckland who are vulnerable to precarious housing and housing stress. The findings showed that this situation is unlikely to change soon unless additional interventions in the housing system are scaled up or changed. The elderly population is particularly vulnerable.

This report puts a particular focus on the intermediate housing market¹. The intermediate housing market is growing fast as median house prices in West Auckland have increased by 540% between 1991 and 2018 while incomes only increased by 150% in the same period. Interventions similar to, but not limited to, affordable housing and progressive home ownership products could be helpful for this group in West Auckland.

Challenging construction market conditions, principally influenced by interest rate rises, price inflation and the cyclical nature of the New Zealand housing market, have meant that the number of new building consents being issued has dropped in West Auckland in 2023 (33% fewer than in the year ending November 2022). Combined with a surge in immigration, the resulting supply-demand mismatch is leading to increased rental prices, with rental price inflation of 7.1% in the 12 months ending Jan 2023

Our findings show the sub-region has place specific issues overlaid with system level challenges that require a range of actions to tackle. Actions proposed include targeted interventions in infrastructure provision in the West, ensuring provision of elder housing and assistance into homeownership for families. System level actions include offering financial incentives to councils, and regulatory changes to encourage the build to rent sector.

¹ This housing market segment includes households that are unable to affordably pay rent and captures those households that are currently in the private rental market, have at least one member of the household in paid employment and cannot afford to buy a house at the lower quartile house price under standard bank lending criteria.

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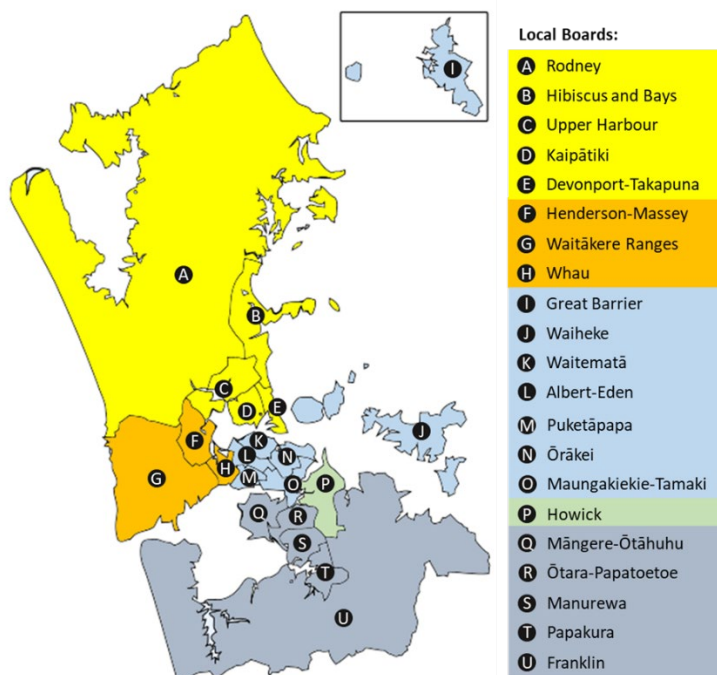
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1 Introduction and Context

This document brings together an evidence base compiling key data on demographics, housing supply, housing need and housing affordability. This data is used to identify priority population segments and key trends. It brings together information on the current investments and interventions by HUD, Kāinga Ora, Community Housing Providers (CHPs) and others in West Auckland. It then explores how better housing outcomes could be achieved in the West Auckland housing system through short term targeted interventions and through longer-term system changes. This report should be read in conjunction with Ian Mitchell’s research report titled ‘Housing outcomes in the West Auckland housing market’. Data from this report has been sourced predominantly from Stats NZ except where alternative source is specifically noted.

1.1 Geographic scope

West Auckland is the westernmost part of metropolitan Auckland, stretching from the Waitakere Ranges to the western edge of the Auckland isthmus at Avondale. For the purposes of this study, it encompasses the local board areas of Henderson-Massey, Waitakere Ranges and Whau (identified in orange in the diagram to the right). Henderson-Massey and Whau are predominantly urban areas. Waitakere Ranges encompasses urban areas of Titirangi, Glen Eden, Swanson and Waitakere, and extends to the West Coast, encompassing small coastal settlements from Te Henga (Bethells Beach) in the north to Whatipu at the Manukau Harbour mouth in the south. The sub-region is 385 square kilometres in area, however, most of this is made up of the protected forested and rural areas of the Waitakere Ranges. The area is home to a population of around 273,000 people (Stats NZ 2023 population estimate).



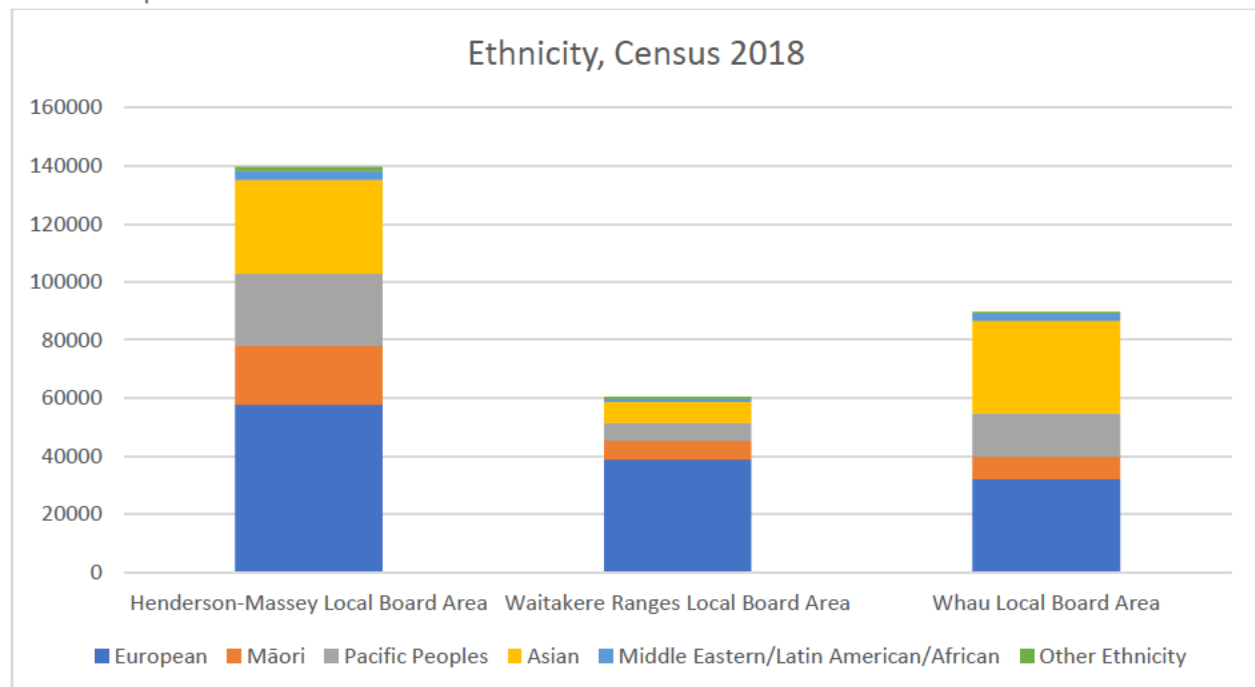
1.2 Why West Auckland?

Historically a predominantly working-class area, West Auckland has experienced rapid population growth over the last few years, both through intensification and greenfield development. It has significant potential for continued population growth particularly in the medium term with substantial feasible development capacity unconstrained by infrastructure, as noted in Auckland Council’s “Housing and business development capacity assessment 2023”. Parts of the sub-region house populations with moderate to high needs and is increasingly ethnically diverse.

West Auckland has not had the level of focus and public investment in housing and related enabling infrastructure that has gone into South Auckland in recent years. Flood resilience needs to be addressed in some areas. Some areas are reasonably well serviced by transport infrastructure, such as the western railway line to Swanson and a newly improved express bus service to Westgate. The sub-region faces many of the housing and urban issues found across the metropolitan area, giving an opportunity to more rapidly to pilot interventions which could then be applied to other areas of the city.

2 Demographics

2.1 Population



Household income by ethnicity in 2018

	NZer of euro descent & other		Māori		Pasifika		Asian		Total	
	Hhlds	% of Total	Hhlds	% of Total	Hhlds	% of Total	Hhlds	% of Total	Hhlds	% of Total
West Auckland										
<\$30,000	6,040	19%	1,620	15%	1,040	14%	2,360	13%	11,060	16%

\$30,000-\$40,000	2,380	7%	680	6%	470	6%	1,080	6%	4,610	7%
\$40,000-\$50,000	1,810	6%	610	5%	430	6%	1,050	6%	3,900	6%
\$50,000- \$70,000	3,830	12%	1,300	12%	950	13%	2,390	13%	8,470	12%
\$70,000-\$100,000	4,980	15%	1,790	16%	1,280	17%	3,280	18%	11,330	16%
\$100,000-\$150,000	6,900	21%	2,620	24%	1,840	24%	4,600	25%	15,960	23%
Over \$150,000	6,230	19%	2,480	22%	1,580	21%	3,510	19%	13,800	20%
Total stated	32,170	100%	11,100	100%	7,590	100%	18,270	100%	69,130	100%
Auckland City										
<\$30,000	35,070	15%	8,640	15%	6,354	16%	16,569	14%	66,633	15%
\$30,000-\$40,000	14,889	6%	3,378	6%	2,391	6%	6,855	6%	27,513	6%
\$40,000-\$50,000	11,574	5%	2,862	5%	2,214	6%	6,429	6%	23,079	5%
\$50,000- \$70,000	24,486	11%	6,576	11%	4,881	13%	14,412	12%	50,355	11%
\$70,000-\$100,000	31,404	14%	8,592	15%	6,123	16%	19,692	17%	65,811	15%
\$100,000-\$150,000	46,650	20%	12,855	22%	8,484	22%	26,562	23%	94,551	21%
Over \$150,000	67,431	29%	15,897	27%	8,151	21%	25,503	22%	116,982	26%
Total stated	231,504	100%	58,800	100%	38,598	100%	116,022	100%	444,924	100%

Source: Statistics New Zealand

KEY TRENDS

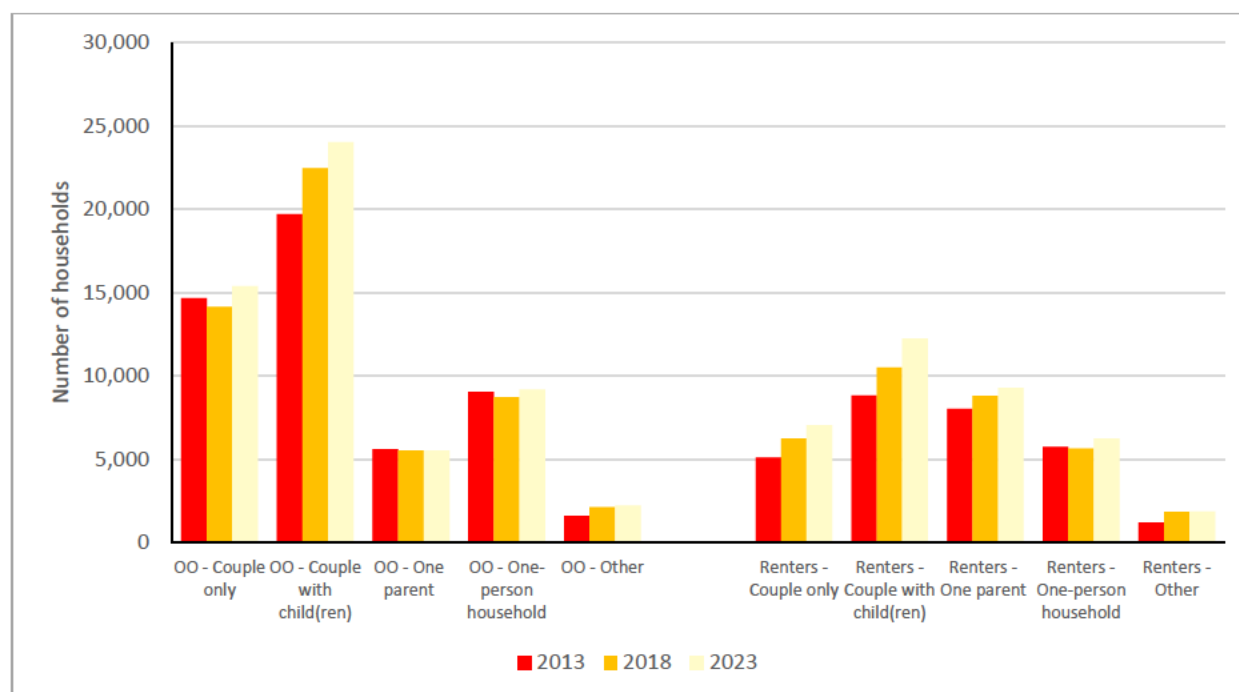
- Henderson-Massey Local Board houses the largest proportion of the sub-region's population.
- West Auckland has experienced a significant shift in the ethnic makeup of its population over the last three decades. The proportion of people identifying as European and other has fallen from 66.9 per cent in 1996 to 42.2 per cent in 2023, a fall of 24.7 percentage points.
- At the same time people identifying as Asian increased from 8.2 per cent of the total population in 1996 to 28.8 per cent in 2023, an increase of 20.7 percentage points. The Pasifika population also increased from 26,730 people to 53,180 to represent 16.5 per cent of the area's population in 2023. Auckland as a whole followed similar trends.
- Europeans have the lowest average incomes in West Auckland. 26 per cent of households with people identifying as European had incomes in of less than \$50,000 compared to 21 per cent of households in Auckland as a whole. This compares to 21 per cent of Māori households having incomes of less than \$50,000.

