

Housing Needs Assessment

Report for:

Queenstown Lakes District Council

19 November 2019

m.e
consulting



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1 Introduction

1.1 Objective

This Housing Needs Assessment (HNA) has been prepared for Queenstown Lakes District Council (QLDC) by Market Economics Ltd (M.E).

1.2 Situation

Queenstown Lakes District Council faces important challenges around housing capacity and housing affordability.

Council requires a clearer understanding of the housing needs of the Queenstown Lakes District (QLD) community. This HNA is intended to inform the Homes Strategy and the Affordable Housing Chapter of the Proposed District Plan.

Housing and housing needs are complex, especially when demand is high and growth is strong. QLD is experiencing unprecedented levels of population growth, faster than the Statistics New Zealand (SNZ) High projection prepared for the District. The current population is now estimated to be 39,500 persons (June 2018¹), and the count of resident households is an estimated 15,850.

There are several key issues. One is the sheer scale of growth, for a medium-sized economy like QLD. The increase is currently tracking at around 1,000 households per year at a rate of nearly 7% pa. The medium term outlook to 2028 is for another 7,000 resident households, an increase of 45% at around 700 annually. The projected increase in private dwellings is somewhat above this, with 7,600 more dwellings anticipated over the decade at 760 annually. Strong demand is evident in the rapid growth in the QLD dwelling estate, with 4,423 new dwelling consents over the 4 years to 2019. Moreover, the share contributed by town house/flats/ apartments/retirement units increased sharply to 33%, compared with just 12% in the 4 years to 2015.

Despite the increase in supply, another key issue is high housing prices. In the 5 years to March 2019, house prices in the District increased by +69%, at an annual rate of 11.0%², considerably ahead of the national 8.2% pa. In the last 3 years (2016 to 2019), the annual increase was 14.0%, at a time when the national price increase was slowing (+6.7%pa). The combined effects of strong resident population growth, strong external housing demand, strong tourism-related demand, and limited growth capacity have seen QLD housing prices remain high, the average in March 2019 being +75% above the national average, and second highest in the country (behind former Auckland City). There is also evidence of spill-over demand into neighbouring Central Otago District, where house prices have increased by 11.7%pa in the last 5 years, slightly faster than in Queenstown Lakes District itself.

The consequent relatively poor affordability of housing has made it difficult for medium and low income resident households (and seasonal workers) to find suitable accommodation, especially first home buyers

¹ Preliminary Census 2018 data shows 39,153 'usually resident' population for the District. The difference is minimal, and we consider the preliminary Census figure confirms the 2018 estimate of 39,500. The SNZ figure will be updated (March 2020) after Census post-enumeration to provide the 'final' estimate of the 2018 resident population.

² <https://www.qv.co.nz/property-trends/residential-house-values>



and those with younger families, while older age groups in the population also face affordability challenges.

The structure of the market is another key influence. A significant share of the total dwelling estate is owned by non-residents of the District, both as holiday dwellings, and for investment purposes. This external demand is a major reason why housing prices are well above the national average, and continuing to grow faster than the average.

These issues have been well recognised for some time – as have the difficulties of developing policies and strategies to alleviate them. The Government has identified QLDC as a high growth Council under the National Policy Statement on Urban Development Capacity (NPS-UDC, 2016) and now in the proposed replacement the National Policy Statement on Urban Development (NPSUD). The HDCA³ for the NPS-UDC identified there is sufficient capacity for housing growth in total, however there are shortfalls in dwelling supply anticipated in the lower housing value bands.

Also the complexities mean that housing needs are rarely addressed through a single strategy, and multi-faceted approaches are usually necessary. There is already a range of entities and mechanisms to deliver housing capacity, including the HOPE strategy and the Queenstown Lakes Community Housing Trust. The Government's KiwiBuild initiative has identified QLD as an area for provision of affordable dwellings, while the HASHA legislation has flowed into the LEAD policy. In addition, PC24 has seen affordable housing recognised as a provision in the District Plan, albeit only as an objective with supporting policies.

While each of the housing initiatives is having some positive effects within the District, Council's latest research still shows a mis-match between housing needs and available supply. This mis-match is by no means limited to QLD, although the high housing prices and strong growth underpin the urgency of having a clear understanding of housing needs, into the medium term.

1.3 Approach

The research approach is to:

1. identify the existing and emerging issues in the District and in neighbouring Cromwell;
2. identify the overall housing need in the short, medium and long terms, and the needs of each segment of the housing market;
3. identify the gaps in the delivery of housing to those who require it, especially in terms of households' socio-demography;
4. identify how effectively the existing and likely future dwelling estate is currently and likely to meet those housing needs.

1.3.1 Defining Housing Needs and Demand

The Brief requires assessment of QLD housing needs. Housing demand and housing needs are not interchangeable terms, although they are closely related, and may be defined in different ways.

For the purposes of this assessment, at the high level housing need is defined as the number of dwellings required to accommodate households, on the basis of one dwelling per household. The two main components of housing need are that arising from QLD usually resident households, and that arising from

³ Housing Development Capacity Assessment, 2018



households which visit QLD but are not usually resident⁴ in the district, as owners of ‘holiday homes’ or seeking short term accommodation in a private dwelling. There are obvious complexities around these definitions. Not all households which seek to be resident in QLD are able to find or afford a dwelling to purchase or rent, although this unsatisfied demand is not apparent in population and household counts. Similarly, people visiting QLD have a number of accommodation options, and only a portion of their needs are directed to private dwellings.

Housing is not a free good, and affordability varies among different segments of the market. It is also important to differentiate housing needs from preferences, since some households may prefer to own a dwelling but be able to afford only to rent. At the same time, housing supply is not uniform in terms of price (purchase or rental), dwelling size and type, and location.

This complexity means that demand for housing and housing needs are difficult to measure precisely, and will vary over time, while supply of housing also shows considerable diversity and change over time. Nonetheless, an assessment has to cover all major aspects of housing needs and demand, in order to usefully inform housing-related policy for QLD.

It is important to recognise key structures and inter-relationships within the housing market, among different demand segments in terms of needs and demand, and affordability, and across different components of housing supply, in terms of dwelling typologies and sizes, and price bands. The detail is important to differentiate among households according to what they ‘need’ and can afford, and how the various housing options may cater for intending owners and long term tenants in the resident population, and shorter term or seasonal tenants.

This means that the detail is important – for example, KiwiBuild could be a significant source of housing supply for particular segments in the market, although it will not be directly relevant to other segments. The same applies to Trust and other sources of social housing, where the total estate is small but very significant to small segments of housing demand. The graphic below (sourced from the Canada Mortgage and Housing Corporation), provides a useful summary of the range of housing options.



These matters are well recognised, and there is a considerable research base on which this needs assessment can build, including the core research completed for the HDCA which provides substantial information and knowledge of the Queenstown Lakes housing market. That said, this assessment seeks to extend the work done for the HDCA, to cover the additional matters which are required for the HNA.

1.3.2 Research Approach

The above issues guide this assessment of QLD housing needs, and indicate that a simple and focussed approach is appropriate. The focus of housing need is primarily on resident households, since there is a

⁴ As defined by Census 2013



strong element of discretion in demand for holiday dwellings and visitor demands. The following principles are applied:

QLD Resident Population

- a. Housing need for the QLD resident population is equated with the number of resident QLD households, on the basis of one dwelling per household. The needs assessment acknowledges but does not seek to estimate additional housing need from households preferring but unable to reside in QLD. On this basis, housing needs of the resident population are defined according to projected numbers of resident households;
- b. Housing need is further differentiated according to household type (indicating size and space requirements) and household income (indicating affordability or ability to pay for housing);
- c. Housing need is also differentiated according to dwelling tenure (owned and rented) and dwelling typology (detached and attached, according to standalone houses, town houses or units, and apartments, as well as retirement units).
- d. Housing needs will vary over time, and the current situation will not necessarily represent future outcomes. Nevertheless, the current situation based on 2013 Census data and estimated for 2018 does provide a suitable starting platform for identifying housing needs of the QLD resident population into the future;
- e. No specific allowance is made for additional dwellings over and above this number to be considered as housing needs, in terms of dwellings not usually occupied. Within the QLD dwelling estate, the “not usually occupied” dwellings account for a large share of the market (24.2% in 2018), reflecting the strong demand for holiday/investment dwellings. This component of the market is much larger than in most other districts, where small shares of dwellings are usually not occupied because the total dwelling estate is slightly larger than total demand from residents and short-term visitors. This makes it problematic to identify QLD housing needs in terms of resident household numbers plus allowance for a small margin of usually not occupied dwellings. While that is the case in many districts, in QLD the strong demand for holiday/investment dwellings and high dwelling values leaves little scope for a pool of dwellings to remain unoccupied and be otherwise available for long term rental.

Holiday/Investment Demand

- f. The housing needs of holiday/investment dwelling owners are examined on a different basis. The demand from this component of the market is important primarily because it competes for housing with the QLD resident population. That competitive effect therefore directly impacts the degree to which QLD residents’ housing needs are met. It is especially relevant because of the effect on availability of holiday/investment dwellings for rental – longer term rental to resident households, and short term rental to QLD visitors. On that basis, demand from the holiday/investment segment is examined in terms of total dwellings taken up, and potential availability for long term rental, which is directly relevant to the housing needs of QLD residents. Potential for short term rental to meet demand from QLD visitors is relevant because of the potential to displace availability for long term rental. However, it is not addressed here as a component of housing need, since it is primarily a discretionary good which does not relate to the QLD resident population.



1.3.3 Report Structure

Section 2 provides the overall demand context for QLD, setting out the projected demand for housing from the QLD resident population to 2048.

Section 3 provides the assessment of QLD housing needs, focussing on the resident population, with examination in some detail according to household demography and related needs for dwellings by type and tenure, together with assessment according to dwelling value bands.

Section 4 sets out the housing supply situation, addressing the current and anticipated supply of housing. This focuses on the “business as usual” future in terms of supply arising from current trends in QLD. It includes relevant detail on housing supply intentions of key developers in QLD, as well as the role of social housing providers, notably the Housing trust, but also considering KiwiBuild intentions.

Section 5 draws from the technical assessment to identify and review key issues and aspects of the district’s housing supply and demand situation and future. These focus on the indicated gaps between housing supply and the housing needs of the QLD resident population.

Section 6 applies that evidence base to help inform the Homes Strategy and the Affordable Housing Chapter of the Proposed District Plan.



2 QLD Total Housing Demand 2018-2048

This section provides analysis of QLD housing demand into the short (2021) medium (2028) and long terms (2048). It details first the structure of the QLD market, distinguishing demand from resident households for owner-occupier and rental housing, from demand for housing from absentee owners (New Zealand-based and overseas-based) whose holiday/investment dwellings cater for a share of the long term rental market as well as demand from short-term visitors. Housing demand is expressed in terms of total dwellings, for residents and the holiday/investment sector, providing important context for assessing housing needs. This provides the basis for the detailed assessment of housing needs in following Section 3.

2.1 Scope

This section outlines first the structure of the QLD housing market, then examines the growth outlook for QLD drawing from the latest projections by QLDC. While the QLDC main focus is on the base projection⁵, for completeness we have included medium and low growth futures.

The analysis also covers the outlook for urban QLD within the total District growth picture to 2048. This detail is presented here to provide context, and direct comparability with the previous growth projections used for the HDCA.

2.2 Structure of the QLD Housing Market

The QLD housing market is complex. Significant shares of the estate are owned by absentee owners residing elsewhere in New Zealand, and overseas, for whom the dwellings are holiday homes or investment dwellings, and most frequently some combination of both. Many of these are primarily investment dwellings which provide rental accommodation for the QLD resident population. The holiday/investment segment provides accommodation for short-term (mainly holiday) visitors, including through platforms such as Airbnb and BookaBach, though not all such dwellings are available for tenants.

The different components of the market are subject to different growth drivers. Demand for resident housing is driven by the resident population, and some of their demand for long-term rentals drives demand for the holiday homes of absentee owners. Demand for holiday / investment dwellings is also driven by a range of factors which are external to QLD, including population and business growth rates elsewhere in New Zealand, and in other countries where absentee owners reside, and is affected by demographic and economic conditions. For compliance with the NPS-UDC, the 2017 HDCA recognised the different components of demand for assessing the sufficiency of housing capacity for the wider market, including both demand from resident households, and demand from absentee owners of holiday dwellings/investment properties.

⁵ QLDC Population Projections December 2018



As at June 2018, the total dwelling estate in QLD is estimated at 20,850 dwellings. Total resident households are estimated at 15,850, which indicates there were 15,850 usually occupied dwellings (76% of the estate) and 5,000 dwellings (24% of the estate) which are not usually occupied – predominantly holiday/investment dwellings.

The overall market structure is summarised in Table 2.1 (below). Key features of housing demand are:

- a. Some 9,220 resident households in QLD which own their dwelling (44.2%);
- b. 6,630 resident households in QLD (31.8%) which rent dwellings long-term (generally 90 days or longer, as distinct from short-stay holiday rental), owned as investment dwellings by QLD entities (2,710 or 13.0%), by absentee owners from other parts of New Zealand (3,240 or 15.5%) and absentee owners from overseas (690 dwellings or 3.3%);
- c. 3,980 dwellings (19.1%) owned by absentee owners from other parts of New Zealand, for whom the dwellings are holiday dwellings and/or investment properties (assuming equal proportions);
- d. 1,020 dwellings (4.9%) owned by absentee owners from overseas as holiday and/or investment, also owning holiday and/or investment (assuming equal proportions).