ANALYSIS

- A growing Asian and Pasifika population suggests the West Auckland population may require larger homes for multi-family living which is more prevalent among both the Asian and Pasifika population cohort.
- The European and Māori population's lower household incomes indicate that these groups may require more housing support.

2.3 Household composition and tenure

The number of households by tenure and composition



Source: Modelled based on data from Statistics New Zealand

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

The number of occupied dwellings by tenure and household composition between 2013 and 2023

	Number of households			Change	
	2013	2018	2023	13 to 18	18 to 23
Owner occupiers					
Couple only	14,660	14,130	15,390	-530	1,260
Couple with child(ren)	19,710	22,470	24,030	2,760	1,560
One parent	5,610	5,510	5,510	-100	0
One-person household	9,050	8,720	9,180	-330	460
Other	1,600	2,130	2,210	530	80
Total	50,520	52,950	56,320	2,430	3,370
Renters					
Couple only	5,090	6,240	7,050	1,150	810
Couple with child(ren)	8,820	10,500	12,240	1,680	1,740
One parent	8,010	8,810	9,280	800	470
One-person household	5,750	5,660	6,240	-90	580
Other	1,200	1,860	1,880	660	20
Total	28,980	33,080	36,690	4,100	3,610

Source: Modelled based on data from Statistics New Zealand

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

Table 3.6: Number of occupied dwellings by tenure and age of the household reference person 2013 to 2023

	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											
2013	3,710	9,440	11,790	14,820	10,730	50,510					
2018	5,010	9,770	10,790	15,900	11,500	52,950	1,300	330	-1,000	1,080	770
2023	4,600	10,940	10,640	16,610	13,540	56,320	-410	1,170	-150	710	2,040
Renters											
2013	5,900	7,210	6,580	5,620	3,690	28,980					
2018	6,910	8,600	6,630	6,600	4,330	33,080	1,010	1,390	50	980	640
2023	6,480	10,110	7,180	7,510	5,410	36,690	-430	1,510	550	910	1,080

Source: Modelled based on data from Statistics New Zealand

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

KEY TRENDS

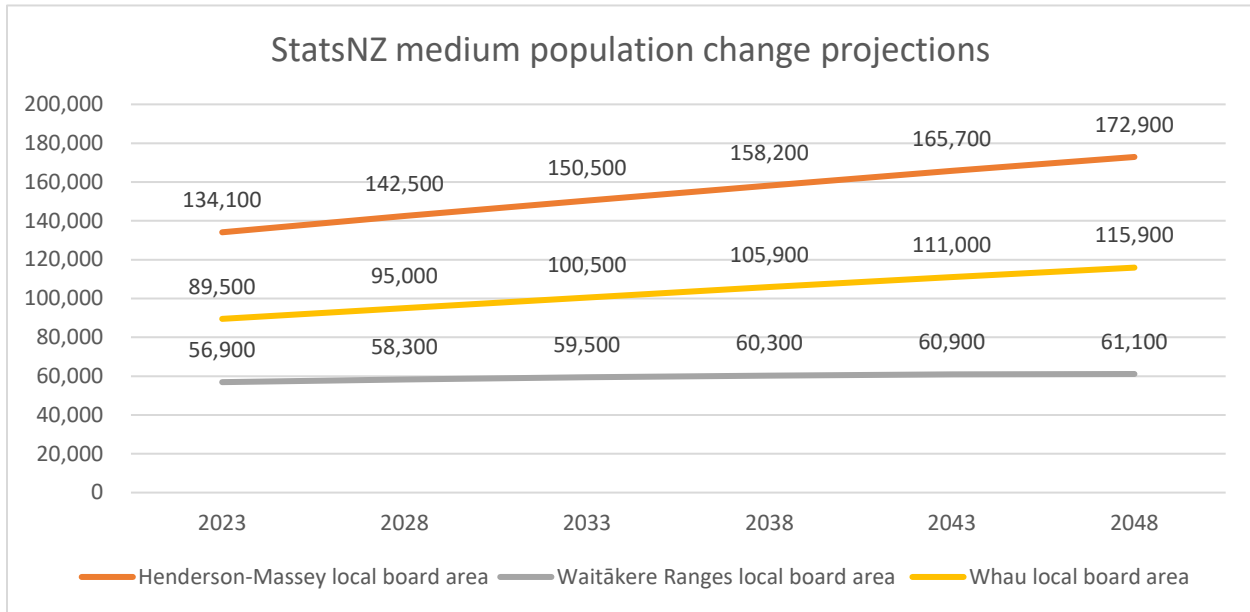
- In 2023, West Auckland had a slightly younger population than Auckland City with 25.4 per cent of its population aged less than 20 years compared to 22.5 per cent in Auckland City. By 2033 the proportion of people aged 20 years or less is projected to have fallen to 23.4 per cent in West Auckland and remained at 22.5 per cent in Auckland City.
- The proportion of people aged 65 years and older is estimated at 12.3 per cent in 2023 in West Auckland increasing to 16.3 per cent in 2033. In Auckland City people aged 65 years and older accounted for 15.9 per cent in 2023 increasing to 17.8 per cent in 2033.
- Couples with children experienced the strongest growth in number between 2013 and 2023 increasing by 13,650 households or 48 per cent. In comparison, the number of single person households remained stable since 2013.
- The number of renter and owner occupier couple only households increased between 2013 and 2023. Renter and owner occupier couples with children households experienced the strongest growth between 2013 and 2023 increasing by 39 per cent and 22 per cent respectively. This means more children in rentals by a significant margin.
- Between 2013 and 2023 renter households with reference people aged between 30 and 39 years experienced strong growth increasing from 7,210 to 10,110 in 2023, an increase of 40 per cent. The number of older households also increased for both renter and owner occupiers, particularly the proportion of renters. Households aged 50 years and over increased by 8,210 which accounted for 61 per cent of the total increase in the number of households.

ANALYSIS

- More families renting suggests the need for more secure rental options in West Auckland and more help for this cohort to step into homeownership. The increasing number of older renters will also require support as they reach retirement given their fixed incomes. Government should develop a fuller picture of the senior housing pipeline and support further investment in this sector. Increased investment in senior housing by CHPs and Kāinga Ora would be beneficial.

- The increase in number of renting families emphasises the need to support the growth of rental options (including more developments targeted as long-term rentals (build to rent development), and the need to improve the stability of tenure for renters.

2.4 Growth projections 2018-2033



Source: <https://www.stats.govt.nz/information-releases/subnational-population-projections-2018base2048-update/>

KEY TRENDS

- The number of households living in West Auckland is estimated to have increased by 17% between 2013 and 2023. This is slightly slower than Auckland City's estimated rate of growth at 20% over the same time frame.
- Over the next ten years, between 2023 and 2033, the number of households in West Auckland is projected to grow by 11,120 or 12%. Over the same timeframe Auckland City's population is expected to increase by 14%.
- Henderson-Massey local board will maintain its position as having the highest population in the sub-region, with much of the growth (38,800 projected new residents by 2048). Whau is also projected to experience significant growth (26,400 projected new residents by 2048).

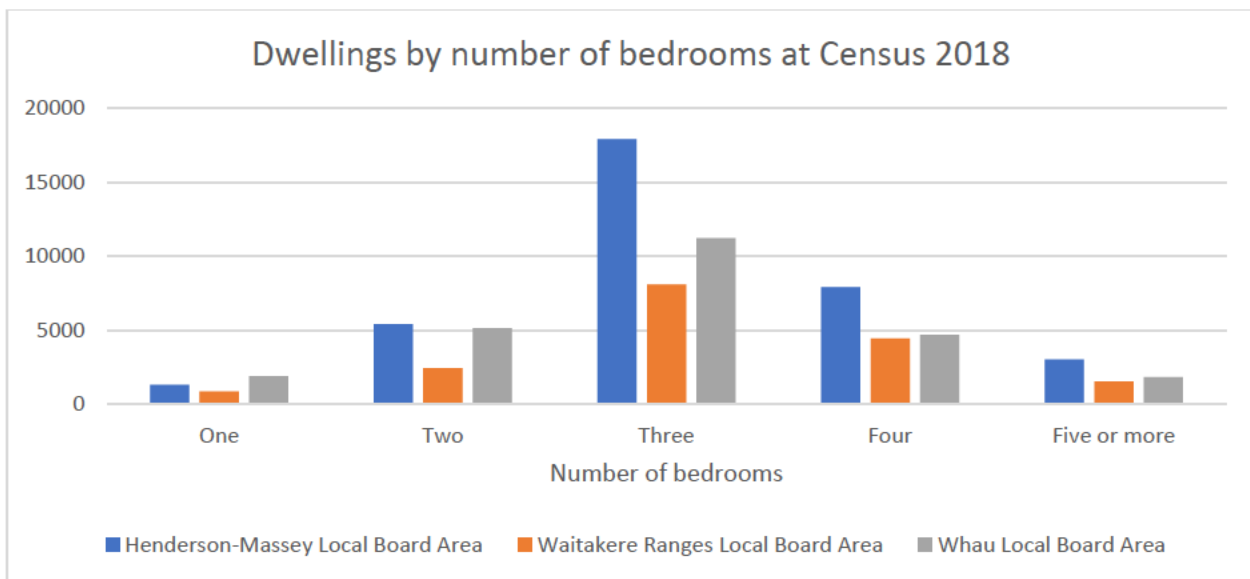
ANALYSIS

- Along with Auckland as a whole, West Auckland is rapidly growing, albeit at a marginally slower rate. This signals a need to continue to increase housing supply and infrastructure provision in the sub-region.
- Henderson-Massey and Whau will need to be the focus of future investments as they are projected to experience the most growth, with an additional 21,700 dwellings needed at the average occupancy of 3 people per household.

3 Housing Supply

3.1 Current housing stock and typology

Location	Social housing places per 1000 population
Auckland	21.6
Henderson-Massey Local Board Area	26.2
Waitakere Ranges Local Board Area	14.5
Whau Local Board Area	28.6



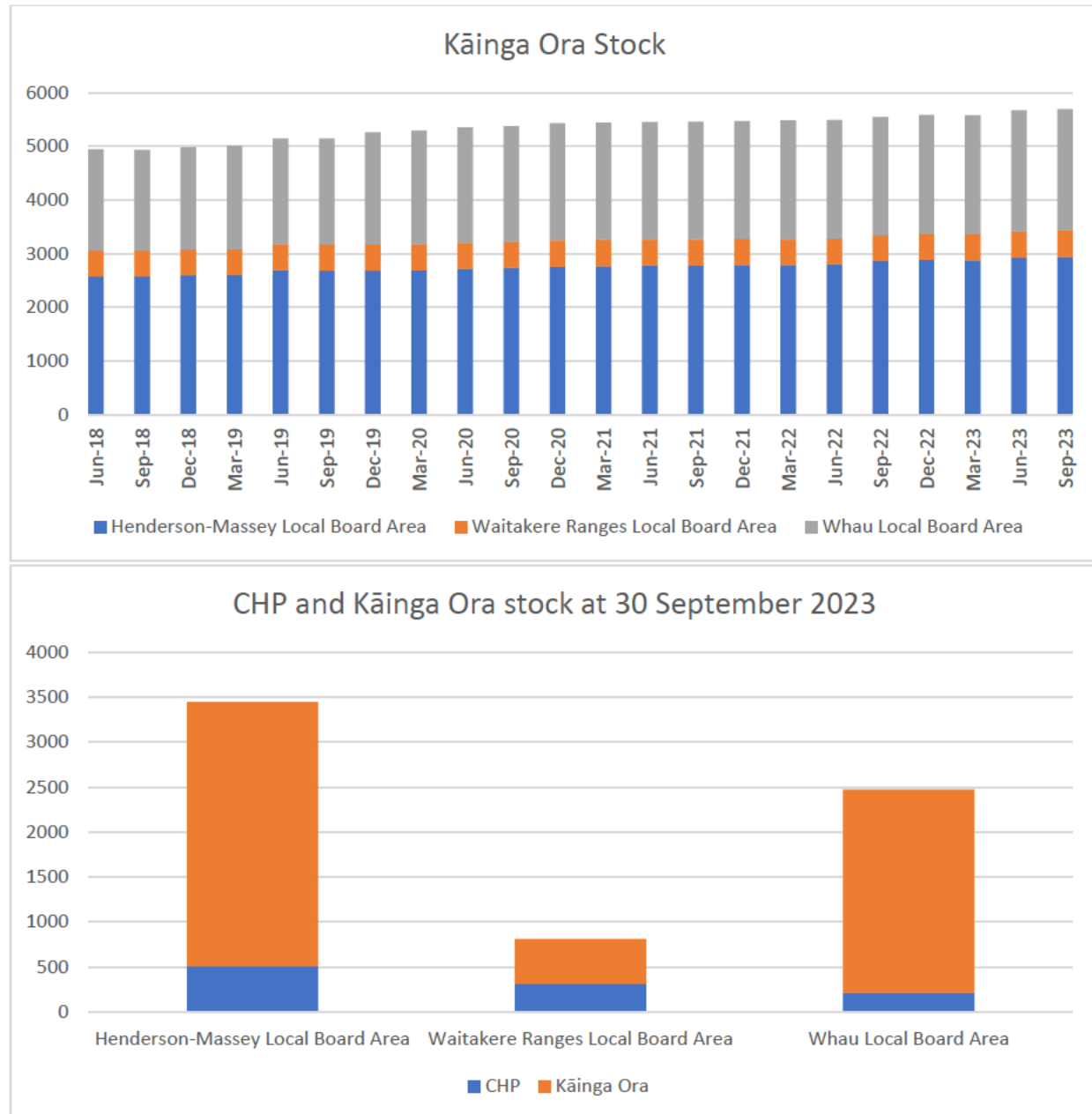
(Note: private dwellings only)

ANALYSIS

- Three bedrooms homes are by far the most common housing size in West Auckland, with the proportion of three-bedroom homes in all three local boards being above the New Zealand average. Whau local board has a higher proportion of one- and two-bedroom homes.
- Separate (standalone) homes dominate the housing stock of all three local board areas, with slightly higher proportions of joined dwellings (apartments and townhouses) in the Whau and Henderson-Massey local board areas. These joined dwellings mirror the denser nature of these areas in comparison to Waitakere Ranges local board.
- The existing stock types contrast with the extraordinary rise in dwelling consents for townhouses and apartments in the sub-region since 2017, suggesting a significant shift away from standalone dwellings is taking place.

3.2 Social and Community Housing Stock

Social housing places per 1000 population: Owing to data availability limitations, this compares places at the end of the September quarter of 2023 with the estimated residential population at 30 June 2023.



KEY TRENDS:

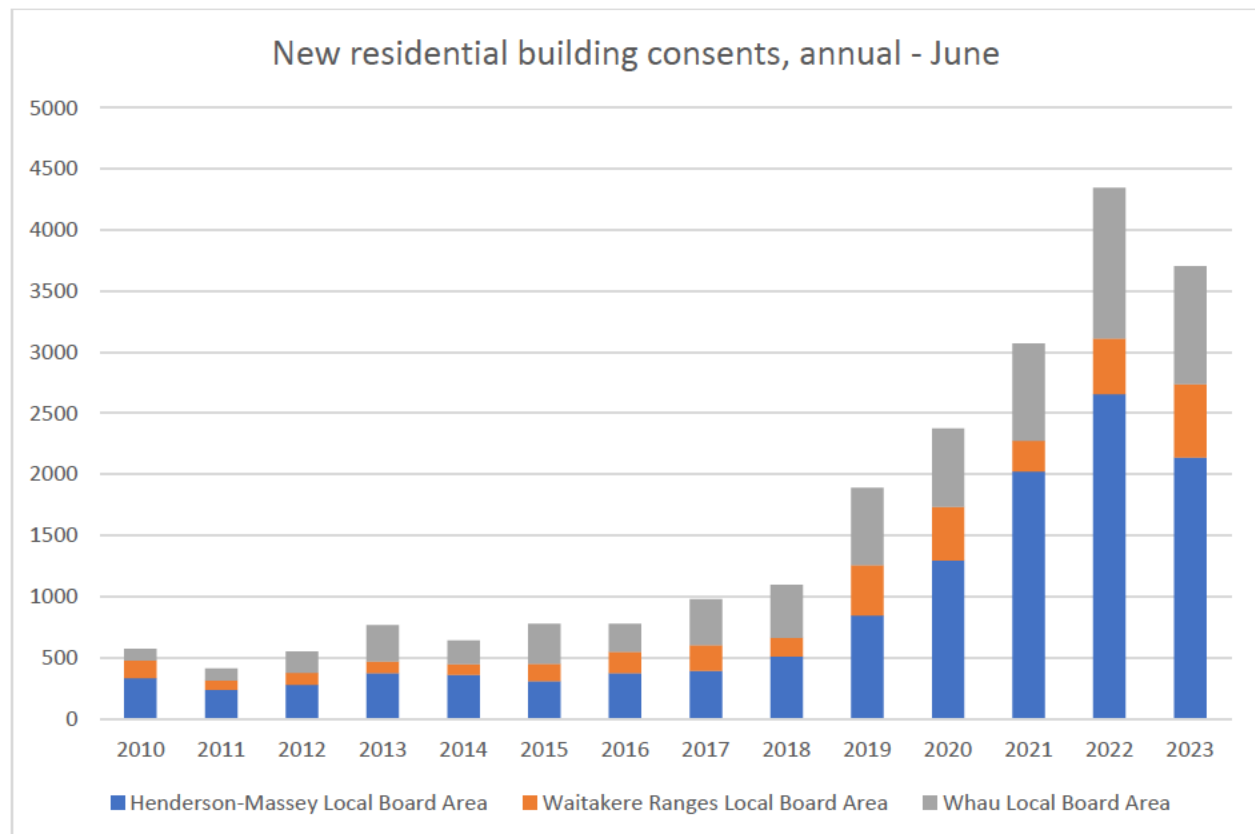
- There has been a steady but slow increase in social housing in the three local board areas. Most of the social housing supplied is in the Henderson-Massey and Whau local boards.
- The Waitakere Ranges local board area has a higher proportion of CHPs compared to the other local boards but is significantly lower in scale of provision of social housing.

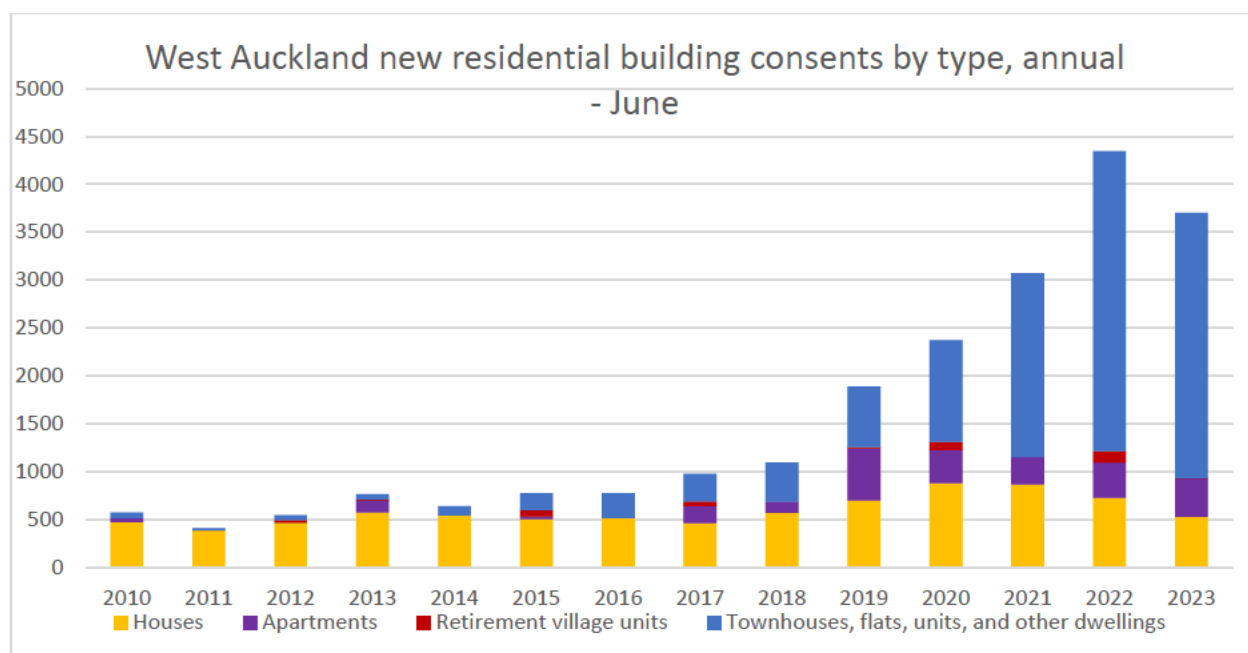
- Henderson-Massey Local and Whau local board has a greater proportion of social housing compared to Auckland generally. Waitakere Ranges is significantly lower, but there is a lower housing register per capita rate in this local board.

ANALYSIS

- The steady increase in social and community housing indicates that the housing system is responding to housing need in the sub-district, however the pace of delivery is not increasing at the same pace as the rate of need.
- Compared to Auckland as a whole, West Auckland has a similar presence of social and community housing.

3.3 State of the Market and Construction Sector





KEY TRENDS

- Since 2017 there has been a significant increase in the number of townhouses being consented in the sub-region, increasing from 30 per cent of all building consents to June 2017 to 75 per cent of all consented to June 2023. The number of apartments consented has also risen, but to a lesser extent. The number of new standalone homes consented has remained steady.
- This increase coincides with the introduction of the Auckland Unitary Plan in 2016, which upzoned significant areas of West Auckland.
- Henderson-Massey has experienced the most significant increase in building consents, going from 393 new dwelling consents in the year to June 2017 to 2138 in the year to June 2023.
- There has been a slowdown of consents approved from 2022 to 2023 across Auckland. In the year to June 2022, 4344 new residential dwellings were consented in West Auckland. In the year to June 2023, this dropped to 3705 consented, and the downwards trend is continuing.

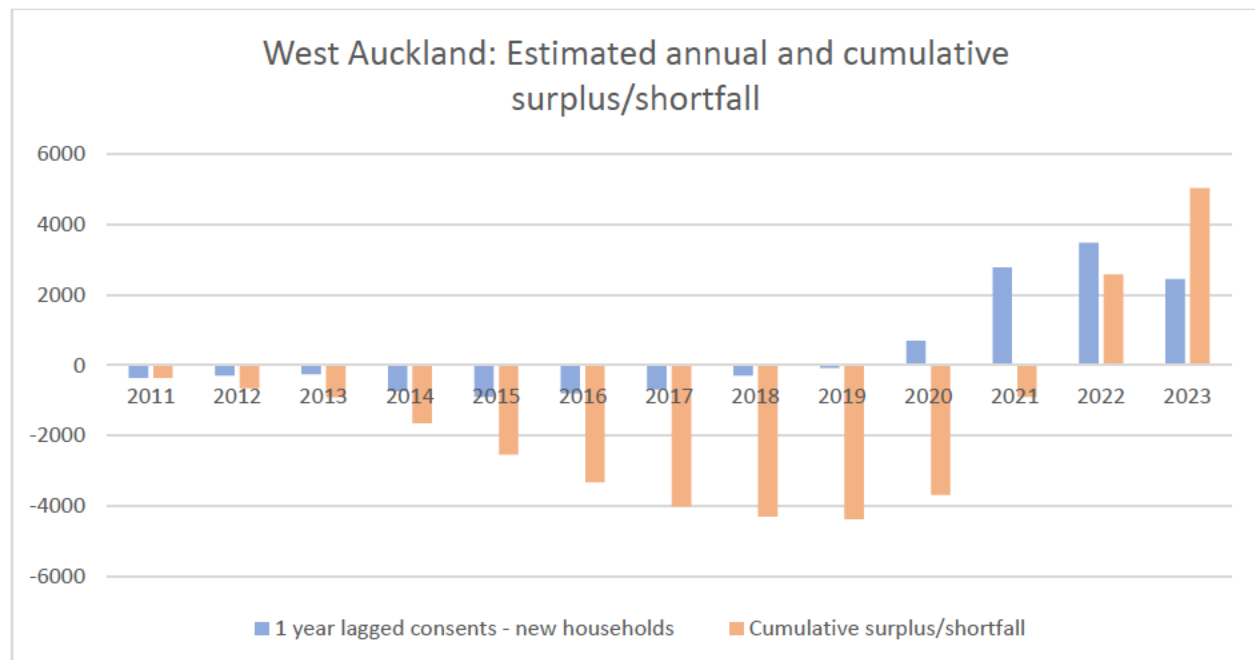
ANALYSIS

- The significant increase in the number of townhouses and apartments consented in West Auckland suggests that intensification of the sub-region has driven much of the additional housing supply consented. The significant number of consents in Henderson-Massey include greenfield developments at Westgate and Red Hills, many of which include significant delivery of townhouses.
- The denser living provided by townhouses and apartments indicates a changing urban environment which will require greater investments in public transport infrastructure to maintain and increase accessibility, upgraded 3-waters infrastructure to cope with the additional use and effectively manage stormwater, and increased provision of public spaces (e.g. parks) and community services for the new residents.
- Dwelling consents have risen steeply reflecting the more enabling environment brought about by the Auckland Unitary Plan 2016. It mirrors the more moderate rise in consents seen throughout the country in the last 5 years driven by: a more favourable lending environment,