In total, some 8% of the total dwelling estate is estimated to be in the hands of overseas owners, which concurs well with the StatisticsNZ Property Transfer statistics for the year to March 2019, which identified that 7.8% of sellers of dwellings in QLD were overseas nationals.

At the high level, only 44.2% of the total dwelling estate is taken up by owner-occupier households, a far lower share than the national 62%, while 55.8% of dwellings are occupied by renters, either long term renting households (31.8%), or are occupied on occasion as private holiday dwellings or occupied more frequently as rented accommodation for short-term visitors to the District (24.0%).

Table 2.1 - Structure of the QLD Housing Market 2018

Housing Demand	2018	2018 %
QLD Residents (owners)	9,220	44.2%
QLD Residents (tenants)	6,630	31.8%
<i>QLD owners</i>	2,710	13.0%
<i>Other NZ Owners</i>	3,240	15.5%
<i>International Owners</i>	690	3.3%
Other NZ-Investment	1,990	9.5%
Other NZ-Holiday	1,990	9.5%
Other NZ-Total	3,980	19.1%
International-Investment	510	2.4%
International-Holiday	510	2.4%
International-Total	1,020	4.9%
Total	20,850	100%

Source: ME QLD Housing Model 2019



The dynamics of the market including demand for long term (resident) and short term (visitor) rental accommodation influences demand for investment properties, for both QLD entities and those from outside the District⁶. The housing market is subject to ongoing change, especially as demand for long-term rental accommodation and short-term rental utilises the same housing stock in many instances. This blurs the distinction between holiday dwellings and investment dwellings, and there are no comprehensive statistics defining the structure of this housing market more precisely.

Future increases in demand for dwellings in QLD will be driven primarily by growth in the resident population and households, as well as by demand from absentee owners for more holiday / investment dwellings. The analysis below draws on the M.E *QLD Housing Model 2019*, an Excel-based capability which was developed for the HDCA research for the NPS-UDC, and has been updated for this study.

2.3 QLD Population and Household Growth Outlook

The population and household growth projections draw from projections prepared by QLDC (2019). The QLDC projection covers a single future, annually to 2048, which allows for growth at a faster rate than that projected in the StatisticsNZ high growth projection from the 2018 subnational series. The projection set includes resident population, an estimate of residents' houses which corresponds closely with usually resident households, as well as total houses (dwellings) and holiday homes (dwellings).

For this analysis, M.E have developed also a revised Low projection for resident households based on the 2018 household estimate, and applying the growth increments from the 2018 Statistics NZ Medium projection; and a revised Medium projection, in which the Statistics NZ High projection increments have been applied to the 2018 household estimate. These provide alternative views of the future. Nevertheless, the base estimates of population, household and dwelling growth are drawn directly from the QLDC projection. Within the District, that projection set identifies future outcomes at the census area unit level.

2.3.1 Population Growth

The District's population has grown considerably in the past two decades, from 14,800 at the 1996 Census to 28,700 by 2013⁷ (Table 2.2). The annual growth rate of 4.4%pa over that period saw an average annual gain of 1,000 persons to the resident population.

Since the 2013 Census, however, the QLD growth rate has increased substantially, with growth of 9,800 persons in 2013-2018 period, an annual gain of 1,950 persons. That rate has increased in the past two years. From 2013 to 2016, the estimated growth was 1,700 persons annually. The last two years have seen growth estimated at 4,800 persons, an average of 2,400 per year, and one third higher than during the 2013-2016 period.

The QLDC outlook is for further substantial population growth, with an additional 5,900 persons in the short term (2018-21, at 1,950 per year), 16,900 in the medium term (2018-28, at 1,690 per year average) and 34,900 in the long term (2018-48, at 1,160 per year average). The longer term projection shows some

Commented [GG1]: Should the citation be 'SNZ 2018' as per table 2.2 below?

⁶ For this assessment, absentee owners are those owning residential property in QLD but who normally reside elsewhere in New Zealand or overseas. The dwellings of absentee owners are a combination of investment (for long and short-term rental) and genuine "holiday" dwellings where not occupied except by the owners and their friends/family.

⁷ SNZ 2017.



slowing in expected population growth, however the total growth projected to 2048 is still around 13% above the previous high growth projection.

The medium projection shows growth of 30,300 by 2048, while the low projection is for another 22,400 persons over the next 30 years, an increase of 57% (Figure 2.1).

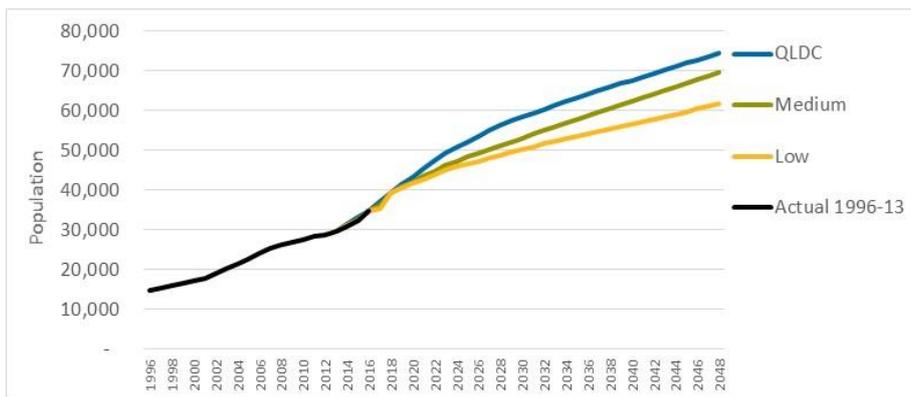
Table 2.2 - QLD Population 1996-2048

Year	Low	Medium	QLDC
1996		14,800	
2006		24,100	
2013		29,700	
2018	39,500	39,500	39,500
2021	42,800	43,500	45,400
2028	48,900	51,300	56,400
2038	55,500	60,700	65,900
2048	61,900	69,800	74,400
2018-21	3,300	4,000	5,900
2018-28	9,400	11,800	16,900
2018-48	22,400	30,300	34,900
2018-21 %	8%	10%	15%
2018-28 %	24%	30%	43%
2018-48 %	57%	77%	88%

Source: Statistics NZ 2018; QLDC 2019

We note the earlier 'QLDC Recommended' projection (2016) indicated growth between the SNZ medium and SNZ high projection, at 12,900 persons to 2026, and 30,100 by 2046, well below the current base projection.

Figure 2.1 - QLD Population Trend 1996-2048





2.3.2 Household Growth

There has been corresponding substantial growth in resident household numbers from 5,800 in 1996 to 11,700 by 2013, with the District total reaching an estimated 15,850 resident households by June 2018.

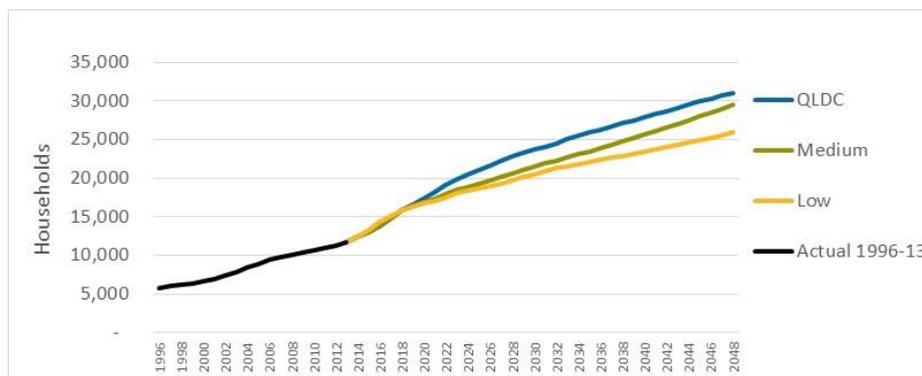
Table 2.3 - QLD Households 1996-2048

Year	Low	Medium	QLDC
1996		5,800	
2006		9,500	
2013		11,700	
2018	15,850	15,850	15,850
2021	17,100	17,400	18,200
2028	19,700	20,700	22,900
2038	22,800	24,700	27,100
2048	25,900	29,500	31,000
2018-21	1,300	1,600	2,400
2018-28	3,900	4,900	7,100
2018-48	10,100	13,700	15,200
2018-21 %	8%	10%	15%
2018-28 %	25%	31%	45%
2018-48 %	64%	86%	96%

Source: Statistics NZ 2018; QLDC 2019

Further substantial household growth is expected, consistent with the population outlook. The most recent QLDC projections indicate an additional 2,350 households by 2021, and another 7,100 households over the decade to 2028 (45% increase). By 2048, the projected increase is 15,150 households, an increase of 96% over the 2018 estimate (Table 2.3 and Figure 2.2).

Figure 2.2 - QLD Household Trend 1996-2048





A priori, the increase in resident households is a sound indicator of the requirement for additional dwellings to accommodate the resident population.

2.4 Household Growth in Urban Queenstown

Although this report addresses total housing needs in QLD, it is useful to consider also the outlook for urban Queenstown. This includes for consistency with the requirements of the NPS-UDC (2016) with its focus on urban development capacity.

The urban growth projections are based directly on the QLDC projections at the census unit level. These are approximated as between urban and non-urban parts of the district, so may not concord precisely with the urban boundary.

It is important to differentiate between urban and rural growth⁸, because the supply mechanism in urban areas is primarily through residential zoning, and business zoning where it applies to apartments, whereas outside the main urban boundaries rural land and lifestyle blocks are the main source of supply (including some small township, rural visitor and special zones). The economics of lifestyle block development are quite different from urban residential development, particularly because of their positioning toward the upper end – higher value end – of the housing market. QLD is notable for the fact that approximately 97% of the district is identified as an ONL or ONF, which the RMA requires to be protected from inappropriate subdivision and development as a matter of national importance.

Several small townships in the district lie outside the main UGBs (and defined urban environment), but these settlements and the rural areas offer some capacity for housing and need to be considered in relation to the district's total growth outlook⁹. The previous analysis for the HDCA applied a spatial framework of 40 general locations within QLD, and that has been retained here¹⁰.

2.4.1 Total Urban Growth Projections

Total urban and total rural (non-urban) household growth projections have been developed for each sub-area, and QLD in total. The urban total approximates the defined urban environment albeit defined more coarsely. The total urban projections are shown in Table 2.4.

⁸ Refer Figure 2.2 for a map of the defined urban environment.

⁹ Currently, there are approximately 1,180 rural lifestyle properties in the District, according to Corelogic. As at 2015, lifestyle properties accounted for 8.0% of total residential properties. In addition, there are approximately 330 farms or other rural properties, usually occupied by resident farmers or workers, or other tenants (SNZ Business Directory 2016). While it is reasonably straightforward to separate out the lifestyle properties and farm holdings within the dwelling estate, it is somewhat more difficult to accurately differentiate the households associated with these properties. It is useful to do this, because the mean value of lifestyle blocks is around double the value of other residential properties. If lifestyle block residents are included in the analysis of household types and residential property values, then the risk is that because they are generally higher income and net worth households, there may be some distortions in the assessment of the relationships between household types and dwelling values.

¹⁰ The spatial framework uses a combination of SNZ 2018 statistical boundaries that cover the total district. The QLD household projections were been apportioned across the spatial framework, then further aggregated to 10 broader sub-areas for the purpose of the demand analysis - Queenstown (town), Arrowtown, Arthurs Point, Lake Hayes, Jacks Point and Other Wakatipu together making up the Wakatipu Ward; and Wanaka (town), Hawea Locality, Luggate Locality, and Other Wanaka together making up the Wanaka Ward. Two of the sub-areas – Other Wanaka and Other Wakatipu are fully rural (non-urban), while the other eight sub-areas include urban (within the UGB or outside the boundary but within the urban environment) and rural areas.



The High projection would see an additional 5,900 households in urban locations by 2028, compared with total QLD growth of 7,100 households. That corresponds with 83% of future growth being urban, and 17% non-urban. By 2048, there would be an additional 12,800 households in urban Queenstown, corresponding with 84% of total growth.

We note that this urban share is based on the current urban boundaries. Over time, as more land is identified as being urbanised, more of the growth will be “urban”, so that the urban share of growth (and total households) will be higher.

Table 2.4 - QLD Projected Urban Households 2018-2048

Year	Low	Medium	QLDC
2013		9,400	
2018	13,800	13,800	13,800
2021	15,000	15,100	15,800
2028	17,000	17,800	19,700
2038	19,600	21,200	23,200
2048	22,300	25,400	26,600
2018-21	1,200	1,300	2,000
2018-28	3,200	4,000	5,900
2018-48	8,500	11,600	12,800
2018-21 %	9%	9%	14%
2018-28 %	23%	29%	43%
2018-48 %	62%	84%	93%

Source: Statistics NZ 2018; QLDC 2019

The Medium projection would see an additional 4,000 households in urban locations by 2028, and 11,600 by 2048. The Low projection would see an additional 3,200 households in urban locations by 2028, and 8,500 households by 2048. In all projections, the urban share of growth is estimated at around 85%.