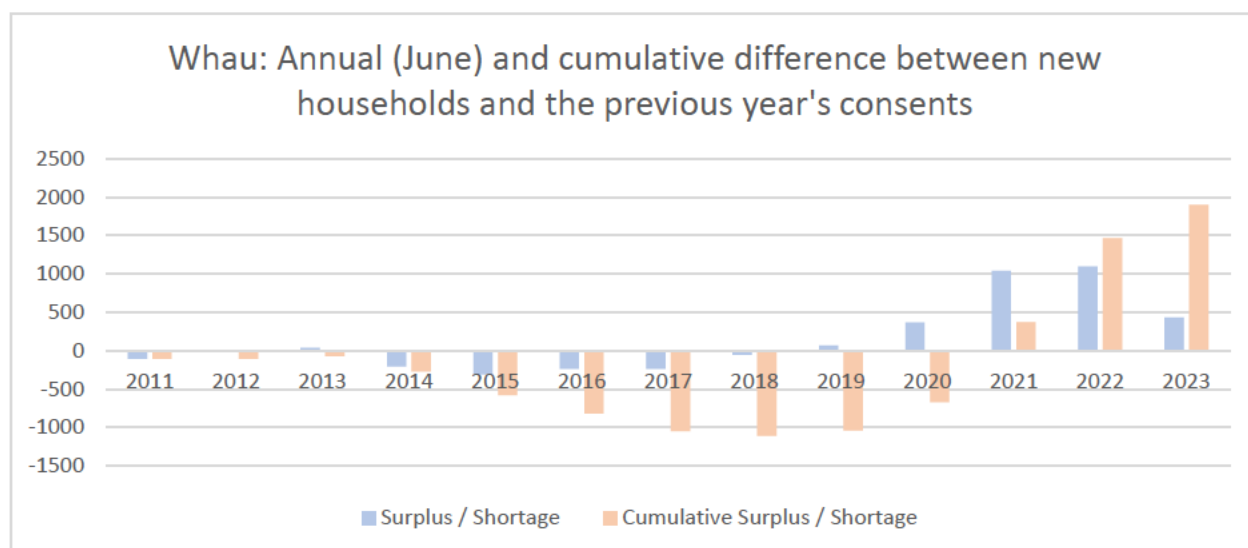
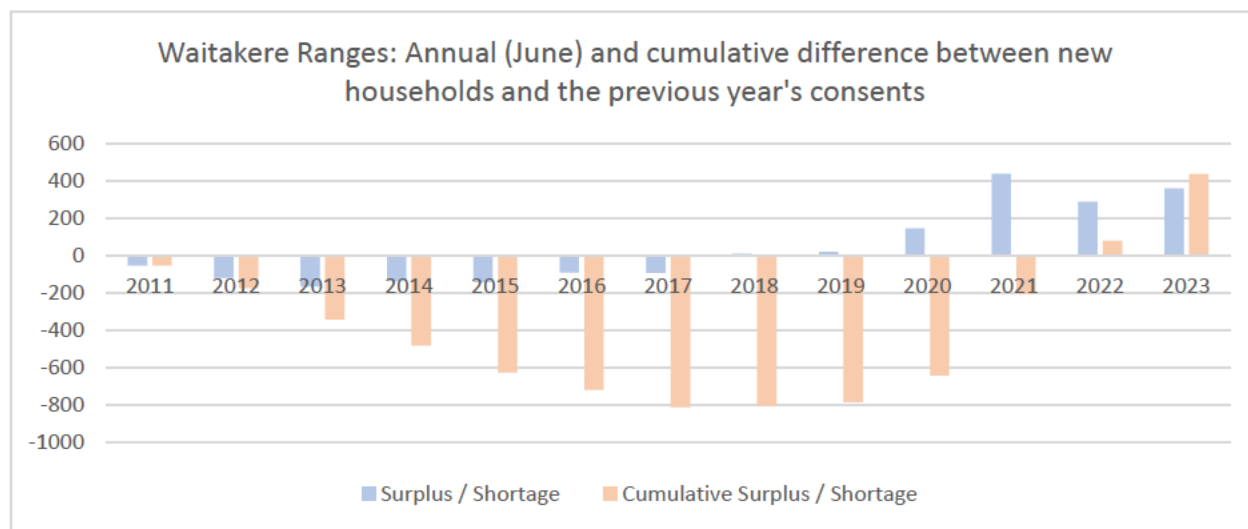
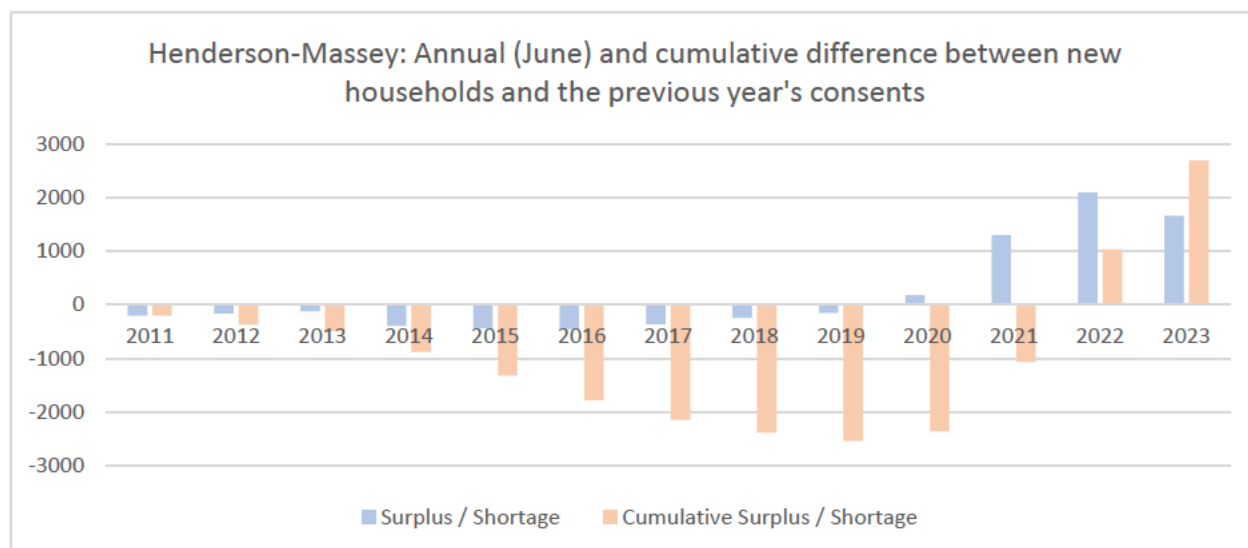
changes to the regulatory environment, improved development economics, increased delivery of social housing places, and cyclical upswing in the construction sector.

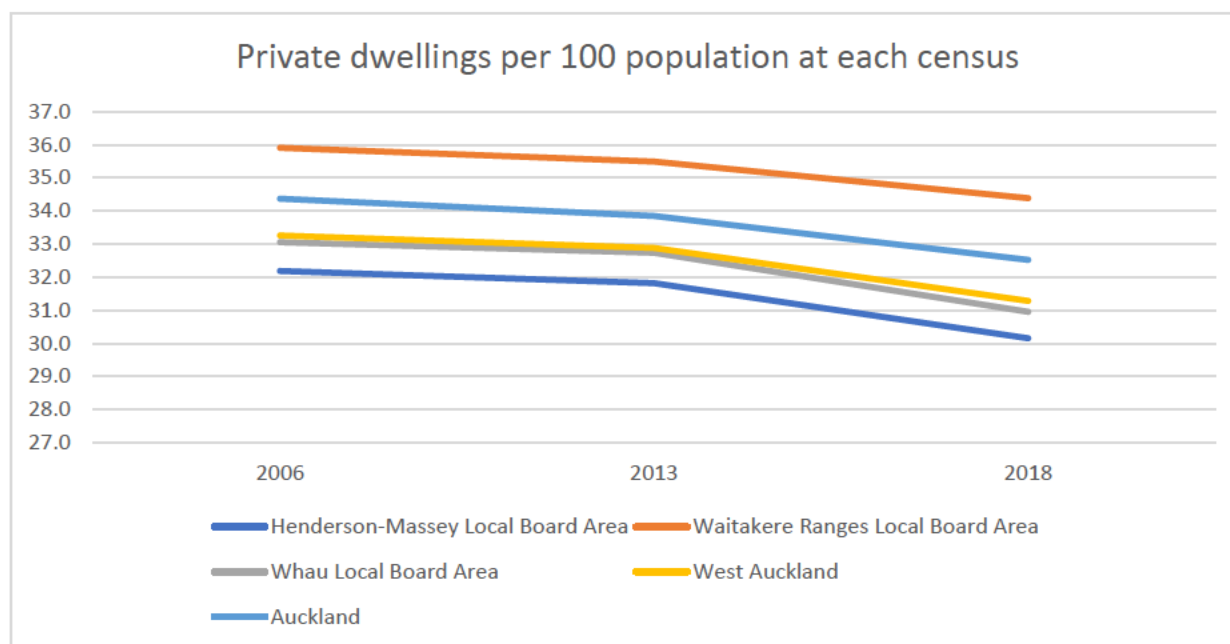
- The increase in consents for town houses and apartment living shows a response to changing population trends with a higher number of elderly and couples with children, as townhouses are often cheaper to construct and both types generally have a smaller footprint, both of which contributes to improved affordability.
- The slowdown in consents in 2023 likely results from a combination of high interest rates and higher construction costs and changing market economics.

3.4 Housing Demand vs. Dwelling Consents²



² Note this data examines consents rather than completions: not all consents will lead to completions, meaning that it will overestimate the sufficiency of housing supply. It also does not consider removals such as demolitions. It assumes that the average household and average consented dwelling are of the same size across the period, which may not be the case. The cumulative figure only measures surplus or shortfall in the given period – in this case, between 2011 and 2023. If there was an existing shortfall, that will not be captured here.





Note: On the above chart that the x axis ends at 2018: this shows the decline to the peak of the shortage, but not the more recent return to surplus. The y axis shows number of dwellings per 100 people.

KEY TRENDS

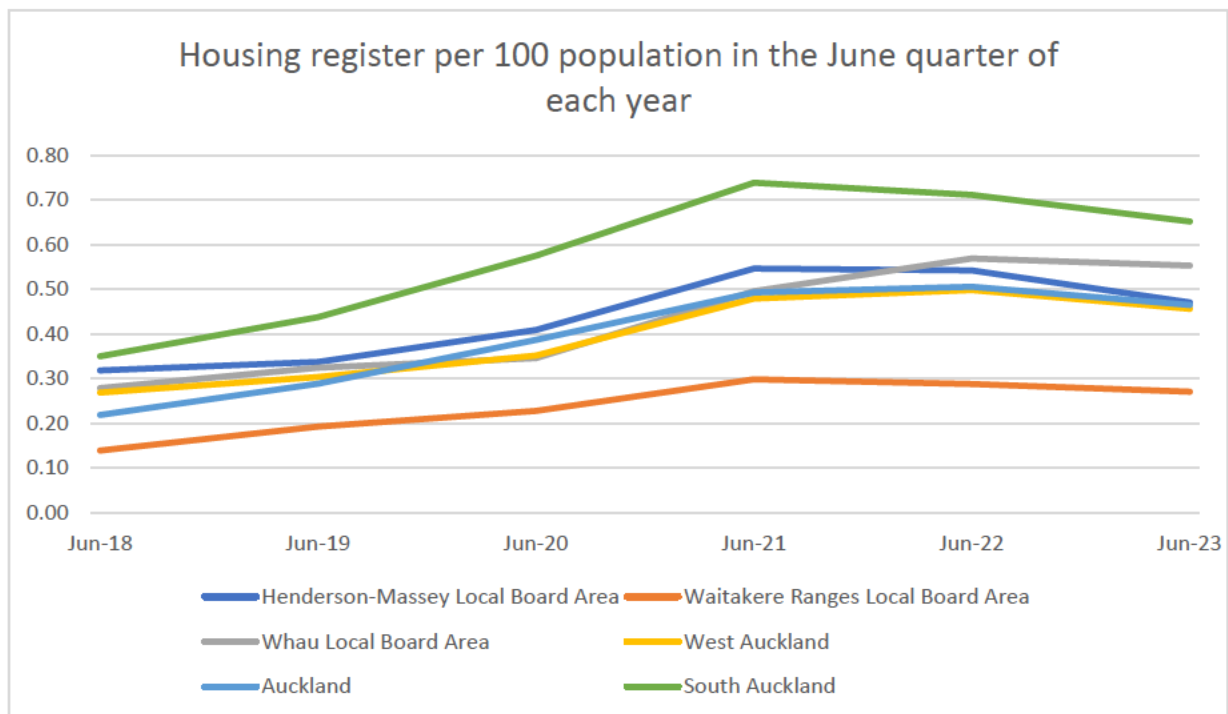
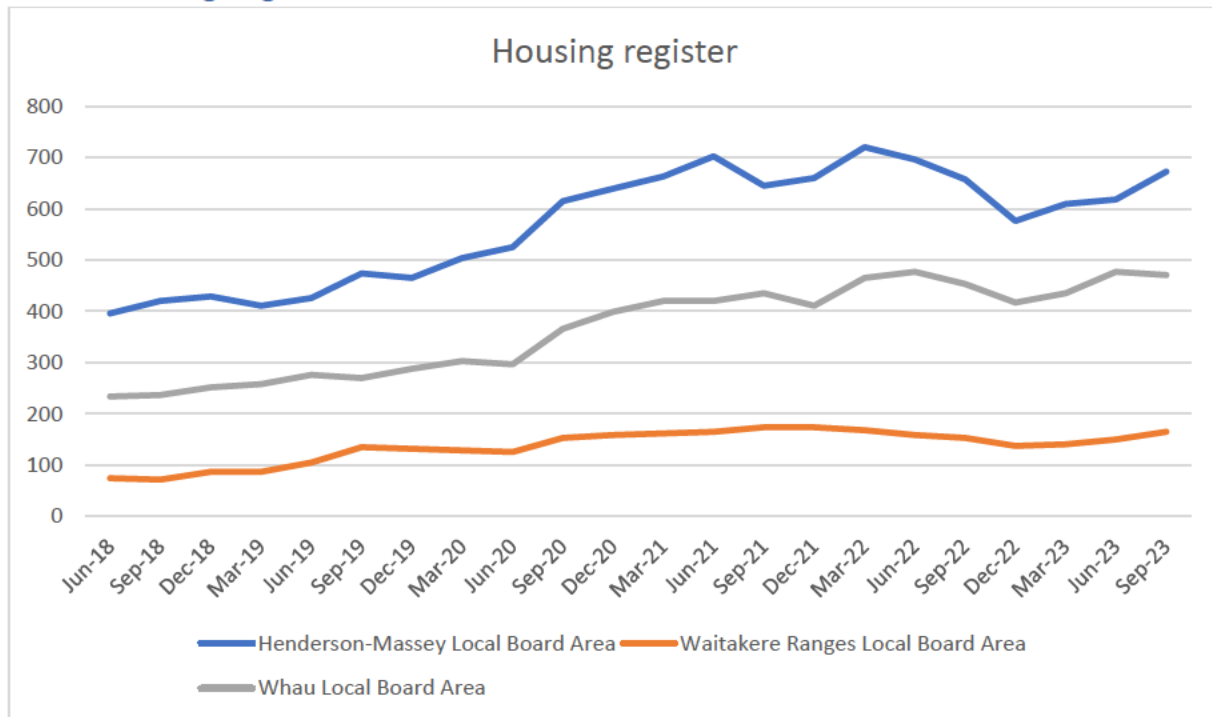
- In the 2010's, all three West Auckland Local boards accumulated significant shortages of housing, with growth in households outstripping consents for new homes. These accumulated shortages peaked around 2017/2018.
- As consenting numbers started to increase, all three local boards started to reduce these shortages.
- By 2020, Waitakere Ranges was in surplus (according to this rough measure). Helped by slowdowns in international migration as a result of Covid-19, both Whau and Henderson-Massey also reached cumulative surplus by 2021.
- In the year ending June 2023, as incoming migration increased, Whau and Henderson-Massey have seen slowing rates of surplus accumulation. However, in all three local boards the number of residential dwellings consented in the year to June 2022 was greater than increased population over the next year.

ANALYSIS

- The housing surpluses accumulated since 2020 demonstrate the impact limiting demand for housing can have through limiting migration.
- The delivery of surplus housing since 2020 coincided with sharp fluctuations in house prices which were driven in part by interest rates decreasing. Rents however were less volatile and decreased in real terms in Auckland over this same period. This indicates that housing supply and rent prices are better indications of housing affordability than house prices, which have a stronger relationship with interest rates.

4 Housing Need

4.1 Housing Register



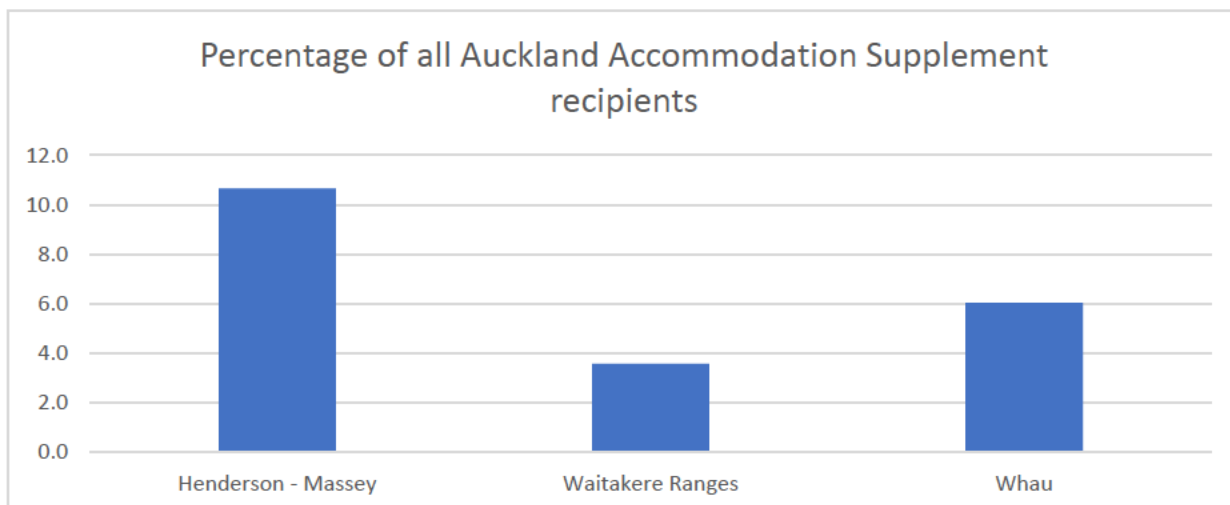
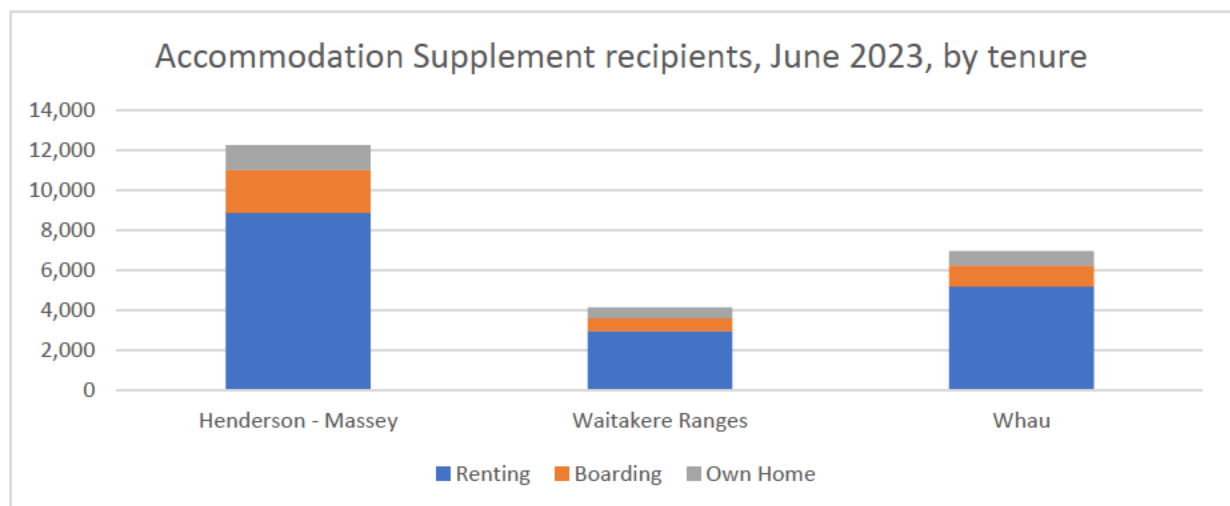
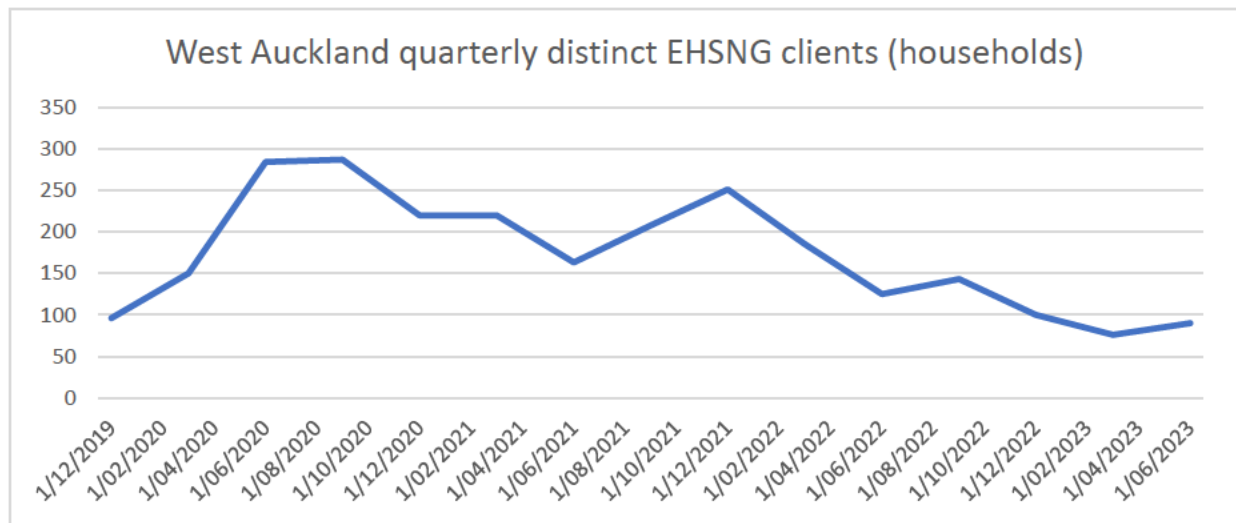
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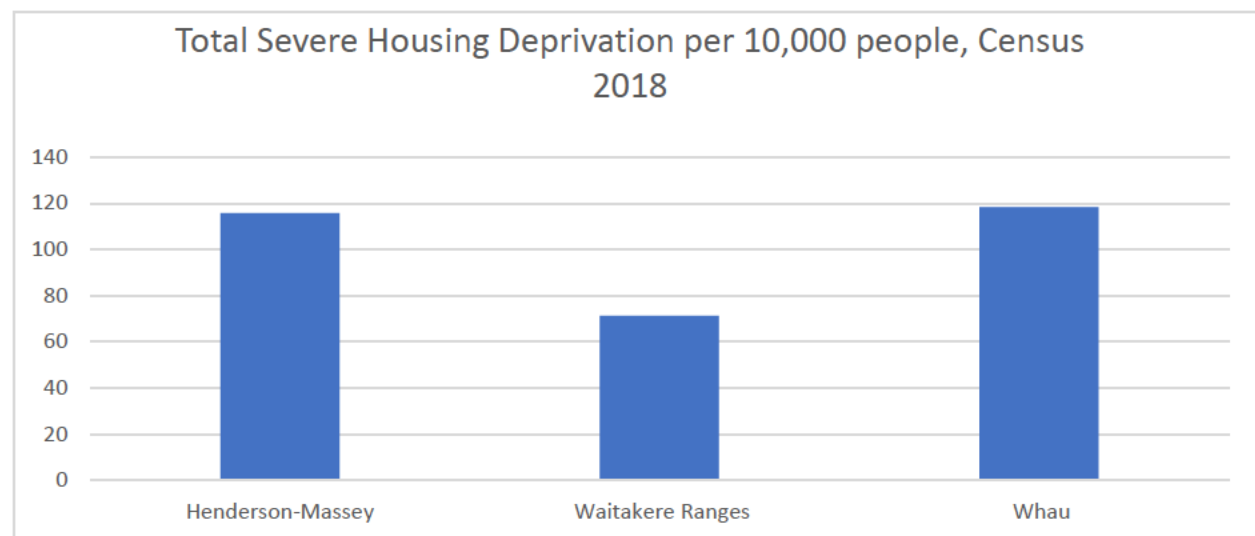
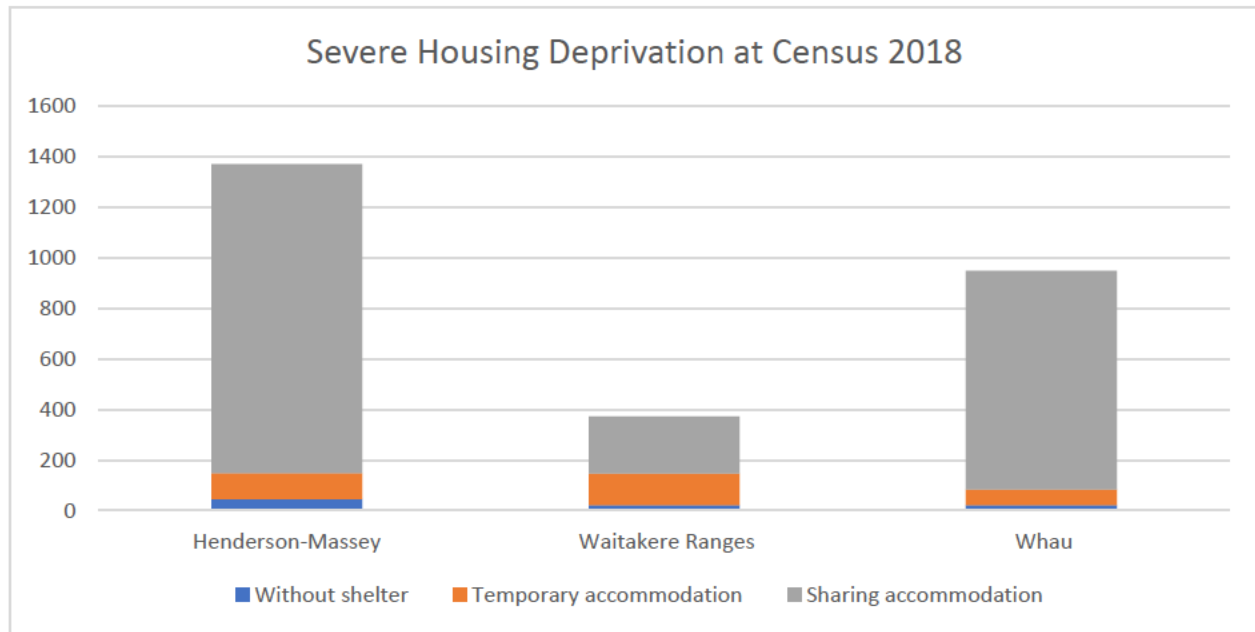
- Between June 2018 and September 2023, numbers on the housing register have increased by 70% in Henderson-Massey, 120% in Waitakere Ranges, and 101% in Whau. The three collectively increased by 86%. Over the same period, the housing register for Auckland as a whole grew 135 %.
- 34% of the growth in the housing register in Auckland was in South Auckland and 12% in West Auckland (though noting that 22% of the growth in the housing register in Auckland over this period was not able to be attributed to a specific local board area.)
- The growth in the housing register has begun to flatten out in all local board areas since 2022, with a slight increase in the Whau local board.
- Housing register per capita in the West Auckland sub-region is at a similar level to the per capita rate in the rest of Auckland and in New Zealand as a whole.

ANALYSIS

- The growth in the housing register in West Auckland in recent years is reflective of the growth in the register experienced nationally.
- The per capita rate of residents on the housing register in Henderson-Massey showed a decrease in recent years possibly reflecting the delivery of additional social housing places in this local board area.