The projections also indicate significant household growth outside the urban environment, of between 1,600 households (Low) and 2,400 households (High) by 2048. This equates to average annual growth of between 50 (Low) and 80 (High) households each year, compared with 280 (Low) to 430 (High) in urban locations.

2.4.2 Projected Household Growth by Area

The household growth projections have been allocated across locations (broad sub-area) within QLD. Table 2.5 summarises the projected growth in households by area within the District.

All three futures would see the quantum of household growth greater in Wakatipu Ward than in Wanaka Ward, even though growth would be faster in percentage terms in Wanaka Ward. The futures all indicate a fairly wide spread of growth, across the main town areas and the newer outlying suburban areas. This quite broad spread, in combination with the modest size of both Queenstown and Wanaka, and the limited differences in the attributes of many locations in Wanaka and Queenstown, suggests there will be considerable scope for substitution, if some areas are constrained for capacity relative to others within the two main wards.



Table 2.5 - QLD Projected Households by Sub-Area 2018-2048

High	2018	2023	2028	2033	2038	2043	2048	2018-28	2018-48
Arrowtown	1,150	1,380	1,450	1,200	1,220	1,230	1,250	300	100
Arthurs Point	470	570	620	570	600	630	660	150	190
Jacks Point	210	370	640	1,320	1,560	1,800	2,020	430	1,810
Lake Hayes	2,050	2,540	2,860	2,890	3,040	3,200	3,340	810	1,290
Queenstown	6,000	7,500	8,500	9,180	10,000	10,840	11,590	2,500	5,590
Other Wakatipu	810	1,040	1,250	1,420	1,460	1,510	1,570	440	760
Wakatipu Ward	10,700	13,420	15,330	16,600	17,900	19,240	20,430	6,020	11,120
Hawea	480	600	690	760	810	870	920	210	440
Luggate	170	220	260	280	300	320	330	90	160
Wanaka	3,660	4,630	5,360	5,970	6,480	7,000	7,460	1,700	3,800
Other Wanaka	830	1,060	1,260	1,480	1,590	1,710	1,810	430	980
Wanaka Ward	5,150	6,530	7,560	8,490	9,190	9,890	10,520	3,020	5,980
QLD	15,900	19,900	22,900	25,100	27,100	29,100	31,000	9,100	17,200
Medium	2018	2023	2028	2033	2038	2043	2048	2018-28	2018-48
Arrowtown	1,150	1,290	1,330	1,180	1,200	1,220	1,240	180	90
Arthurs Point	470	530	560	530	560	600	640	90	170
Jacks Point	210	340	550	1,080	1,320	1,590	1,890	340	1,680
Lake Hayes	2,050	2,360	2,560	2,620	2,790	2,990	3,220	510	1,170
Queenstown	6,010	6,970	7,720	8,380	9,150	10,030	10,980	1,710	4,970
Other Wakatipu	810	970	1,120	1,270	1,330	1,400	1,490	310	680
Wakatipu Ward	10,700	12,470	13,860	15,080	16,370	17,850	19,480	4,600	10,220
Hawea	480	560	620	680	750	810	880	140	400
Luggate	170	210	230	250	270	290	320	60	150
Wanaka	3,660	4,310	4,820	5,410	5,910	6,470	7,100	1,160	3,440
Other Wanaka	830	990	1,130	1,310	1,440	1,580	1,740	300	910
Wanaka Ward	5,140	6,080	6,820	7,670	8,370	9,150	10,030	2,310	5,520
QLD	15,800	18,500	20,700	22,800	24,700	27,000	29,500	6,900	15,700
Low	2018	2023	2028	2033	2038	2043	2048	2018-28	2018-48
Arrowtown	1,150	1,280	1,330	1,170	1,180	1,200	1,210	180	60
Arthurs Point	470	520	540	520	530	560	580	70	110
Jacks Point	220	310	470	960	1,120	1,300	1,490	250	1,270
Lake Hayes	2,060	2,260	2,410	2,480	2,580	2,700	2,840	350	780
Queenstown	5,980	6,780	7,410	7,960	8,500	9,070	9,680	1,430	3,700
Other Wakatipu	810	940	1,060	1,190	1,220	1,260	1,310	250	500
Wakatipu Ward	10,700	12,130	13,230	14,290	15,150	16,090	17,130	3,910	7,810
Hawea	470	550	600	650	690	730	770	130	300
Luggate	170	200	220	240	250	260	280	50	110
Wanaka	3,670	4,200	4,610	5,100	5,450	5,810	6,200	940	2,530
Other Wanaka	830	960	1,060	1,220	1,300	1,390	1,500	230	670
Wanaka Ward	5,150	5,920	6,490	7,230	7,700	8,200	8,760	1,950	4,220
QLD	15,800	18,000	19,700	21,500	22,900	24,300	25,900	5,800	12,000

Source: ME QLDC Household Projections Model 2019; QLDC 2019

2.5 Housing Demand by Absentee Owners

The above projections are for resident households only, and do not indicate demand for housing in QLD from absentee owners. As noted in the HDCA report, projecting growth in demand for dwellings by absentee owners is more complex than for resident households (where one household generally equates to one dwelling), while demand for absentee owners' holiday and investment dwellings has a range of drivers. Key factors include the relative attractiveness of QLD as a place for both holidays and investment, and the potential to rent dwellings on a short-term basis (to visitors) or long-term basis (to residents). Demand is also influenced by population growth and economic conditions in other areas of New Zealand



and in overseas markets, and consumer sentiment. Those key drivers of demand, and potential effects on housing decisions by QLD residents, have been detailed in the HDCA Report.

The projected demand for holiday/investment dwellings has been estimated according to underlying growth in demand, and reconciled with the QLDC projections of total dwellings for QLD. The current (2018) demand is estimated at 5,000 holiday/investment dwellings. The high projection indicates an additional 590 dwellings by 2028, and 1,810 by 2048. This is set out in Table 2.6. The projected net growth is predominantly for absentee owners from elsewhere in New Zealand (1,610 by 2048), with a relatively low net increase in demand from overseas owners. This reflects the restrictions on overseas ownership of residential property recently introduced by the Government (2018).

The medium projection would be for an additional 1,610 holiday/investment dwellings by 2048, with the low projection for an additional 1,130 dwellings. Note that for consistency with the NPS-UDC requirements, the table shows both the projected demand, and the additional capacity margin of 15%. In terms of demand *per se*, we focus on the net increase excluding the NPS-UDC margin.

Table 2.6 - QLD Projected Demand for Holiday/Investment Dwellings 2018-2048

Housing Demand	2018	2021	2028	2048	Short Term		Medium Term		Long Term	
					2018-21	2018-21 %	2018-28	2018-28 %	2018-48	2018-48 %
High Growth										
Other NZ-Investment	1,990	2,070	2,270	2,870	80	4%	280	14%	880	44%
Other NZ-Holiday	1,990	2,060	2,230	2,720	70	4%	240	12%	730	37%
Other NZ-Total	3,980	4,130	4,500	5,590	150	4%	520	13%	1,610	40%
International-Investment	510	530	570	700	20	4%	60	12%	190	37%
International-Holiday	510	510	520	520	-	0%	10	2%	10	2%
International-Total	1,020	1,040	1,090	1,220	20	2%	70	7%	200	20%
Total	5,000	5,170	5,590	6,810	170	3%	590	12%	1,810	36%
Total with Margin	5,000	5,200	5,700	7,100	200	4%	700	14%	2,100	42%
Medium Growth										
Other NZ-Investment	1,990	2,050	2,160	2,790	60	3%	170	9%	800	40%
Other NZ-Holiday	1,990	2,040	2,120	2,640	50	3%	130	7%	650	33%
Other NZ-Total	3,980	4,090	4,280	5,430	110	3%	300	8%	1,450	36%
International-Investment	510	520	540	680	10	2%	30	6%	170	33%
International-Holiday	510	510	490	500	-	0%	20	-4%	10	-2%
International-Total	1,020	1,030	1,030	1,180	10	1%	10	1%	160	16%
Total	5,000	5,120	5,310	6,610	120	2%	310	6%	1,610	32%
Total with Margin	5,000	5,100	5,400	6,900	100	2%	400	8%	1,900	38%
Low Growth										
Other NZ-Investment	1,990	1,990	2,120	2,580	-	0%	130	7%	590	30%
Other NZ-Holiday	1,990	1,980	2,080	2,450	-	-1%	90	5%	460	23%
Other NZ-Total	3,980	3,970	4,200	5,030	-	0%	220	6%	1,050	26%
International-Investment	510	510	530	630	-	0%	20	4%	120	24%
International-Holiday	510	490	480	470	-	-4%	30	-6%	40	-8%
International-Total	1,020	1,000	1,010	1,100	-	-2%	10	-1%	80	8%
Total	5,000	4,970	5,210	6,130	30	-1%	210	4%	1,130	23%
Total with Margin	5,000	5,000	5,300	6,300	-	0%	300	6%	1,300	26%

Source: ME QLD Housing Model 2019. Figures have been rounded.

Note that the holiday/investment dwellings are estimated as additional to the investment dwellings estimated for owners in QLD, elsewhere in New Zealand and overseas which are currently used as rental accommodation for the QLD resident population. The 2018 long term (resident) rental estate is estimated at 6,630 dwellings, which means the total holiday/investment dwelling estate including long term rental is currently 11,630 dwellings, or 56% of the total dwelling estate.



2.6 Total Housing Demand Projections

Total demand for dwellings has been estimated according to the resident household projections, together with each aspect of absentee owner demand, recognising the overlaps within the estate. The total demand figures are based on demand for dwellings *per se*, plus allowance for the additional margin required by the NPS-UDC¹¹.

The base case projection is the High growth future, corresponding with the QLDC projections of households and dwellings. This allows for QLD household growth to drive demand for investment dwellings to service the long term rental sector, plus demand growth for holiday dwellings to reflect both tourism growth as well as the population and economic drivers in the rest of New Zealand, and overseas. This “other New Zealand” demand growth is expected to be slower than growth in QLD itself, because population growth elsewhere is on average considerably less than in QLD, while the relative increase in QLD property values will limit the ability of new investors to enter the market. As noted, demand growth from overseas absentee owners is expected to be substantially slower than in the recent past, because of the restrictions which now apply on foreign ownership of housing.

Total district dwelling projections for resident households and absentee ownership have been prepared for low, medium and high futures.

The high future outlook is summarised in Table 2.7. Key features include:

- a. total demand increase of 7,600 dwellings by 2028 (+36%), and 16,900 dwellings by 2048 (+81%),
- b. this is driven primarily by growth in the number of resident households with 7,050 to 2028 (+44%) and 15,100 to 2048 (+90%);
- c. there is additional growth from higher demand for holiday/investment dwellings with 590 to 2028 (+13%) and 1,810 to 2048 (+38%).

In this future, by 2028 QLD will have a total estate of 28,500 dwellings, from the current 20,850. It would reach 37,800 dwellings by 2048. This implies an average annual increase of 560 dwellings. If allowance is made for the additional margin required by the NPS-UDC to be taken up – that is, the increase in both resident households and demand for holiday/investment dwellings is assumed to be 15% higher than currently projected, the total estate would reach 40,300 dwellings, or 19,400 (93%) more than currently.

The medium outlook (summarised in Table 2.8), shows total demand increase of 5,100 dwellings by 2028, and 15,300 by 2038. Again, this is driven predominantly by the expected growth in resident households, and on average an annual increase in the total estate of 510 dwellings – or 590 per year with allowance for the NPS-UDC margin.

The low outlook (summarised in Table 2.9), shows total demand increase of 4,100 dwellings by 2028, and 11,200 by 2038. Driven predominantly by the expected growth in resident households, it means on average an annual increase in the total estate of 370 dwellings – or 430 per year with allowance for the NPS-UDC margin.

¹¹ Under Policy C1 of the NPS-UDC, councils must provide for an “additional margin of feasible development capacity over and above projected demand” of 20% in the short and medium-terms, and 15% in the long-term. This means that the projected increases in demand need to be factored up by 20% and 15% respectively¹¹, to identify potential total future demand.



Table 2.7 - QLD Total District Projected Housing Demand 2018-2048 (High)

Housing Demand	2018	2021	2028	2048	Short Term		Medium Term		Long Term	
					2018-21	2018-21 %	2018-28	2018-28 %	2018-48	2018-48 %
					Owner-occupied	9,220	10,690	13,530	18,910	1,470
Long-term Rental	6,630	7,590	9,370	12,060	960	14%	2,740	41%	5,430	82%
<i>QLD owners</i>	2,710	3,110	3,870	5,090	400	15%	1,160	43%	2,380	88%
<i>Other NZ Owners</i>	3,240	3,720	4,620	6,080	480	15%	1,380	43%	2,840	88%
<i>International Owners</i>	690	760	880	880	70	10%	190	28%	190	28%
Other NZ-Investment	1,990	2,070	2,270	2,870	80	4%	280	14%	880	44%
Other NZ-Holiday	1,990	2,060	2,230	2,720	70	4%	240	12%	730	37%
Other NZ-Total	3,980	4,130	4,500	5,590	150	4%	520	13%	1,610	40%
International-Investment	510	530	570	700	20	4%	60	12%	190	37%
International-Holiday	510	510	520	520	-	0%	10	2%	10	2%
International-Total	1,020	1,040	1,090	1,220	20	2%	70	7%	200	20%
Total	20,900	23,500	28,500	37,800	2,600	12%	7,600	36%	16,900	81%
Total with Margin	20,900	24,000	30,000	40,300	3,100	15%	9,100	44%	19,400	93%

Source: ME QLD Housing Model 2019. Figures have been rounded.