4.2 Emergency Housing Special Needs Grants and Accommodation Supplement





KEY TRENDS

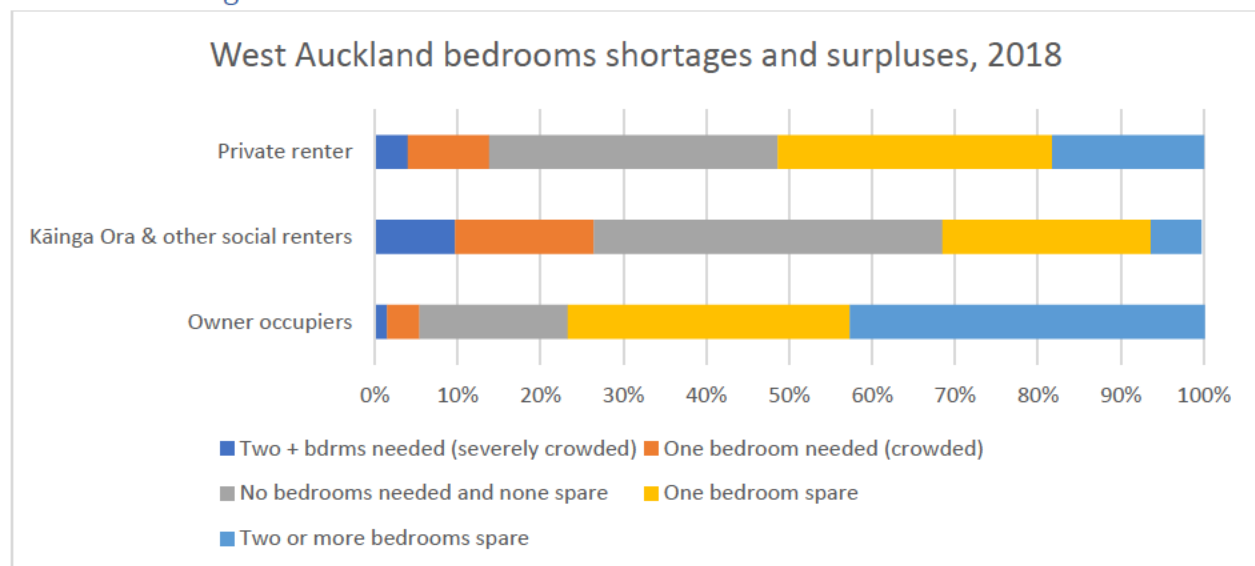
- EHSNG use has been on a downward trend across West Auckland since 2020. The number of grants given to each distinct client has also decreased.
- At the 2018 census, Severe Housing Deprivation (SHD) per 10,000 people rate for the three West Auckland local boards were 115.6 for Henderson-Massey, 71.4 for Waitakere Ranges, and 118.3 for Whau. These rates are around the median of 111 per 10,000 people for Auckland as a whole. There is significant variation across Auckland's local boards, ranging from 22.8 in Hibiscus and Bays local board to 300.1 in Mangere-Otahuhu. The median SHD per 10,000 for all territorial authorities in NZ was 67, while the per 10,000 rate for NZ as a whole was 85.

- As with most places in NZ, the majority of SHD in West Auckland is 'sharing accommodation'. Waitakere Ranges has a notably higher portion of its SHD in the 'temporary accommodation' category.

ANALYSIS

- The decrease in EHSNG usage could be for a variety of reasons, such as applicants finding more permanent housing solutions or leaving West Auckland or Auckland altogether.
- West Auckland emerges as having an average rate of severe housing deprivation, similar to Auckland as a whole. This suggests that this issue is not particularly unique to this sub-region of Auckland but is worse than the New Zealand average.
- Waitakere Ranges local board's higher temporary accommodation rates signals that there are likely fewer housing alternatives available in this local board area.

4.3 Crowding



KEY TRENDS

- West Auckland had moderately high levels of crowding in 2013 and 2018. Kāinga Ora renters had significantly higher rates of crowding than private renters.
- Crowded households tended to occur in households with younger household reference people.
- Multifamily households had the highest proportion of crowded households in both 2013 and 2018.
- Households identifying as Pasifika had the highest proportion of crowded households in 2013 and 2018 for both private renters and Kāinga Ora renter households. This trend is similar across the country. For example, 27% of private renter Pasifika households living in the Auckland Region were crowded in 2018 compared to 24% nationwide.

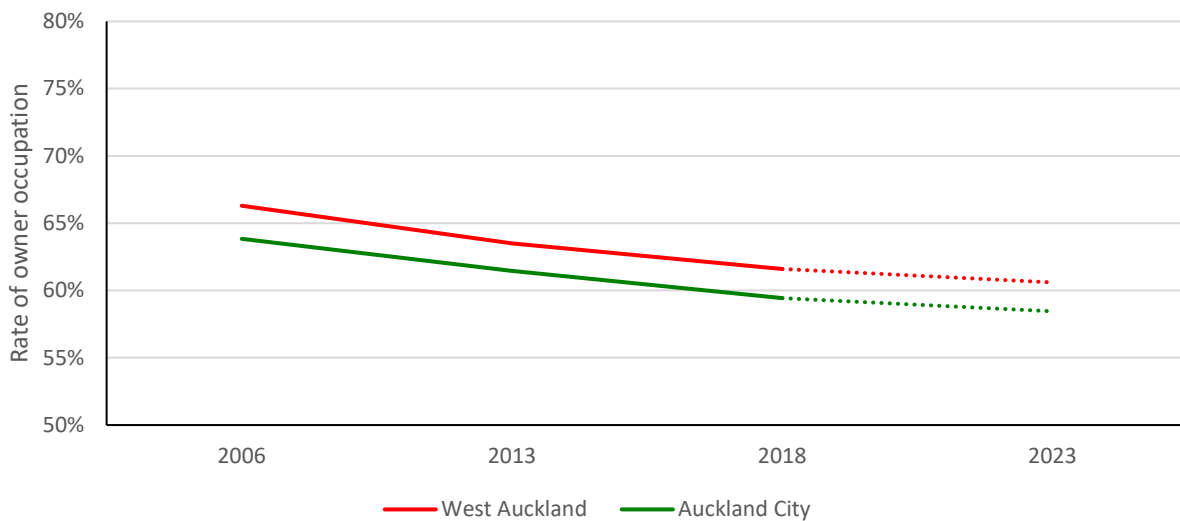
ANALYSIS

- It is unclear to what extent households crowding plays a part in both household size and incomes.

- Crowding in Kāinga Ora households indicates the need for increased provision of social housing. This includes housing typology that suits the needs of those families who wish to live in a multifamily setting (such as 4+ bedroom homes) and more one-bedroom homes for those who wish to live separately but currently lack affordable options.

4.4 Home Ownership Rate

Projected rate of owner occupation



	West Auckland				Auckland City			
	Māori	Pasifika	Asian	Euro & Other	Māori	Pasifika	Asian	Euro & Other
2013								
Owner occupiers	5,640	3,410	10,620	30,660	27,140	14,610	59,960	203,210
Renters	6,720	5,150	5,570	11,310	63,580	42,770	102,780	286,260
Rate of owner occupation	46 per cent	40 per cent	66 per cent	73 per cent	43 per cent	34 per cent	58 per cent	71 per cent
2018								
Owner occupiers	5,510	3,400	12,720	23,540	28,020	15,170	75,320	166,850
Renters	6,550	4,890	6,670	9,270	35,690	26,840	49,060	70,270
Rate of owner occupation	46 per cent	41 per cent	66 per cent	72 per cent	44 per cent	36 per cent	61 per cent	70 per cent

KEY TRENDS

- West Auckland's rates of owner occupation fell by 4.7 percentage points between 2006 and 2018 (66.3% in 2006 to 61.6% in 2018) compared to a 4.4 percentage point fall in the Auckland Region

as a whole (data not shown). Tenure modelling projections indicate that the rate of owner occupation will erode to 60.6 percent in West Auckland in 2023.

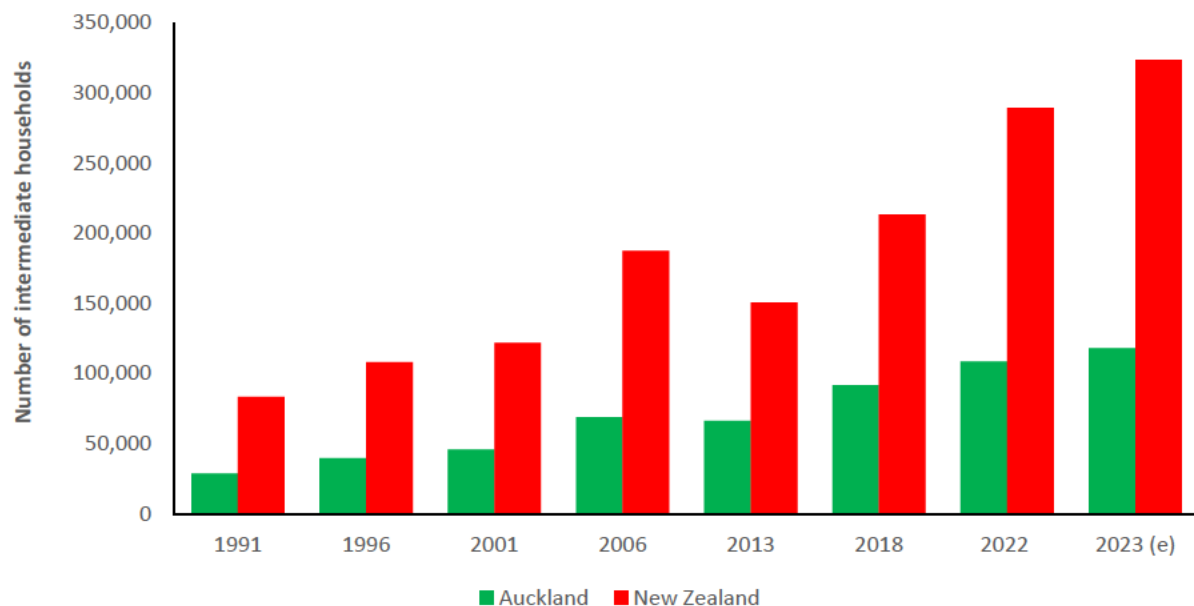
- Rates of home ownership are higher in West Auckland than the rest of Auckland.
- Asian and European New Zealanders have higher rates of homeownership compared to Māori and Pasifika New Zealanders.
- Renter and owner occupier couples with children households experienced the strongest growth between 2013 and 2023 increasing by 39% and 22% respectively. The number of renter and owner occupier one person households increased in number between 2018 and 2023.

ANALYSIS

- Although West Auckland has a higher rate of home ownership than the rest of Auckland, homeownership rates are falling slowly in West Auckland. Therefore, programmes targeting help into homeownership could be useful. Low homeownership rate amongst Pasifika and Māori ethnic groups makes these groups potential target cohorts.
- More secure rental choices would help those who have already fallen out of homeownership.

4.6 The Intermediate Housing Market

Intermediate housing market 1991 to 2023



Explainer

The intermediate housing market is a relative measure of the affordability of housing for first home buyers. The intermediate housing market is defined as those households:

- *Currently in the private rental market;*
- *That have at least one member of the household in paid employment; and*
- *That cannot afford to buy a house at the lower quartile house price under standard bank lending criteria.*

The intermediate housing market forms an important part of the housing market continuum. They represent working households unable to affordably buy a dwelling at the lower quartile house sale price.

Intermediate housing market households in West Auckland

	West Auckland			Auckland City		
	Intermediate households	As a % of all renters	As a % of all households	Intermediate households	As a % of all renters	As a % of all households
2013	9,200	31.7%	11.6%	66,200	34.5%	13.3%
2018	14,600	44.1%	17.0%	95,350	42.7%	17.3%
2023	17,110	46.6%	18.4%	108,530	43.7%	18.1%

Intermediate housing market in West Auckland by age of the household reference person and composition in 2013, 2018, and 2023

	0-29 Years		30-39 Years		40-49 Years		50-64 Years		65 Years and Over		Total	
	hhlds	% of tot	hhlds	% of tot	hhlds	% of tot	hhlds	% of tot	hhlds	% of tot	hhlds	% of tot
2013												
Couple only	550	6.0%	320	3.5%	160	1.7%	310	3.4%	80	0.9%	1,420	15.5%
Couple with ch	750	8.2%	1,350	14.7%	860	9.4%	280	3.1%	0	0.0%	3,240	35.3%
One parent	330	3.6%	560	6.1%	670	7.3%	390	4.2%	20	0.2%	1,970	21.5%
one person	150	1.6%	310	3.4%	450	4.9%	550	6.0%	100	1.1%	1,560	17.0%
Other	310	3.4%	180	2.0%	180	2.0%	180	2.0%	140	1.5%	990	10.8%
Total	2,090	22.8%	2,720	29.6%	2,320	25.3%	1,710	18.6%	340	3.7%	9,180	100.0%
2018												
Couple only	1,050	7.2%	810	5.5%	230	1.6%	410	2.8%	110	0.8%	2,610	17.9%
Couple with ch	930	6.4%	2,570	17.6%	1,590	10.9%	610	4.2%	40	0.3%	5,740	39.3%
One parent	480	3.3%	730	5.0%	950	6.5%	670	4.6%	40	0.3%	2,870	19.7%
one person	240	1.6%	400	2.7%	480	3.3%	670	4.6%	80	0.5%	1,870	12.8%
Other	530	3.6%	390	2.7%	240	1.6%	310	2.1%	40	0.3%	1,510	10.3%
Total	3,230	22.1%	4,900	33.6%	3,490	23.9%	2,670	18.3%	310	2.1%	14,600	100.0%
2023												
Couple only	1,200	7.0%	970	5.7%	270	1.6%	490	2.9%	130	0.8%	3,060	17.9%
Couple with ch	1,060	6.2%	3,070	17.9%	1,860	10.9%	710	4.1%	50	0.3%	6,750	39.5%
One parent	540	3.2%	870	5.1%	1,110	6.5%	780	4.6%	50	0.3%	3,350	19.6%
one person	280	1.6%	480	2.8%	560	3.3%	780	4.6%	100	0.6%	2,200	12.9%
Other	600	3.5%	470	2.7%	280	1.6%	360	2.1%	40	0.2%	1,750	10.2%
Total	3,680	21.5%	5,860	34.2%	4,080	23.8%	3,120	18.2%	370	2.2%	17,110	100.0%