Table 2.8 - QLD Total District Projected Housing Demand 2018-2048 (Medium)

Housing Demand	2018	2021	2028	2048	Short Term		Medium Term		Long Term	
					2018-21	2018-21 %	2018-28	2018-28 %	2018-48	2018-48 %
					Owner-occupied	9,220	10,390	12,030	17,230	1,170
Long-term Rental	6,630	7,450	8,610	12,280	820	12%	1,980	30%	5,650	85%
<i>QLD owners</i>	2,710	3,050	3,560	5,180	340	13%	850	31%	2,470	91%
<i>Other NZ Owners</i>	3,240	3,650	4,250	6,200	410	13%	1,010	31%	2,960	91%
<i>International Owners</i>	690	750	810	900	60	9%	120	17%	210	30%
Other NZ-Investment	1,990	2,050	2,160	2,790	60	3%	170	9%	800	40%
Other NZ-Holiday	1,990	2,040	2,120	2,640	50	3%	130	7%	650	33%
Other NZ-Total	3,980	4,090	4,280	5,430	110	3%	300	8%	1,450	36%
International-Investment	510	520	540	680	10	2%	30	6%	170	33%
International-Holiday	510	510	490	500	-	0%	20	-4%	10	-2%
International-Total	1,020	1,030	1,030	1,180	10	1%	10	1%	160	16%
Total	20,900	23,000	26,000	36,100	2,100	10%	5,100	24%	15,300	73%
Total with Margin	20,900	23,400	27,000	38,500	2,500	12%	6,100	29%	17,600	84%

Source: ME QLD Housing Model 2019. Figures have been rounded.

Table 2.9 - QLD Total District Projected Housing Demand 2018-2048 (Low)

Housing Demand	2018	2021	2028	2048	Short Term		Medium Term		Long Term	
					2018-21	2018-21 %	2018-28	2018-28 %	2018-48	2018-48 %
					Owner-occupied	9,220	9,860	11,470	15,020	640
Long-term Rental	6,630	7,090	8,260	10,880	460	7%	1,630	25%	4,250	64%
<i>QLD owners</i>	2,710	2,910	3,410	4,590	200	7%	700	26%	1,880	69%
<i>Other NZ Owners</i>	3,240	3,470	4,080	5,490	230	7%	840	26%	2,250	69%
<i>International Owners</i>	690	710	770	800	20	3%	80	12%	110	16%
Other NZ-Investment	1,990	1,990	2,120	2,580	-	0%	130	7%	590	30%
Other NZ-Holiday	1,990	1,980	2,080	2,450	10	-1%	90	5%	460	23%
Other NZ-Total	3,980	3,970	4,200	5,030	10	0%	220	6%	1,050	26%
International-Investment	510	510	530	630	-	0%	20	4%	120	24%
International-Holiday	510	490	480	470	20	-4%	30	-6%	40	-8%
International-Total	1,020	1,000	1,010	1,100	20	-2%	10	-1%	80	8%
Total	20,900	21,900	24,900	32,000	1,100	5%	4,100	20%	11,200	54%
Total with Margin	20,900	22,200	25,800	33,800	1,300	6%	4,900	23%	12,900	62%

Source: ME QLD Housing Model 2019. Figures have been rounded.



3 Housing for QLD Resident Population

This section examines the housing needs of the QLD resident population to 2048. It considers the socio-demographic characteristics of resident households which drive their housing requirements, and which directly influence their ability to access suitable housing. It also examines the current and projected housing preferences, and the current patterns of housing demand by dwelling value band.

3.1 Scope

Housing need is strongly influenced by household demography, and ability to pay (mainly income, and accumulated assets). This section follows a straightforward path. It examines first the demography of the QLD resident population, and the broad make-up of housing demand to 2048. It then examines housing needs in more detail in terms of the numbers of households of each category in each household income band, and by age category. The QLD household demography is based mainly on Census 2013 data, since the results of Census 2018 are not available, together with SNZ projections by broad household category.

Housing needs are also examined in terms of dwelling type (stand-alone and attached dwellings), and by tenure (owned vs rented). The starting point is the patterns of households in each category owning or renting each dwelling type. The 2018 situation has been estimated from 2013 Census data, factored up to 2018 on the basis that 2013 patterns for each demographic segment still apply, and have increased *pro rata* to 2018. While this is not ideal, there is no reliable data from Census 2018 to offer an update.

Housing needs are also addressed in terms of housing affordability, particularly for non-owner households with potential to become first home buyers, and those seeking rental accommodation. In most circumstances, affordability is less of an issue for households which already own a dwelling, and have equity, although housing prices directly affect their ability to afford a different dwelling which better suits their requirements.

The demography of absentee owners of QLD investment or holiday dwellings is not addressed, since there is very little information about those owners, and they are relevant to housing need primarily according to the degree to which they compete for housing with the QLD resident population.

3.2 Household Demography

Demography is a core driver of housing needs, with housing requirements varying according to household age, size, and household structure including the presence of children. Table 3.1 shows the projected QLD resident household numbers to 2048 by each main household category (single person, couple, 2-parent family, 1-parent family, multi-family and non-family households). The outlook covers the 3-year (2018-21), 10-year (2018-28) and 30-year periods (2018-48).

3.2.1 Growth by Household Category

A key feature of the QLD housing market is the high incidence of couple households, and the relatively low incidence of family households within the population. This is consistent with the QLD economy's high



dependence on the tourism sector, and the presence of a younger relatively mobile workforce, as well as with the high cost of housing in the District with poor affordability affecting family households in particular.

The outlook is for limited change – a feature of the growth projections is the increase in couple households in QLD, which account for some 55% of the long-term increase. Single-person households account for 26% of the net increase in household numbers, while family households account for around 11% of the total, with other household types representing small shares of additional housing needs.

Of the total projected increase of 15,100 households to 2048, some 12,270 (81%) are either single-person or couple households. This differs substantially from the national growth outlook, where single person households account for a higher share of growth (32% of the net increase), while couples account for a lower share (38%). Nationally, family households (30%).

Table 3.1 - QLD Household Growth Projection 2018-2048

	2016	2018	2021	2023	2028	2033	2038	2048	2018-21	2018-28	2018-48
One-Person Household	2,600	2,890	3,350	3,680	4,480	5,130	5,720	6,840	460	1,590	3,950
Couple Only	5,750	6,770	7,920	8,810	10,250	11,440	12,740	15,090	1,150	3,480	8,320
2 Parents with 1 to 2 Chn	3,170	3,600	4,070	4,410	4,900	5,070	5,110	5,220	470	1,300	1,620
2 Parents with 3+ Chn	670	780	870	940	1,030	1,060	1,060	1,070	90	250	290
One Parent Families	820	930	1,020	1,090	1,220	1,280	1,280	1,120	90	290	190
Multi-Family Households	140	140	150	170	170	190	200	290	10	30	150
Non-Family Households	720	730	790	830	830	890	960	1,320	60	100	590
Total Households	13,900	15,800	18,200	19,900	22,900	25,100	27,100	31,000	2,300	7,000	15,100
One-Person Household	19%	18%	18%	18%	20%	20%	21%	22%	20%	23%	26%
Couple Only	41%	43%	44%	44%	45%	46%	47%	49%	50%	50%	55%
2 Parents with 1 to 2 Chn	23%	23%	22%	22%	21%	20%	19%	17%	20%	19%	11%
2 Parents with 3+ Chn	5%	5%	5%	5%	4%	4%	4%	3%	4%	4%	2%
One Parent Families	6%	6%	6%	5%	5%	5%	5%	4%	4%	4%	1%
Multi-Family Households	1%	1%	1%	1%	1%	1%	1%	1%	0%	0%	1%
Non-Family Households	5%	5%	4%	4%	4%	4%	4%	4%	3%	1%	4%
Total Households	100%	100%	100%	100%							

Source: ME Queenstown Housing Model 2019

One person and couple households account for some 61% of total demand currently, with this share expected to increase to 65% by 2028, and 71% by 2048. This change in the structure of the housing market is important. It means much of the net increase in housing demand is from smaller households, which are likely to have some preferences for smaller dwellings, including terrace house and apartment style dwellings. That in turn will have implications for residential land requirements. It is also potentially indicative of a housing market which does not suitably provide affordable dwellings for family households with children. The SNZ projections are primarily based on population demographics, but also reflect the base year household (and therefore housing) structures, which may not capture latent demand.

There is no detailed information on the dwelling preferences of absentee owners of QLD properties, although it is expected that their demands are likely to reflect the national household structure, suggesting more family households among absentee owners, and possible preference for larger and detached dwellings. However, since many of the absentee owners appear to possess more than one dwelling (presumably residing in another owned dwelling elsewhere) then the question of housing affordability does not really arise for this segment of property owners.

The medium growth and low growth projections to 2048 both show a similar demographic structure for QLD in terms of the mix of households, though with lesser increases in household numbers. The outlook is summarised in Figure 3.1.



Figure 3.1 - QLD Households by Type 2018 - 2048



3.2.2 QLD and New Zealand Household Structure

Figure 3.2 shows the differences between QLD and the national structure, for 2018 and estimated to 2048, according to the SNZ most recent estimates (December 2017)¹². The district has several important differences from the national pattern:

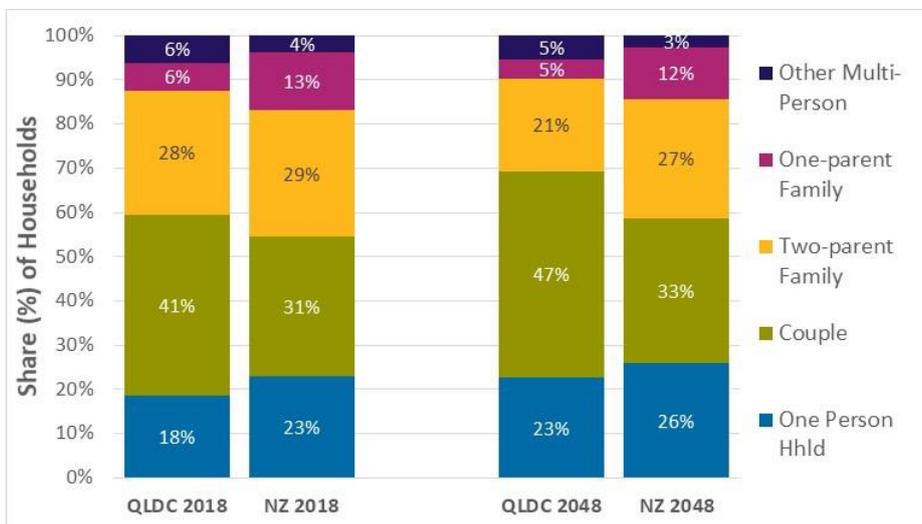
- The relatively low incidence of single-person households, reflecting in part the low numbers of persons in the 65 and over age bands. This also likely reflects the relatively high cost of housing in QLD, encouraging sharing of dwellings;
- The relatively high incidence of couple households (40% QLD and 31% nationally). This reflects to a degree the presence of couples employed in the tourism-related sectors, who may be in the district as long-stay visitors, as distinct from long-term residents;
- The incidence of two-parent households is close to the national pattern. However, there are relatively few one-parent households, which again is likely to reflect the relatively high costs of housing in the district (for owners and renters);
- A relatively high incidence (nearly twice the national figure) of other multi-person households, which is predominantly flatting or non-family households. This is consistent with the strong presence of the tourism-related workforce, especially those in the 25-44 age groups, who as long-stay visitors tend to form flatting (non-family) household structures.

¹² It should be noted that large numbers of short-term workers come in and out of the district in the peaks of the winter and summer holiday seasons, and they may not be captured accurately by SNZ data which is primarily derived from occupant reporting on Census night.



The right side of the graph shows the projected long-term future household structure to 2048 (extrapolated from SNZ projections). While in some respects the QLD structure will be closer to the national pattern in the longer-term, there are still important differences, with a relatively low incidences of single-person households, and one-parent families; a relatively low share of family-with-children one and two-parent households (26% compared with 39% nationally by 2048, and below the current 34%); and a big decrease in the share of households which are other multi-person, the typical flatting / non-family households. However, the already high incidence of couple households is projected to increase, from 41% currently to 47% by 2048 (markedly above the national share of then of 33%).

Figure 3.2 - QLD and NZ Household Structure 2018-2048



That said, the changes in structure come over a period when there is significant overall growth expected, with substantial increases in all household types.