KEY TRENDS

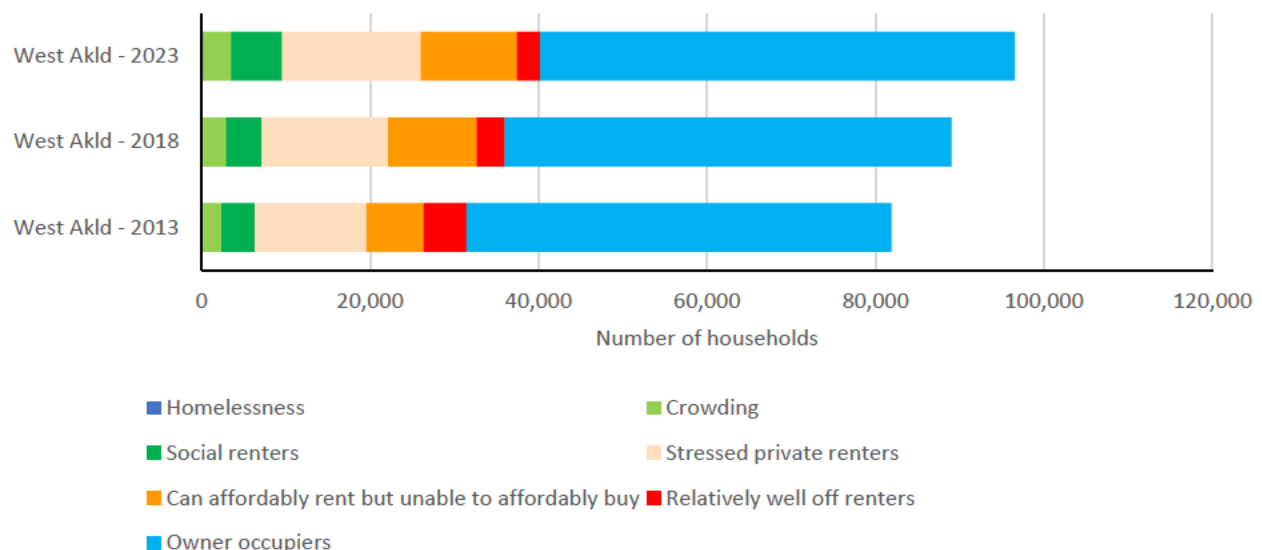
- Intermediate renter households in West Auckland are estimated to be higher as a proportion of all renters and all households in 2018 and 2023 when compared to the whole of Auckland. The size of the intermediate housing market has grown faster in West Auckland than Auckland as a whole.

- Couples with children account for the largest proportion of intermediate renter households and this proportion has grown since 2013. Younger households also make up a higher number of intermediate renter households.
- Intermediate renting households are increasing in number as a per cent of all households and as a per cent of all renters. 46.6 per cent of all renters in West Auckland are now intermediate renters, up from 31.7 per cent in 2013.

ANALYSIS

- One of the key drivers of the growth in the intermediate housing market over the last 27 years has been house price growth exceeding the growth of household incomes. For example, lower quartile house prices in Auckland are estimated to have increased by 540% between 1991 and 2018 while median household incomes increased by 150%.
- Average rents have also increased significantly, between 1991 and 2018 rents increased 178% increase. This growth outpaces median house incomes growth over the same period, albeit at a slower rate than house price growth. This data shows that renting households are paying higher housing costs leaving them with less discretionary income, including less ability to save for a house deposit, leaving them with a reduced ability to own their own home.
- The growth of this intermediate housing segment indicates that more support is needed for those households who have historically not been targeted by housing interventions. These households would benefit from more secure, affordable and long-term rentals, access to programmes such as the Progressive Home Ownership, and increased supply in general.
- This data shows that an increasing number of households are living in rental housing for longer, and that rental costs are rising faster than household incomes. This reduces the ability of these households to move into homeownership. These households require greater protection in their tenancies in the short term, and programmes to aid them in saving for a deposit.

West Auckland's housing continuum in 2013, 2018 and 2023



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

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

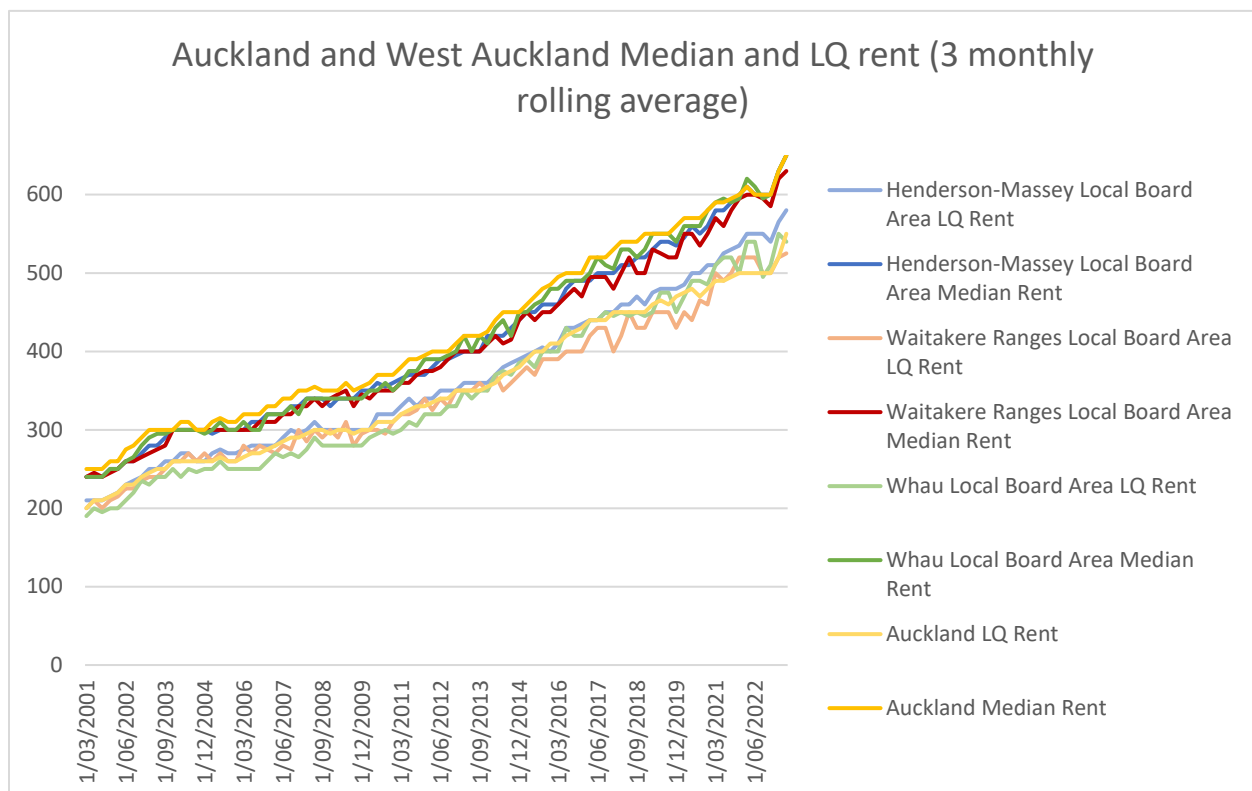
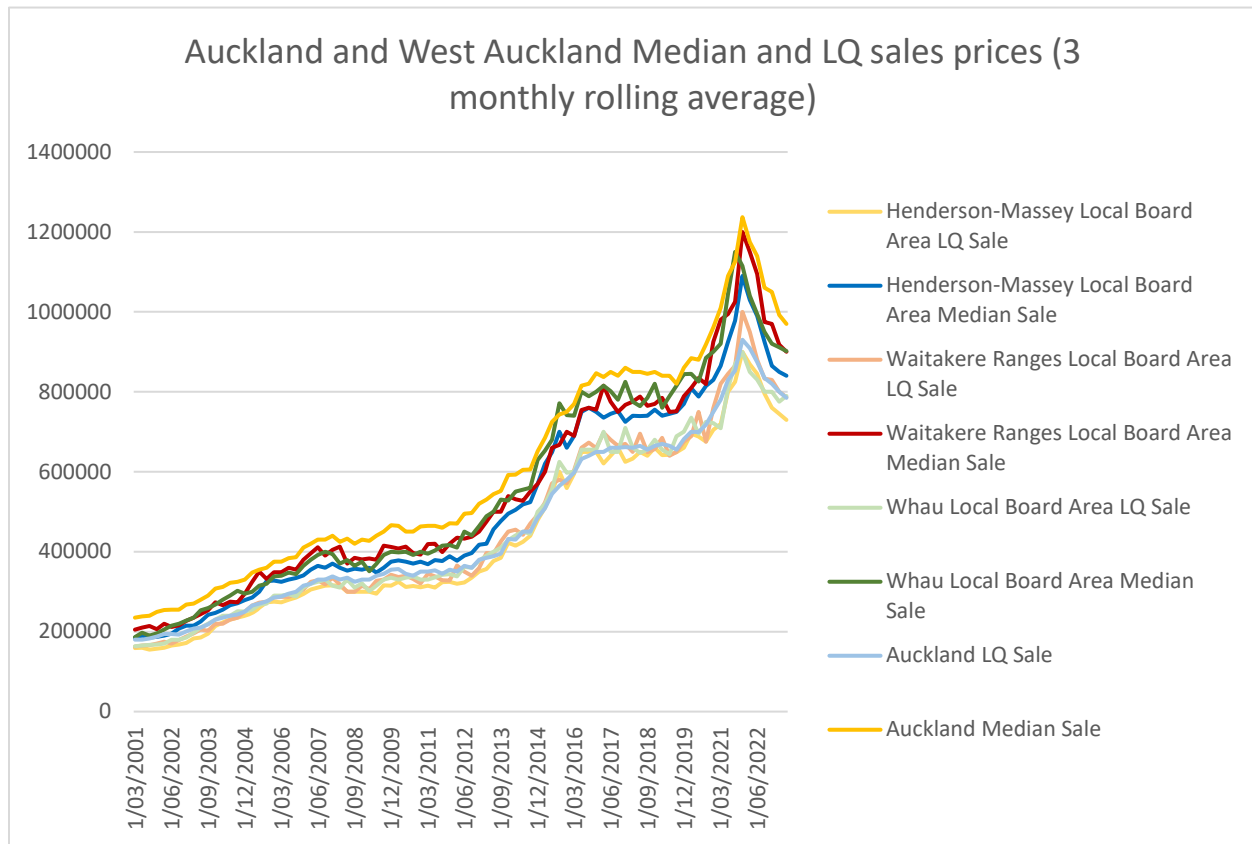
KEY TRENDS

- The number of private renters who were unable to affordably pay their rent increased from 16.7% of all households to 17.7% (an increase of 3,220 households) between 2013 and 2023.
- The number of private renters who were able to affordably pay their rent but were unable to affordably buy a dwelling at the lower quartile house sale price increased from 6,810 households in 2013 to 11,460 households in 2023, an increase of 4,650 households or 68%.
- The number of renters who were able to both affordably rent and buy at the lower quartile house sale price fell from 5,020 households in 2013 to 2,720 households in 2023.

ANALYSIS

- Homeownership and rental affordability continue to deteriorate, indicating increasing unaffordability across the housing system. The increased number of private renters unable to affordably pay their rent increasing will lead to more pressure on social housing, indicating a continued need to supply this tenure in West Auckland.
- It shows the need for interventions across the system, however targeting interventions that support renters through the affordable Housing Fund, encouraging Build to Rent, expanding the Progressive Home Ownership programme has the potential to reduce competition for lower quartile rental properties. This in turn will likely reduce pressure on the housing register as fewer lower quartile renters will require social housing support.

5. Housing Affordability



KEY TRENDS

- Sales prices for the three West Auckland local boards have increased in line with Auckland as a whole over the past decade, peaking when interest rates were lowest in late 2021 and prices falling as interest rates rose after that point.
- Rents have risen consistently since 2001 and are more consistent across the three areas and Auckland as a whole – though LQ rents have a higher spread, indicating a wider range of lower-rent options in Whau and Auckland as a whole compared to Henderson-Massey and Waitakere Ranges.

ANALYSIS

- Falling sales prices has been positive for affordability due to reduced deposits being needed, however interest rates have significantly increased the costs of servicing a mortgage, countering affordability gains.
- The trend line difference between rental prices and home purchase prices demonstrates that these two markets respond to different forces in the economy. The recent fall in house prices shows the influence interest rates have on the housing market. The rental market's greater stability on the other hand shows that it responds more to demand and supply pressures, and that it is therefore a better indicator of housing affordability.
- Recent rent rises suggest that the surge in migration over the last 12 months is increasing rental demand and having an impact on affordability in West Auckland. If this migration increase continues in the medium term, the additional demand for rentals may have medium term impacts on the demand for houses as higher rents make the housing market more attractive for investors. This combined with possible cuts to interest rates in the medium term, and policy setting changes signalled suggests that house purchase prices are likely to rise again.

6 Priority population segments

The analysis and trends identify population segments which should be prioritised and targeted by interventions to improve the housing market.

- **Intermediate Housing Market:** This is a fast-growing cohort of households which have previously not been the target of housing interventions. These households require greater protection in their tenancies in the short term, and programmes to aid them in saving for a deposit. These households would benefit from more secure, affordable, and long-term rentals, access to programmes such as the Progressive Home Ownership programme, and increased supply in general.
- **Elders:** Between 2013 and 2023 the number of older households increased for both renters and owner occupiers, particularly the proportion of renters. Households aged 50 years and over increased by 8,210 which accounted for 61 per cent of the total increase in the number of households. The increasing number of older renters will require support as they reach retirement given their fixed incomes. Government should develop a fuller picture of the senior housing pipeline and support further investment in this sector. Increased investment in senior housing by CHPs and Kāinga Ora would be beneficial.