3.3 Housing Needs by Demand Segment

Within that broader context, it is important to examine housing needs in more detail to better understand both demography-based needs (household category largely drives space and dwelling size requirements) and households' ability to afford dwellings to own, or rent, which is driven largely by household income (and assets). Housing needs and ability to pay vary considerably among different household types, and it is necessary to get into the detail to understand those needs. This section addresses housing needs in detail, examining housing needs according to household category and age and household income.

3.3.1 QLD 2018

Table 3.2 summarises QLD housing demand by household type and income estimated as at 2018, and the distribution according to tenure (owned vs rented) and broad dwelling type (detached vs attached). This



assessment is based on Census 2013, as the latest available demographic information, updated according to household estimates for 2018, and the SNZ projections by household category.

Table 3.2 - QLD Housing Demand by Household Type and Income, 2018

Household Type	Income	Owned Dwellings		Not-Owned Dwellings		Total	Owned Dwellings		Not-Owned Dwellings		Total
		Detached	Attached	Detached	Attached		Detached	Attached	Detached	Attached	
One Person Hhld	Up to \$40,000	470	110	290	340	1,210	39%	9%	24%	28%	100%
	\$40 - \$72,000	280	90	200	260	830	34%	11%	24%	31%	100%
	\$72- \$109,000	180	50	120	90	440	41%	11%	27%	20%	100%
	\$109 - \$160,000	130	40	60	60	290	45%	14%	21%	21%	100%
	\$160,000 +	110	20	20	10	160	69%	13%	13%	6%	100%
Total		1,170	310	690	760	2,930	40%	11%	24%	26%	100%
Couple Hhld	Up to \$40,000	220	50	70	60	400	55%	13%	18%	15%	100%
	\$40 - \$72,000	570	60	170	150	950	60%	6%	18%	16%	100%
	\$72- \$109,000	670	60	240	250	1,220	55%	5%	20%	20%	100%
	\$109 - \$160,000	900	140	380	380	1,800	50%	8%	21%	21%	100%
	\$160,000 +	1,470	230	400	310	2,410	61%	10%	17%	13%	100%
Total		3,830	540	1,260	1,150	6,780	56%	8%	19%	17%	100%
2 Parents 1-2chn	Up to \$40,000	60	-	40	20	120	50%	0%	33%	17%	100%
	\$40 - \$72,000	110	20	100	70	300	37%	7%	33%	23%	100%
	\$72- \$109,000	360	60	200	120	740	49%	8%	27%	16%	100%
	\$109 - \$160,000	630	70	230	100	1,030	61%	7%	22%	10%	100%
	\$160,000 +	1,000	90	260	60	1,410	71%	6%	18%	4%	100%
Total		2,160	240	830	370	3,600	60%	7%	23%	10%	100%
2 Parents 3+chn	Up to \$40,000	10	-	-	-	10	100%	0%	0%	0%	100%
	\$40 - \$72,000	20	-	40	10	70	29%	0%	57%	14%	100%
	\$72- \$109,000	50	-	50	10	110	45%	0%	45%	9%	100%
	\$109 - \$160,000	80	10	60	10	160	50%	6%	38%	6%	100%
	\$160,000 +	320	10	90	10	430	74%	2%	21%	2%	100%
Total		480	20	240	40	780	62%	3%	31%	5%	100%
1 Parent Family	Up to \$40,000	100	20	130	70	320	31%	6%	41%	22%	100%
	\$40 - \$72,000	100	-	140	40	280	36%	0%	50%	14%	100%
	\$72- \$109,000	30	10	70	30	140	21%	7%	50%	21%	100%
	\$109 - \$160,000	40	10	40	10	100	40%	10%	40%	10%	100%
	\$160,000 +	70	10	20	10	110	64%	9%	18%	9%	100%
Total		340	50	400	160	950	36%	5%	42%	17%	100%
Multi-Family Hhlds	Up to \$40,000	-	-	-	-	-	0%	0%	0%	0%	0%
	\$40 - \$72,000	-	-	-	-	-	0%	0%	0%	0%	0%
	\$72- \$109,000	-	-	-	-	-	0%	0%	0%	0%	0%
	\$109 - \$160,000	-	-	10	-	10	0%	0%	100%	0%	100%
	\$160,000 +	40	-	50	30	120	33%	0%	42%	25%	100%
Total		40	-	60	30	130	31%	0%	46%	23%	100%
Non-Family Hhlds	Up to \$40,000	-	-	10	30	40	0%	0%	25%	75%	100%
	\$40 - \$72,000	-	-	50	50	100	0%	0%	50%	50%	100%
	\$72- \$109,000	-	-	60	60	120	0%	0%	50%	50%	100%
	\$109 - \$160,000	10	-	100	110	220	5%	0%	45%	50%	100%
	\$160,000 +	30	10	110	100	250	12%	4%	44%	40%	100%
Total		40	10	330	350	730	5%	1%	45%	48%	100%
Total Households	Up to \$40,000	860	180	550	520	2,110	41%	9%	26%	25%	100%
	\$40 - \$72,000	1,060	170	700	580	2,510	42%	7%	28%	23%	100%
	\$72- \$109,000	1,290	180	730	550	2,750	47%	7%	27%	20%	100%
	\$109 - \$160,000	1,790	270	870	680	3,610	50%	7%	24%	19%	100%
	\$160,000 +	3,040	370	940	520	4,870	62%	8%	19%	11%	100%
Total		8,040	1,170	3,790	2,850	15,850	51%	7%	24%	18%	100%

Source: ME Queenstown Housing Model 2019



Key aspects of QLD housing demand are:

- a. Overall, some 56% of dwellings are owned, with 44% rented.
- b. An estimated 63% of dwellings are detached (according to Census) with 37% attached (note that these shares are based on Census respondent reporting, rather than rating information on the housing estate, so there are some differences).
- c. Ownership rates vary considerably by household income. Among lower income households (quintile 1) 47% of dwellings are owned with 53% rented. Ownership rates are higher (51%) for those near the median income (quintile 3), and substantially higher among the top income group (68% among quintile 5 households).
- d. Dwelling type also varies by household income. The lowest income group have greater propensity to occupy attached dwellings (48%), while for the median income group (quintile 3) some 38% of dwellings are attached. Among the high income group (quintile 5) only 28% of dwellings are attached, with 72% detached dwellings.

Ownership and dwelling type vary among different household types. To a considerable degree this is driven by the ability to afford and purchase dwellings, as well as household size. Figure 3.3 summarises the structure of the market by household category for 2018 by dwelling type and tenure.

Figure 3.3 - QLD Dwelling Tenure and Type by Household Category 2018

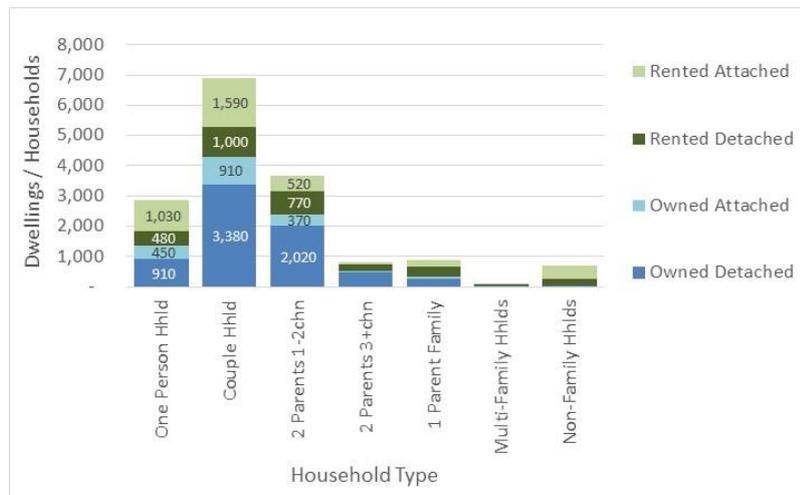


Table 3.3 summarises QLD housing demand by household type and age as at 2018, again according to tenure and broad dwelling type.



Table 3.3 - QLD Housing Demand by Household Type and Age 2018

Household Type	Age	Owned Dwellings		Not-Owned Dwellings		Total	Owned Dwellings		Not-Owned Dwellings		Total
		Detached	Attached	Detached	Attached		Detached	Attached	Detached	Attached	
One Person Hhld	15-29	20	-	90	180	300	7%	0%	30%	60%	100%
	30-39	60	30	150	210	440	14%	7%	34%	48%	100%
	40-49	140	50	150	120	460	30%	11%	33%	26%	100%
	50-64	430	120	160	160	870	49%	14%	18%	18%	100%
	65-74	250	50	40	30	370	68%	14%	11%	8%	100%
	75+	260	50	90	60	460	57%	11%	20%	13%	100%
	Total	1,160	300	680	760	2,900	40%	10%	23%	26%	100%
Couple Hhld	15-29	70	20	300	490	880	8%	2%	34%	56%	100%
	30-39	280	120	260	390	1,050	27%	11%	25%	37%	100%
	40-49	360	90	150	110	710	51%	13%	21%	15%	100%
	50-64	1,760	210	330	90	2,390	74%	9%	14%	4%	100%
	65-74	1,050	80	170	50	1,350	78%	6%	13%	4%	100%
	75+	310	30	40	10	400	78%	8%	10%	3%	100%
	Total	3,830	550	1,250	1,140	6,780	56%	8%	18%	17%	100%
2 Parents 1-2chn	15-29	60	10	120	70	260	23%	4%	46%	27%	100%
	30-39	540	120	290	170	1,120	48%	11%	26%	15%	100%
	40-49	970	70	280	100	1,420	68%	5%	20%	7%	100%
	50-64	530	50	130	20	730	73%	7%	18%	3%	100%
	65-74	50	-	10	10	70	71%	0%	14%	14%	100%
	75+	10	-	-	-	20	50%	0%	0%	0%	100%
	Total	2,160	250	830	370	3,620	60%	7%	23%	10%	100%
2 Parents 3+chn	15-29	10	-	-	-	10	100%	0%	0%	0%	100%
	30-39	160	20	120	30	330	48%	6%	36%	9%	100%
	40-49	260	-	110	20	380	68%	0%	29%	5%	100%
	50-64	50	-	10	-	60	83%	0%	17%	0%	100%
	65-74	-	-	-	-	-	0%	0%	0%	0%	0%
	75+	-	-	-	-	-	0%	0%	0%	0%	0%
	Total	480	20	240	50	780	62%	3%	31%	6%	100%
1 Parent Family	15-29	10	-	30	20	60	17%	0%	50%	33%	100%
	30-39	20	-	130	60	200	10%	0%	65%	30%	100%
	40-49	160	10	180	70	420	38%	2%	43%	17%	100%
	50-64	140	30	50	-	210	67%	14%	24%	0%	100%
	65-74	10	-	10	-	20	50%	0%	50%	0%	100%
	75+	-	-	10	-	20	0%	0%	50%	0%	100%
	Total	340	40	410	150	930	37%	4%	44%	16%	100%
Multi-Family Hhlds	15-29	-	-	20	20	40	0%	0%	50%	50%	100%
	30-39	10	-	20	10	40	25%	0%	50%	25%	100%
	40-49	-	-	20	10	20	0%	0%	100%	50%	100%
	50-64	30	-	-	-	30	100%	0%	0%	0%	100%
	65-74	-	-	-	-	10	0%	0%	0%	0%	100%
	75+	-	-	-	-	-	0%	0%	0%	0%	0%
	Total	40	-	60	40	140	29%	0%	43%	29%	100%
Non-Family Hhlds	15-29	10	10	130	170	320	3%	3%	41%	53%	100%
	30-39	20	10	100	100	230	9%	4%	43%	43%	100%
	40-49	10	-	50	30	90	11%	0%	56%	33%	100%
	50-64	-	-	30	20	50	0%	0%	60%	40%	100%
	65-74	-	-	20	20	40	0%	0%	50%	50%	100%
	75+	-	-	-	-	-	0%	0%	0%	0%	0%
	Total	40	20	330	340	730	5%	3%	45%	47%	100%
Total Households	15-29	180	30	690	950	1,860	10%	2%	37%	51%	100%
	30-39	1,080	290	1,050	970	3,400	32%	9%	31%	29%	100%
	40-49	1,900	230	940	450	3,510	54%	7%	27%	13%	100%
	50-64	2,930	400	700	290	4,330	68%	9%	16%	7%	100%
	65-74	1,360	130	250	100	1,840	74%	7%	14%	5%	100%
	75+	590	80	150	80	890	66%	9%	17%	9%	100%
	TOTAL	8,040	1,160	3,780	2,840	15,830	51%	7%	24%	18%	100%

Source: ME Queenstown Housing Model 2019



Key aspects of QLD housing demand across age groups shows that tenure and dwelling type are closely related to age, with only 11% of all young households (15-29 years) in owned dwellings and 89% rented, and with 68% in attached dwellings. However, for those in the older age bands ownership rates are substantially higher, and greater numbers reside in detached dwellings. This reflects the general trend in dwelling ownership, where ownership rates generally increase as households move through the life stages, as does the occupation of detached dwellings. Those patterns generally coincide with the formation of longer term households – notably couples and families with children – growth in incomes as individuals become more experienced and reach more senior employment, and the accumulation of household assets.

These patterns represent the ‘standard’ New Zealand structure as households age and mature. The key differences expected in QLD arise from the overall structure of the population – more couple households, and a higher share of temporary residents associated with the tourism sector – and especially the relatively high cost of housing in QLD as high dwelling prices see lower rates of dwelling ownership, and higher incidence of renting. Specific features include:

- a. Low ownership rates for younger households, from only 11% among the 15-29 year group, increasing to 38% in the 30-39 age group, and 58% in the 40-49 age group.
- b. For older households, ownership rates are much higher, at 76% for the 50-64 age band, 78% in the 55-74 age band, and 72% in the 75+ band.
- c. These patterns are also evident within each household type – older single persons, couples and family households all have substantially higher ownership rates than younger households in these categories.

3.3.2 Housing Need and Dwelling Type

The future structure of housing needs has been estimated here from projected household growth in total and in each category. These projections apply the current (2018) incidence of dwelling ownership and dwelling type for each household category (type, age, income) *pro rata* to 2028 and 2048.

Within this pattern, allowance has been made for a moderate shift in dwelling preferences away from detached stand-alone dwellings, and toward attached dwellings. The shift is shown in Table 3.4. It indicates a substantial shift in demand by 2048, with only 65% of the increase in detached dwellings, compared with 75% of the current dwelling estate.

Table 3.4 - QLD Housing Demand by Dwelling Type 2018-2048

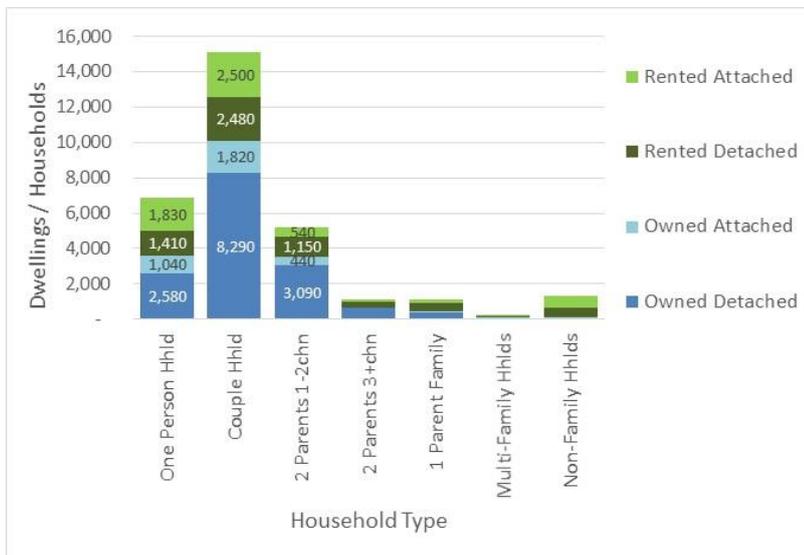
Dwelling Type	2016	2018	2021	2023	2028	2033	2038	2048	2018-21	2018-28	2018-48
Detached House	10,450	11,750	13,290	14,450	16,130	17,330	18,140	19,360	1,540	4,380	7,610
2+ Dwgs : 1 level	1,040	1,110	1,330	1,510	1,900	1,940	2,190	2,700	220	790	1,590
2+ Dwgs : 2-3 levels	1,960	2,360	2,830	3,200	3,980	4,820	5,670	7,630	470	1,620	5,270
2+ Dwgs : 4+ levels	10	50	50	60	70	80	90	110	-	20	60
2+ Dwgs : undef	-	-	-	-	-	-	-	-	-	-	-
Other Private	30	30	40	40	50	50	50	60	10	20	30
Private Not Defined	490	540	610	670	760	850	920	1,090	70	220	550
TOTAL	14,000	15,800	18,200	19,900	22,900	25,100	27,100	31,000	2,300	7,100	15,100
Detached House	75%	74%	73%	73%	70%	69%	67%	62%	67%	62%	50%
2+ Dwgs : 1 level	7%	7%	7%	8%	8%	8%	8%	9%	10%	11%	11%
2+ Dwgs : 2-3 levels	14%	15%	16%	16%	17%	19%	21%	25%	20%	23%	35%
2+ Dwgs : 4+ levels	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2+ Dwgs : undef	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Private	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Private Not Defined	4%	3%	3%	3%	3%	3%	3%	4%	3%	3%	4%
TOTAL	100%	100%	100%	100%							

Source: ME Queenstown Housing Model 2019



The demand structure in 2048 is summarised in Figure 3.4, showing projected dwelling tenure and type by household category. This graph compares directly with Figure 3.3 for 2018. The overall structure of housing need in 2048 is very similar to 2018. The key difference is the very large increase in resident household numbers from 15,850 in 2018 to 31,000 by 2048.

Figure 3.4 - QLD Dwelling Tenure and Type by Household Category 2048



3.3.3 Housing Needs by Income Band

Table 3.5 provides more detail on the total projected housing situation in 2048, according to household type and income band. It shows the structure of total housing need three decades ahead. Key features include:

- There is substantial growth in single person households which account for 22% of the total by 2048 (18% in 2018). These households are mainly in the two lower income bands in 2048, with only one in five in the highest income bands.
- Couple households are the largest group (49% compared with 43% in 2018), and these have strong incidence (three in five) in the two highest income bands.
- 2-parent households are also significant (20% of the total), again with strong incidence in the higher income bands.
- 1-parent households are a small share of the total (4%) with relatively high incidence in the lower two income bands (two in three).
- Non-family households also are a small share of the total (4%) though with relatively strong incidence in the middle and upper income bands.



Table 3.5 - QLD Housing Demand by Household Type and Income, 2048

Household Type	Income	Owned Dwellings		Not-Owned Dwellings		Total	Share %
		Detached	Attached	Detached	Attached		
One Person Hhld	Up to \$40,000	970	370	580	790	2,710	8.8%
	\$40 - \$72,000	570	280	390	630	1,870	6.1%
	\$72- \$109,000	400	160	270	240	1,070	3.5%
	\$109 - \$160,000	300	150	120	150	720	2.3%
	\$160,000 +	340	80	50	20	490	1.6%
	Total	2,580	1,040	1,410	1,830	6,860	22.2%
Couple Hhld	Up to \$40,000	490	150	140	120	900	2.9%
	\$40 - \$72,000	1,210	210	340	320	2,080	6.7%
	\$72- \$109,000	1,490	230	500	570	2,790	9.0%
	\$109 - \$160,000	1,850	450	700	790	3,790	12.3%
	\$160,000 +	3,250	780	800	700	5,530	17.9%
	Total	8,290	1,820	2,480	2,500	15,090	48.8%
2 Parents 1-2chn	Up to \$40,000	90	10	60	30	190	0.6%
	\$40 - \$72,000	130	20	130	90	370	1.2%
	\$72- \$109,000	490	100	250	170	1,010	3.3%
	\$109 - \$160,000	800	120	290	150	1,360	4.4%
	\$160,000 +	1,580	190	420	100	2,290	7.4%
	Total	3,090	440	1,150	540	5,220	16.9%
2 Parents 3+chn	Up to \$40,000	10	-	10	-	20	0.1%
	\$40 - \$72,000	20	-	50	20	90	0.3%
	\$72- \$109,000	70	-	60	20	150	0.5%
	\$109 - \$160,000	110	20	90	20	240	0.8%
	\$160,000 +	440	10	120	20	590	1.9%
	Total	650	30	330	80	1,090	3.5%
1 Parent Family	Up to \$40,000	110	30	140	90	370	1.2%
	\$40 - \$72,000	120	-	160	50	330	1.1%
	\$72- \$109,000	40	20	80	40	180	0.6%
	\$109 - \$160,000	40	10	40	20	110	0.4%
	\$160,000 +	90	10	30	10	140	0.5%
	Total	400	70	450	210	1,130	3.7%
Multi-Family Hhlds	Up to \$40,000	-	-	-	-	-	0.0%
	\$40 - \$72,000	-	-	-	-	-	0.0%
	\$72- \$109,000	-	-	-	-	-	0.0%
	\$109 - \$160,000	-	-	20	10	30	0.1%
	\$160,000 +	80	10	90	70	250	0.8%
	Total	80	10	110	80	280	0.9%
Non-Family Hhlds	Up to \$40,000	-	-	20	70	90	0.3%
	\$40 - \$72,000	-	-	80	90	170	0.6%
	\$72- \$109,000	-	-	100	110	210	0.7%
	\$109 - \$160,000	20	10	160	210	400	1.3%
	\$160,000 +	50	30	170	200	450	1.5%
	Total	70	40	530	680	1,320	4.3%
Total Households	Up to \$40,000	1,680	560	940	1,100	4,280	13.9%
	\$40 - \$72,000	2,050	510	1,160	1,200	4,920	15.9%
	\$72- \$109,000	2,490	500	1,250	1,140	5,380	17.4%
	\$109 - \$160,000	3,130	760	1,420	1,330	6,640	21.5%
	\$160,000 +	5,830	1,100	1,680	1,110	9,720	31.5%
	Total	15,180	3,430	6,450	5,880	30,900	100.0%

Source: ME Queenstown Housing Model 2019



3.3.4 Expected Changes in Housing Needs

Tables 3.6 and 3.7 present detail on the future total market structure, and the changes expected to 2021, 2028 and 2048. Table 3.6 shows households by income band (all categories combined) by dwelling type and tenure (more detail is included in Appendix 1).

Key features of future housing needs include:

- a. There is substantial growth in household income bands, though with slightly stronger increases in the lowest and highest bands.
- b. In 2048, the resident structure shows relatively strong incidence (32%) in the highest income band (\$160,000 and over in \$2018 terms), and with 20% in the second highest income band (\$109-160,000).
- c. The expected shift in dwelling preferences would see a stronger rate growth in attached dwellings (+132%) and less in detached dwellings (+83%). Nevertheless, detached dwellings would still account for nearly two-thirds of the total increase.
- d. The relatively stronger growth in couple and family households in the middle and especially higher income bands would indicate a greater increase in owned dwellings (+102% compared with +86%). Owned dwellings would account for some 62% of the total growth.

The projected changes are expected to be relatively steady and incremental shifts throughout the medium and long term, as distinct from substantial changes to the structure of housing needs.

Nevertheless, the patterns also indicate a number of challenges if the future projected situation for dwelling ownership is to eventuate. In particular:

- a. The number of resident households owning a dwelling is projected to more than double by 2048 to 18,600 if current ownership patterns are able to be sustained in the medium and long term.
- b. Around three-quarters of the projected increase in owned dwellings is in detached typologies (7,140 of 9,400), with one-quarter in attached dwellings. While the projected increase is predominantly among households in the middle (16%) and upper income bands (57%), around a quarter of the projected increase in owner households is in the lower middle and lower income bands. The high cost of housing in QLD suggests that achieving ownership is likely to be difficult for households in the middle and lower income bands.
- c. An important component of owned dwellings currently is those in the older age groups who have achieved ownership and are currently on lower incomes than they may have been in the past (for example, retired persons) who entered dwelling ownership when they were middle or high income earners. The relatively high cost of housing currently, especially through the influence of those seeking holiday/retirement dwellings, suggests that a smaller proportion of households entering retirement years will be dwelling owners than has been the case in the past.
- d. These factors suggest that if high dwelling prices in QLD persist into the long term, then the projected numbers of owner households are likely to be overstated, and the numbers of renter households understated.