- **Families:** More families renting suggests the need for more secure rental options in West Auckland (including more developments targeted as long-term rentals (build to rent development), and the need to improve the stability of tenure for renters and more help for this cohort to step into homeownership.
- **Māori:** The Māori population's lower household incomes indicate that this group may require more housing support. Māori in West Auckland have lower homeownership rates than Asian and European New Zealanders therefore more secure rental options and programmes targeting help for Māori to get into homeownership could be useful. A better understanding of Māori land holdings in the sub-region and Māori focused CHPs would enable government to better partner with iwi and hapū in providing housing supports.
- **Pasifika:** The growing Pasifika population of West Auckland is experiencing the highest proportion of crowded households in 2013 and 2018 for both private renters and Kāinga Ora renter households. This suggests that Pasifika in West Auckland require larger homes for multi-family living which is more prevalent among both the Asian and Pasifika population cohort. This requires government to ensure Kāinga Ora and CHP delivery in the sub-region caters for these preferences and that planning and building regulation allow for larger multifamily homes. Pasifika households have lower homeownership rates than other groups therefore more secure rental options and programmes targeting help for Pasifika to get into homeownership could be useful.

7 Current Investments and interventions (HUD internal use only)

There are several investments and interventions HUD and Kainga Ora have undertaken to support housing needs in New Zealand. Below are key findings for West Auckland.

Interventions	Key Findings
CHPS	There are 12 Community Housing Providers operating in West Auckland
Land for housing	Overall, the Land for Housing presence in West Auckland is low compared to other catchments within Auckland. The total yield of dwellings through this programme is 154 properties, with 37 of those completed. Whau local board has 117 and Henderson-Massey 37. None were identified in the Waitakere local board.
Build to Rent	No build to rent projects have been identified in West Auckland. The closest is Hobsonville Point (47 dwellings) which is in the upper harbour local board. The build-to-rent sector is largely concentrated in central Auckland (Isthmus). There are 16 registered build-to-rent developments, and they comprise 693 dwellings.
Social housing	There are currently 5,847 social homes in West Auckland. There are 7,794 applicants on the housing register. Kāinga Ora has a significant delivery pipeline of new places in West Auckland, with 1,330 units in the pipeline between now and FY2027/2028. The majority of these units, 862, will be delivered in Whau local board.
Affordable Housing Fund	One successful application from West Auckland has accessed this fund. 'Homes of Choice Limited' received \$8.5 million for 14 units of affordable accessible

	housing across Howick, Henderson and Manurewa. It is unclear as to how many of the 14 are allocated to Henderson.
Progressive Home ownership	There are 433 PHO households across Auckland, and most are provided by First Home Partner. 29% of these are West Auckland (total 110). Majority of the PHO households are located in Henderson-Massey (80), 23 in Whau and 7 in Waitakere local board. All PHOs in West Auckland have utilised the First Home Partner scheme.
Transitional Housing	There are 339 transitional housing places in West Auckland. The majority are in Henderson Massey local board. This compares to an Auckland wide number of 2,672, suggesting West Auckland has fewer places than its population proportion.
KiwiBuild	In the Whau, Waitakere and Henderson-Massey Local board areas there were a total of 13 KiwiBuild developments, yielding a total of 402 properties. These are located in Avondale, Te Atatu Peninsula, Te Atatu South, Westgate, Ranui, Massey and Henderson. Massey and Henderson make up the majority with 8 out of the 13 developments. This is low compared to Auckland as a whole, making up only 14.9% of total developments.
Build ready development pathway (BRD)	BRD has not been identified in the 3 local board areas. BRD is not focused on the main urban centres i.e. Auckland, Wellington or Christchurch, rather it is a regionally focused programme. Seven applications for BRD in West Auckland have been received in the past but were not progressed.
Infrastructure acceleration fund (IAF)	IAF were not identified in the 3 local board areas. There are two IAF projects in Auckland and these are Carrington Road, Mount Albert and Kupe Street, Orakei.
Housing Infrastructure Fund	\$339.2 million loan (\$136.6m from HUD, the rest from Waka Kotahi in the form of a Crown Loan to the NLTF for transport infrastructure) has been approved to support 7,770 houses in Redhills and Whenuapai. This will enable wastewater mains and pump stations, stormwater management and arterial roading including bus and cycle lanes. This both supports the Westgate commercial centre and frees up wastewater treatment capacity for growth in the south.
Whai Kainga Whai Oranga	To date this programme has not funded any projects within the West Auckland Local Boards covered. There is one project of 10 homes in the Waitakere Ranges currently in the process of assessment.
NPS-UD	The NPS-UD and MDRS has led to significant upzoning across West Auckland's rapid transit stations. Housing consents have increased since 2017 across the sub-region, much of this increased supply will be due to the upzoning Auckland Unitary Plan 2016. With the plan change still underway it is difficult at this stage to assess how much new supply can be attributed directly to the NPS-UD.
Local innovation and partnership fund	There have been three funding rounds since the inception. Across funding round 1 (2020) Auckland received \$871,364 of \$3.5 million across New Zealand, but none were specific to these 3 local boards. In round 2 (2022) there was a total funding amount of \$6million across New Zealand and just over \$1million was allocated to partners within the three local boards which is a significant increase. The three partners are E Tipu E Rea Whanau Services (\$850,000), VisionWest (\$116,828) and the Massey Community Trust (\$40,600). Round 3 (2023) has not been confirmed yet.

Cyclone Recovery Number of houses stickered	In total there were 357 red placard houses across Auckland during the 2023 floods and 224 affected by the 2023 cyclone. Within the Waitakere and Whau wards there were a total of 141 red placard homes which equates to 24% of total homes. The Waitakere and Whau wards roughly cover the 4 local board areas in this study.
TPK Housing activities	Te Puni Kōkiri carries out 'critical' repairs for whānau-owned whare. Broadly 'critical repairs' refers to Māori who are vulnerable living in houses that are unsafe, with the objective of providing a warm, safe and healthy home. They currently have 3 homes in West Auckland in the pipeline for these repairs. The pipeline for Auckland is 28 homes. Te Puni Kōkiri run a small 'Sorted Kainga' financial literacy and home ownership programme which includes whānau from West Auckland.

8 Stakeholder views

This research was done as an internal desktop exercise and no engagement was sought internally or externally on its findings at this stage, other than discussions on scope and approach with the Chief Science Adviser and sharing the reports. The proposed actions are intended to guide the work programme of HUD Officials working on Auckland related issues, and internal engagement on the findings will occur as part of this.

9 Actions and potential next steps

There are a wide range of measures that could align housing supply and demand and maximise housing resilience in West Auckland. This could include management of demand side factors, (e.g. migration). The government could act to ensure continued housing supply in challenging market conditions by underwriting private developments. Barriers around zoning and infrastructure continue to constrain new housing supply. Recent natural events add to this, as areas of West Auckland could be down-zoned or fall within new hazards risk maps because of the early 2023 floods and cyclone. Planning constraints, such as Special Character overlays, in more accessible central parts of Auckland, particularly on the Isthmus, continue to restrict new supply of housing there. This drives growth to less accessible parts of the Auckland such as West Auckland which is more permissive in terms of planning.

The government has a range of tools and funds at their disposal to overcome these barriers and improve the housing system in West Auckland. An example of this could be for Government to continue to seek opportunities for social housing redevelopment that meets the changing demographics of West Auckland, particularly for social housing at the end of its life. Better understanding of Community Housing Provider land holdings is required, as well as a fuller picture of what opportunities and challenges they face. Kainga Ora will also be reviewing its Regional Plan for the North and West area.

The Government could respond to falling consent numbers at a systems level: through reducing regulatory costs and barriers, introduce 'Fast Track consenting', bolster social housing delivery to act as a counter cyclical actor in the market, and/or offer private sector underwrites. This system level interventions would of course apply nationally and not be specific to West Auckland.

There is also the potential to Investigate the use of Urban Development Act tools in West Auckland to help pay for and provide infrastructure and unlock additional housing supply. However, there would need to be further work done to identify where such an approach would have the biggest impact. There

are opportunities to leverage off the incoming Government's priorities in West Auckland such as the prioritisation of the Northwest Rapid Transit project. It is important the any housing and urban development benefits this project has the potential to deliver are maximised.

9.1 Actions Table

The gaps identified in section nine present several specific and tangible actions which can be taken to deliver improved housing outcomes in West Auckland. These actions will mean HUD working differently in West Auckland and some call for policy shifts Auckland wide. The proposed actions also include possible changes at a system level given that several of the issues West Auckland faces are present throughout New Zealand's housing system. Likely timeframes are identified (short: 6 months, medium: 18 months, long: 18 months +) and so are target cohorts

Actions	Detail	Issue addressed	Target cohort
Short Term			
1. Underwrites of Private Development	Stay across policy work that is supporting the construction sector, gain a better understanding of commercial sector operating in West Auckland (desktop exercise).	Improve dwelling supply and combat downturn in construction sector	General population
2. Engagement with Community Housing Sector	Engage with CHPs to understand what their current land holdings are and gain a fuller picture of what opportunities and challenges they face to taking an expanded role in social housing delivery. (linked to action 8). Work with housing supply and contracts teams within HUD to better understand the on-the-ground delivery, pipeline, and opportunity for better alignment with target cohorts.	Align government activities with CHP sector's needs	Low-income households, intermediate housing market
3. Leverage off government infrastructure priorities	Engage in the Waka Kotahi led Detailed Business Case process and beyond for Northwest Rapid Transit to ensure urban development and housing delivery benefits are maximised. Engage in the Northwest Alternative State Highway which specifically targets housing growth in the Northwest.	Maximise benefits of investment by aligning housing supply with infrastructure delivery	General population
4. Build to rent (Improve supply of rental accommodation)	Consider what changes to regulatory settings would allow for greater private investment in the "Build to Rent" sector to provide more stable high quality rental housing. Gain a better understanding of BTR sector operating in West Auckland and build upon current tracker.	Improve security of tenure, rental quality, and choices. Increased rental supply	Young families, intermediate housing market,
Medium Term			
s 9(2)(f)(iv)			

s 9(2)(f)(iv)			
homeownership	assisted homeownership programmes and identify opportunities for targeting towards the identified cohorts.	rates and reduce numbers in intermediate housing cohort	housing market, Māori & Pasifika whānau
7. Opportunity to improve natural hazards management in existing areas	Working with Auckland Council through the Urban Growth Partnership on Plan Changes. Including implications for growth and intensification in West Auckland arising from updating of hazard maps, land categorisation and 'making space for water' programme. Work with KO to understand their exposure to hazard risk, through regional plan.	Improve resilience of West Auckland to climate change and ensure delivery of housing supply in resilient areas	General population
Longer Term / ongoing			
8. Ensure provision of elder housing	Work with CHPs and Kāinga Ora to understand their forward planning for this growing cohort. Engage with Kāinga Ora on their review of their regional plan for the North and West. Research if there any specific CHPs focusing on elder housing in the sub-region and inquire as to what their elder housing pipeline is.	Improve elder housing provision for growing cohort on fixed incomes	Elders
9. Continued social housing delivery by leverage existing stock	Funding for continued redevelopment of social housing stock that is reaching the end of its useful life and deliver intensification on these sites. Engage with Kāinga Ora on their review of their regional plan for the North and West.	Improve social housing supply to reduce overcrowding, rent stress and provide options to those in acute housing stress	Low-income households
s 9(2)(f)(iv)			

9.2 Next steps

This pilot project has the potential to be used as an evidence base for a future government led investment strategy in the sub-region. This strategy could use the proposed actions to inform specific and targeted interventions to improve housing outcomes for those most in need.

The actions taken would need to be measured, realistic and prioritised to make best use of limited resources. The approach taken in this pilot also has the potential to be applied to the other housing sub-markets of Auckland however it must be noted that this would be a resource intensive exercise.

10. Personas

Joe and Rani live in Henderson with their two children and would love to own their own home.

Both work full-time, one as a nurse and the other as a teacher aide. They earn \$35 and \$30 per hour respectively (total annual income of \$135,000). With two young children, their options are complicated and achieving home ownership will not be easy. Their eldest, Anika, recently started school, but their youngest Liam is in childcare. They have a car but try to rely on public transport as it's cheaper. Rani walks to work at the local primary school most days.

If they are renting a median priced 3-bedroom home in Henderson-Massey, they'll have \$1427 per week left over to split between their living costs and savings. To get a 20% deposit (\$185,000) together for a LQ price house within 5 years, they would need to save \$671 per week, leaving \$756 per week to cover all their costs. At a pinch, the family's costs for groceries, transport, clothes and main bills (power and phone) are around \$750 per week, but they also need to pay for \$280 per week for childcare and allow for school, medical and other costs.

It will take them longer to save for a house, however they worry about house prices getting further out of reach, and the long-term security of their current rental and fewer options in the rental market since the 2023 floods and recent high immigration.



Joseph lives with his mum Nerissa in Kelston.

Nerissa recently lost her job as a warehouse stock manager when the business closed. Unable to afford rent, Nerissa and Joseph now need to find a cheaper place to live that is still close to Joseph's school. Nerissa has been using her savings to cover rent and a new school uniform and glasses for Joseph.

Now on a benefit, if she can find a new place to rent for the LQ price, Nerissa will have \$396 left per week for all their other expenses. She has managed to trim their weekly costs to just over \$300, but also has to find \$200 per week for car loan repayments and is worried about other unexpected costs. She's mostly stopped using the car to save money but thinks she may have to sell it which will make it harder to find a new job. She's been added to the social housing waitlist, along with 465 other households in the Whau area. She thinks it'll be a long wait!

Joseph is doing well at school and is just starting NCEA. He knows study is important for his future, but he is trying to get a job at the supermarket down the road to help out. Nerissa is worried their current situation will affect his school results. Despite being talented at basketball, he's not able to play competitively this year as they can't afford the fees.