Table 3.6 – Change in QLD Housing Demand by Household Income, 2018-48

Income	Future				Projected Growth			Projected Growth %			Demand Structure		
	2018	2021	2028	2048	2018-21	2018-28	2018-48	2018-21 %	2018-28 %	2018-48 %	2018-21	2018-28	2018-48
Owned Dwellings Detached													
Up to \$40,000	860	990	1,250	1,680	130	390	820	15%	45%	95%	11%	11%	11%
\$40 - \$72,000	1,060	1,220	1,540	2,050	160	480	990	15%	45%	93%	13%	13%	14%
\$72- \$109,000	1,290	1,490	1,900	2,490	200	610	1,200	16%	47%	93%	16%	17%	17%
\$109 - \$160,000	1,790	2,030	2,500	3,130	240	710	1,340	13%	40%	75%	20%	20%	19%
\$160,000 +	3,040	3,540	4,490	5,830	500	1,450	2,790	16%	48%	92%	41%	40%	39%
Total	8,040	9,270	11,680	15,180	1,230	3,640	7,140	15%	45%	89%	100%	100%	100%
Owned Dwellings Attached													
Up to \$40,000	180	220	320	560	40	140	380	22%	78%	211%	17%	18%	17%
\$40 - \$72,000	170	200	280	510	30	110	340	18%	65%	200%	13%	14%	15%
\$72- \$109,000	180	210	300	500	30	120	320	17%	67%	178%	13%	15%	14%
\$109 - \$160,000	270	330	450	760	60	180	490	22%	67%	181%	26%	23%	22%
\$160,000 +	370	440	620	1,100	70	250	730	19%	68%	197%	30%	31%	32%
Total	1,170	1,400	1,970	3,430	230	800	2,260	20%	68%	193%	100%	100%	100%
Not-Owned Dwellings Detached													
Up to \$40,000	550	620	760	940	70	210	390	13%	38%	71%	15%	15%	15%
\$40 - \$72,000	700	780	950	1,160	80	250	460	11%	36%	66%	17%	18%	17%
\$72- \$109,000	730	820	1,010	1,250	90	280	520	12%	38%	71%	20%	20%	20%
\$109 - \$160,000	870	960	1,150	1,420	90	280	550	10%	32%	63%	20%	20%	21%
\$160,000 +	940	1,070	1,310	1,680	130	370	740	14%	39%	79%	28%	27%	28%
Total	3,790	4,250	5,180	6,450	460	1,390	2,660	12%	37%	70%	100%	100%	100%
Not-Owned Dwellings Attached													
Up to \$40,000	520	590	770	1,100	70	250	580	13%	48%	112%	17%	20%	19%
\$40 - \$72,000	580	660	840	1,200	80	260	620	14%	45%	107%	20%	21%	20%
\$72- \$109,000	550	640	820	1,140	90	270	590	16%	49%	107%	22%	22%	19%
\$109 - \$160,000	680	770	940	1,330	90	260	650	13%	38%	96%	22%	21%	21%
\$160,000 +	520	600	730	1,110	80	210	590	15%	40%	113%	20%	17%	19%
Total	2,850	3,260	4,100	5,880	410	1,250	3,030	14%	44%	106%	100%	100%	100%
Total Dwellings													
Up to \$40,000	2,110	2,420	3,100	4,280	310	990	2,170	15%	47%	103%	13%	14%	14%
\$40 - \$72,000	2,510	2,860	3,610	4,920	350	1,100	2,410	14%	44%	96%	15%	16%	16%
\$72- \$109,000	2,750	3,160	4,030	5,380	410	1,280	2,630	15%	47%	96%	18%	18%	17%
\$109 - \$160,000	3,610	4,090	5,040	6,640	480	1,430	3,030	13%	40%	84%	21%	20%	20%
\$160,000 +	4,870	5,650	7,150	9,720	780	2,280	4,850	16%	47%	100%	33%	32%	32%
Total	15,850	18,180	22,930	30,940	2,330	7,080	15,090	15%	45%	95%	100%	100%	100%
Total Detached	11,830	13,520	16,860	21,630	1,690	5,030	9,800	14%	43%	83%	73%	71%	65%
Total Attached	4,020	4,660	6,070	9,310	640	2,050	5,290	16%	51%	132%	27%	29%	35%
Total Owned	9,210	10,670	13,650	18,610	1,460	4,440	9,400	16%	48%	102%	63%	63%	62%
Total Not Owned	6,640	7,510	9,280	12,330	870	2,640	5,690	13%	40%	86%	37%	37%	38%

Source: ME Queenstown Housing Model 2019



Table 3.7 – Change in QLD Housing Demand by Household Type and Age, 2018-48

Age	2018	Future			Projected Growth			Projected Growth %			Demand Structure		
		2021	2028	2048	2018-21	2018-28	2018-48	2018-21 %	2018-28 %	2018-48 %	2018-21	2018-28	2018-48
Owned Dwellings Detached													
15-29	180	200	240	280	20	60	100	11%	33%	56%	2%	2%	1%
30-39	1,080	1,220	1,460	1,660	140	380	580	13%	35%	54%	11%	10%	8%
40-49	1,900	2,160	2,670	3,050	260	770	1,150	14%	41%	61%	21%	21%	16%
50-64	2,930	3,400	4,330	5,830	470	1,400	2,900	16%	48%	99%	38%	38%	41%
65-74	1,360	1,600	2,090	3,040	240	730	1,680	18%	54%	124%	20%	20%	24%
75+	590	690	900	1,320	100	310	730	17%	53%	124%	8%	8%	10%
Total	8,040	9,270	11,690	15,180	1,230	3,650	7,140	15%	45%	89%	100%	100%	100%
Owned Dwellings Attached													
15-29	30	40	50	90	10	20	60	33%	67%	200%	4%	2%	3%
30-39	290	340	450	670	50	160	380	17%	55%	131%	21%	20%	17%
40-49	230	280	380	640	50	150	410	22%	65%	178%	21%	19%	18%
50-64	400	490	710	1,300	90	310	900	23%	78%	225%	38%	38%	39%
65-74	130	150	240	470	20	110	340	15%	85%	262%	8%	14%	15%
75+	80	100	140	270	20	60	190	25%	75%	238%	8%	7%	8%
Total	1,160	1,400	1,970	3,440	240	810	2,280	21%	70%	197%	100%	100%	100%
Not-Owned Dwellings Detached													
15-29	690	760	890	1,120	70	200	430	10%	29%	62%	15%	14%	16%
30-39	1,050	1,170	1,390	1,640	120	340	590	11%	32%	56%	26%	24%	22%
40-49	940	1,050	1,280	1,500	110	340	560	12%	36%	60%	23%	24%	21%
50-64	700	810	1,020	1,360	110	320	660	16%	46%	94%	23%	23%	25%
65-74	250	290	380	540	40	130	290	16%	52%	116%	9%	9%	11%
75+	150	170	210	300	20	60	150	13%	40%	100%	4%	4%	6%
Total	3,780	4,250	5,170	6,460	470	1,390	2,680	12%	37%	71%	100%	100%	100%
Not-Owned Dwellings Attached													
15-29	950	1,070	1,310	1,890	120	360	940	13%	38%	99%	29%	29%	31%
30-39	970	1,110	1,380	1,920	140	410	950	14%	42%	98%	34%	33%	31%
40-49	450	520	670	930	70	220	480	16%	49%	107%	17%	18%	16%
50-64	290	340	450	690	50	160	400	17%	55%	138%	12%	13%	13%
65-74	100	120	160	260	20	60	160	20%	60%	160%	5%	5%	5%
75+	80	90	120	200	10	40	120	13%	50%	150%	2%	3%	4%
Total	2,840	3,250	4,090	5,890	410	1,250	3,050	14%	44%	107%	100%	100%	100%
Total Dwellings													
15-29	1,850	2,070	2,490	3,380	220	640	1,530	12%	35%	83%	9%	9%	10%
30-39	3,390	3,840	4,680	5,890	450	1,290	2,500	13%	38%	74%	19%	18%	17%
40-49	3,520	4,010	5,000	6,120	490	1,480	2,600	14%	42%	74%	21%	21%	17%
50-64	4,320	5,040	6,510	9,180	720	2,190	4,860	17%	51%	113%	31%	31%	32%
65-74	1,840	2,160	2,870	4,310	320	1,030	2,470	17%	56%	134%	14%	15%	16%
75+	900	1,050	1,370	2,090	150	470	1,190	17%	52%	132%	6%	7%	8%
Total	15,820	18,170	22,920	30,970	2,350	7,100	15,150	15%	45%	96%	100%	100%	100%

Source: ME Queenstown Housing Model 2019



There is also strong demand growth expected for long term rental dwellings for the resident population, with another 2,640 by 2028 and nearly 5,700 by 2048, an implied annual increase of 190 rental dwellings. The main features of rental demand include:

- a. Substantial growth in demand for rental dwellings across all income segments. Households in the lowest and middle lower income bands would account for around 35% of the growth.
- b. Substantial growth in both detached (2,660) and attached (3,030) dwellings if current patterns of demand continue through with a moderate shift toward construction of attached dwellings.
- c. Demand from high income households as well as low income, assuming current patterns persist into the long term.

More detail on projected housing needs is provided in Appendix 1.

3.4 KiwiBuild Context

The Ministry of Housing and Urban Development's (MHUD) KiwiBuild policy also provides very useful context in terms of housing needs. Broadly, the KiwiBuild strategy is to increase levels of dwelling ownership (% share of households which are dwelling owners), following the steady decline in ownership levels observed since the mid-1990s. The strategy identifies the key parameters of improving dwelling ownership levels from the Government perspective, and offer important guidance as to which segments of the market are seen as the highest priority for greater dwelling ownership. This is especially relevant to the QLD situation, given the high housing prices and generally poor housing affordability in QLD.

Importantly, KiwiBuild is not a mechanism for social housing. It is intended to provide for new dwellings at price levels below the current market levels, which non-owning households can afford to purchase and sustain long term housing debt. This means it does not seek to enable ownership among all segments of the community, rather it focuses on restoring ownership levels to those households which in past times would have been able to afford to purchase a dwelling, but are no longer able to do so because of the currently high price levels. In effect, the strategy is to bring the ownership threshold lower, and enable those households not far below the threshold to become dwelling owners. It clearly recognises that it is oriented to the non-owner segments which are most able to become owners if sufficient supply of "lower" priced (as distinct from "low" priced) dwellings are available. Hence the price positioning of \$500,000 for a one-bedroom dwelling, and \$650,000 for a three-bedroom dwelling.

The KiwiBuild policy settings are useful as one perspective from which to identify the indicated scale of housing need for QLD. We have done this by applying those policy settings across households in QLD, to identify the number of households which would **qualify** for KiwiBuild according to their eligibility on household income levels, and be likely to secure finance for a KiwiBuild dwelling, qualifying based on affordability to service a loan. The base case analysis assumes a 30-year mortgage, a 7.5% rate of interest, and a 20% deposit. Single person and one-parent households would have an income cap of \$120,000, while couples and two-parent families would have a cap of \$180,000.

Among the current 6,630 non-owner resident households in QLD in 2018, some 5,030 would be eligible according to their income levels (76%), and of these some 2,000 households would qualify according to eligibility and dwelling affordability (Figure 3.5).

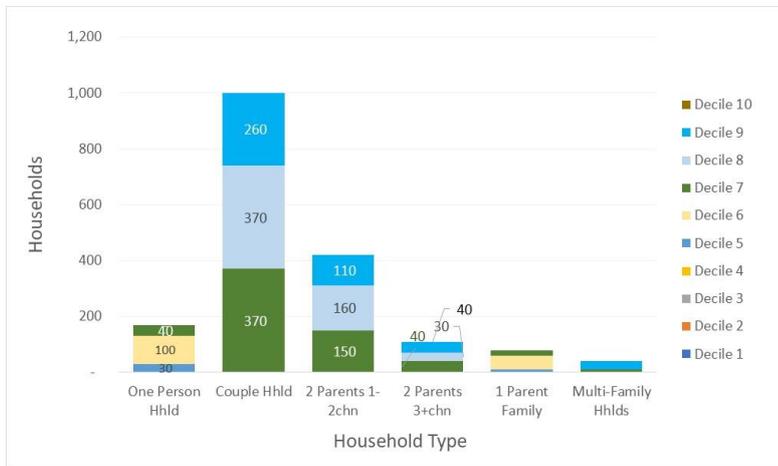


By 2028, of the 9,200 non-owner resident households, some 7,100 would be eligible according to their income levels (77%), and of these some 2,750 households would qualify according to eligibility and dwelling affordability, or 30% overall.

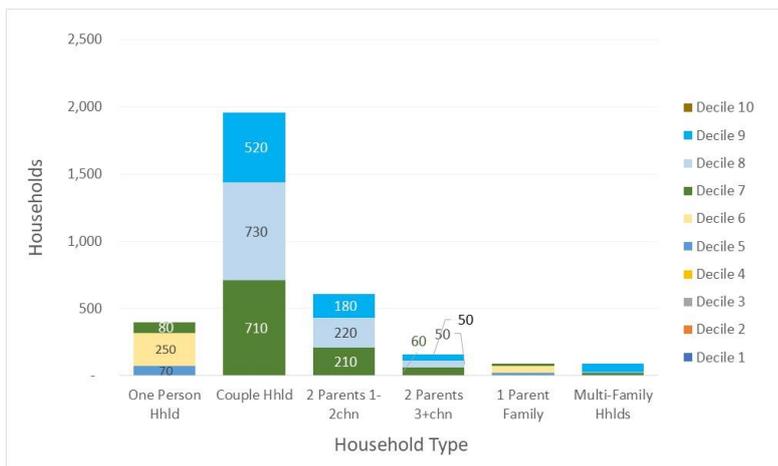
By 2048, assuming the same policy structure persisted, of the 12,300 non-owner resident households, 9,300 would be eligible according to their income levels (76%). In total approximately 3,600 households would qualify according to eligibility and dwelling affordability, 30% overall¹³.

Figure 3.5 - QLD Households Qualifying for KiwiBuild 2018 and 2048

2018



2048



¹³ Note the different scales applied in each graph in Figure 3.5



There is no formal estimate of the number of KiwiBuild or other affordable dwellings which may be developed in QLD. The mayoral task force has identified a target of 1,000 affordable dwellings. If the KiwiBuild estate was of that order in the short term, then there would be 1,000 households which qualify on eligibility and affordability criteria and secure a KiwiBuild affordable dwelling, and another 1,000 which would qualify but would not be able to acquire a KiwiBuild dwelling. In the longer term (2048), if 1,000 dwellings were still the extent of the KiwiBuild estate, then there would be around 2,600 households which could afford to purchase a dwelling in the KiwiBuild pricing range, but not have access to a KiwiBuild dwelling.

However, it is not as clear-cut as stating that unless new dwellings are available in that KiwiBuild pricing range then those households will not become dwelling owners. Not all “affordable” dwellings need to be new, and historically first home buyers have purchased from within the existing or “used” dwelling estate.

The current pattern is for a somewhat higher proportion of new dwellings to be in the lower value ranges (see below 4.3.1). The latest Corelogic data on new dwellings indicates that around 30% of new dwellings were valued at \$600,000 or lower in QLD in the 2016-2017 period.

3.5 QLD Community Housing Trust

The Queenstown Lakes Community Housing Trust (QLCHT) has a goal of 1,000 dwellings over the next decade, with 60% of those (600 dwellings), and the balance as rental properties. The selection of those eligible for secure home ownership is for those in full time employment, resident in QLD for at least 6 months, be a citizen or have a residency permit, and meet income and asset tests. The scheme is targeted at lower income households which are unable to afford a dwelling on the open market, but are able to service a loan on a dwelling and meet a ground rent equivalent to 1.5% of the land value.

This structure is generally sustainable to assist low and low-middle income households (depending on the asset and income testing) and with appropriate resourcing could realise another 820 or so dwellings in the next decade (over and above the current 174) to the target of 1,000.

However, this requires ongoing investment from developer contributions and/or Council and/or Government, for land on which dwellings may be built.

3.6 Total Rental Housing Needs

The KiwiBuild and QLCHT assessments are useful to identify the scale and structure of the future rental market in QLD. Assuming that the KiwiBuild initiative would see 1,000 affordable dwellings, and the QLCHT another 600 in the ownership scheme, these would reduce rental demand by in the order of 1,600 dwellings.

3.6.1 Rental Needs by Segment

Figure 3.6 shows the estimated numbers of dwellings by household type projected to require long term rental housing as at 2048, in total, without then with allowance for the effect of 1,600 dwellings through KiwiBuild and QLCHT. Figure 3.7 shows the estimated numbers of dwellings for 2048 by household type and income band projected to require long term rental housing, after allowance for the effect of 1,600 dwellings being provided through KiwiBuild and QLCHT.



Figure 3.6 - QLD Total Rental Housing Needs without and with KiwiBuild and QLCHT 2048

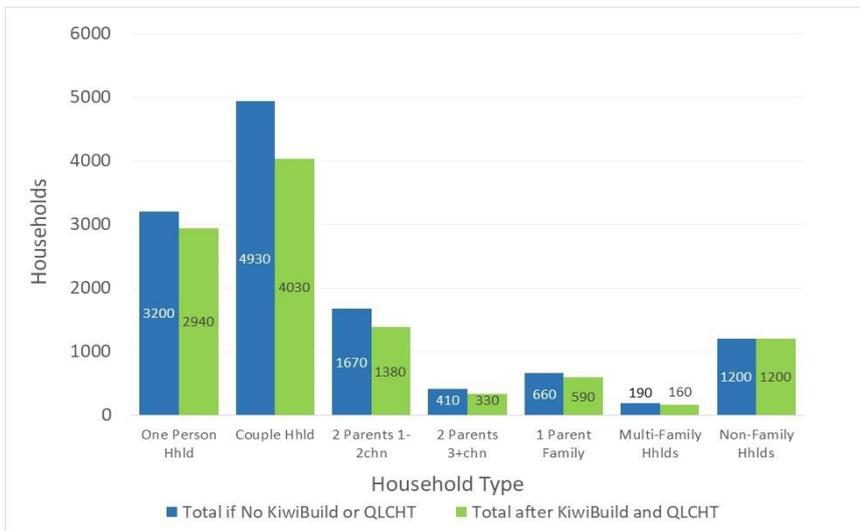
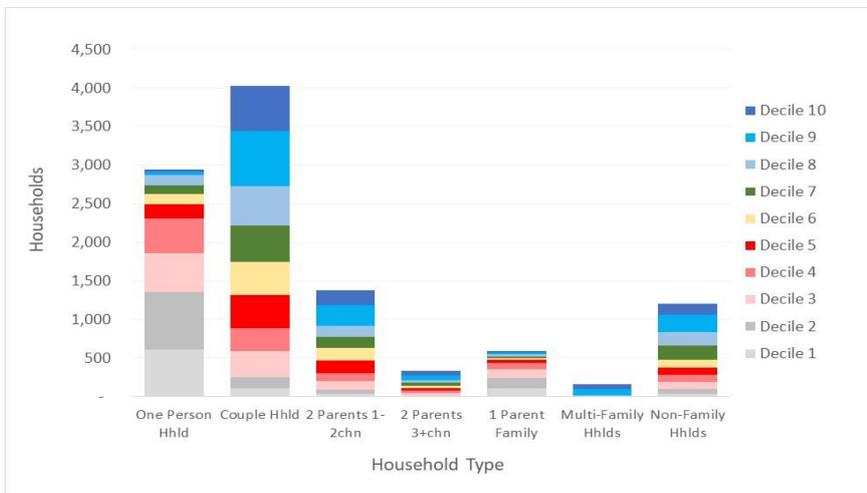


Figure 3.7 - QLD Total Rental Housing Needs Adjusted for KiwiBuild and QLCHT 2048



In total, there would be 10,650 households (of the total 12,250 projected without KiwiBuild or QLCHT), as set out in Table 3.8. Key features of the rental market include:

1. Much of the demand would arise from single person (27.7%) and couple households (37.9%). This reflects the expected demography of the QLD population, as distinct from these household types having stronger propensity to rent instead of own. That said, the projections are based on the



current renting and ownership patterns carried forward, so that any existing patterns are assumed to persist.

2. Smaller shares of demand are apparent from 2-parent families (16%) and 1-parent families (5.6%).
3. A significant share of demand is expected from Non-family households, made up of un-related persons. This structure is fairly common among the tourism sector workforce in Queenstown or Wanaka for working holidays or otherwise relatively short time periods (though longer than short stay holiday visitors).
4. Rental demand is spread quite widely across household income bands, with no clear focus on lower and middle income households. The 3 lowest income bands (deciles 1-3) account for 30.5% of projected rental demand, more or less *pro rata* with those households' share of the total population.

Table 3.8 – QLD Rental Housing Demand by Segment 2048

Income Band	One Person Hhld	Couple Hhld	2 Parents 1-2chn	2 Parents 3+chn	1 Parent Family	Multi-Family Hhlds	Non-Family Hhlds	Total Households
Decile 1	610	110	40	-	110	-	40	910
Decile 2	750	140	50	10	130	-	60	1,140
Decile 3	500	340	110	40	110	-	90	1,190
Decile 4	450	300	100	30	90	-	90	1,060
Decile 5	180	430	170	30	40	-	100	950
Decile 6	140	430	160	30	20	-	100	880
Decile 7	110	470	140	40	20	10	180	970
Decile 8	130	510	150	30	30	10	180	1,040
Decile 9	40	720	260	60	20	80	220	1,400
Decile 10	30	580	200	60	20	60	140	1,090
Total	2,940	4,030	1,380	330	590	160	1,200	10,630
Decile 1	5.7%	1.0%	0.4%	0.0%	1.0%	0.0%	0.4%	8.6%
Decile 2	7.1%	1.3%	0.5%	0.1%	1.2%	0.0%	0.6%	10.7%
Decile 3	4.7%	3.2%	1.0%	0.4%	1.0%	0.0%	0.8%	11.2%
Decile 4	4.2%	2.8%	0.9%	0.3%	0.8%	0.0%	0.8%	10.0%
Decile 5	1.7%	4.0%	1.6%	0.3%	0.4%	0.0%	0.9%	8.9%
Decile 6	1.3%	4.0%	1.5%	0.3%	0.2%	0.0%	0.9%	8.3%
Decile 7	1.0%	4.4%	1.3%	0.4%	0.2%	0.1%	1.7%	9.1%
Decile 8	1.2%	4.8%	1.4%	0.3%	0.3%	0.1%	1.7%	9.8%
Decile 9	0.4%	6.8%	2.4%	0.6%	0.2%	0.8%	2.1%	13.2%
Decile 10	0.3%	5.5%	1.9%	0.6%	0.2%	0.6%	1.3%	10.3%
Total	27.7%	37.9%	13.0%	3.1%	5.6%	1.5%	11.3%	100.0%

Source: ME Queenstown Housing Model 2019

3.6.2 Household Resilience

In relation to housing needs it is useful to consider households' resilience, and conversely their vulnerability to the costs of living including housing. In the QLD situation, this relates especially to the high cost of housing for purchase and rental, as well as the competition for rental housing from short term visitors to the District.



For this analysis, we have categorised households according to their likely resilience / vulnerability to high costs. A simple 9-category scale is used to indicate high, medium and low resilience/high vulnerability. This approach was developed and applied initially to assess communities in Auckland in relation to housing needs and ability to pay, and also taking account of household travel costs, in work done for the proposed Light Rail project¹⁴ (2018).

The resilience / vulnerability categorisation takes into account household type, income level, age, the presence of children, and dwelling ownership. While the categorisation is indicative, it is however very useful for distinguishing among household groups within a community, and between communities.

Dwelling tenure and income are key indicators. Within each household type, those on lower incomes (Q1 and Q2) are considered more vulnerable than those on middle and higher incomes, since they have less financial resource to pay for household needs. Similarly, those households renting a dwelling generally have less security of tenure, and are more likely to be vulnerable to increases in rental and disposal of a property by landowners. Resilience/vulnerability applies particularly to housing affordability, since a wider range of housing options is available to those with higher incomes, and/or those with greater accumulated assets, particularly the ability to purchase a dwelling and service a loan.

Household age and stage in the lifecycle is also important. The younger households are often less resilient because they have had less time to build their asset base, and are often on lower than average incomes. At the other end of the life cycle, older households (65 and over) often have fewer options for housing unless already a dwelling owner, with generally lower income levels and consequently limited ability to finance a dwelling purchase, and more limited choice as to dwelling quality and type. Households in the 30-60 age range are generally more resilient having had more time as income earners to build their asset base (especially if dwelling owners) and with generally higher incomes as they are more senior within the workforce. Household structure is similarly important - the presence of children in a household typically indicates less resilience because of the higher costs and greater housing space requirements, as well as often constrained ability for adults to work full time.

On this basis, each household category has been assigned a resilience/vulnerability rating, and projected housing needs for the total District have been examined by category. A major advantage of this approach is that multiple household categories (some 210 if all household type, income and age groups are used) can be readily grouped according to their housing needs. The resilience / vulnerability categories used for this assessment are set out in Appendix 1.

Table 3.9 shows QLD households by resilience / vulnerability category for 2018 (current situation) and the projected change to 2048. It also shows the net increase in household numbers in each category. Key features of the pattern include:

- a. Approximately one fifth of QLD households as at 2018 are indicated as 'vulnerable' taking account of their household demography, and income levels, in relation to housing needs. These households are mainly (70%) renter households, although others are also considered vulnerable taking account of age and income.
- b. Of these households, some 1,020 or 6% of the QLD total are in the most vulnerable category (Vulnerable --), principally on the basis of dwelling tenure and household income, and age. A

¹⁴ Auckland LRT : Social Effects – Mangere Case Study – Market Economics, November 2018



further 2,360 households are in the vulnerable or vulnerable – categories, with somewhat more resilience in terms of income and tenure.

- c. A further third of households are in the ‘Average’ categories, indicating less susceptibility to income and housing tenure conditions, and generally in the mid-range of housing needs.
- d. Just under half of QLD households are in the ‘Resilient’ categories, predominantly dwelling owners in the medium-high and high income bands.

Table 3.9 – QLD Housing Demand by Household Resilience / Vulnerability 2018-48

Category	2018				2048				2018-48	
	Dwelling Owners	Dwelling Renters	Total	Share %	Dwelling Owners	Dwelling Renters	Total	Share %	Change 2018-	Change 2018- %
Resilient ++	3,180	-	3,180	20%	6,360	-	6,360	21%	3,180	21%
Resilient +	2,010	-	2,010	13%	3,950	-	3,950	13%	1,940	13%
Resilient	570	1,630	2,200	14%	1,230	2,990	4,220	14%	2,020	13%
Average +	1,200	1,480	2,680	17%	2,360	2,570	4,930	16%	2,250	15%
Average	1,090	340	1,430	9%	2,410	730	3,140	10%	1,710	11%
Average -	150	870	1,020	6%	180	1,570	1,750	6%	730	5%
Vulnerable	270	1,060	1,330	8%	650	2,060	2,710	9%	1,380	9%
Vulnerable -	770	260	1,030	6%	1,590	390	1,980	6%	950	6%
Vulnerable --	-	1,020	1,020	6%	-	1,950	1,950	6%	930	6%
Total	9,240	6,660	15,900	100%	18,730	12,260	30,990	100%	15,090	100%

Source: ME Queenstown Housing Model 2019

- e. Limited change is indicated in the structure of housing needs over the medium and long term. Table 3.9 shows very similar percentages in each resilience / vulnerability category by 2048 as currently exist in 2018. A key reason is the limited change expected in household demographic structure and income levels, and by 2048 the outlook is for around 21% of households to be in the Vulnerable categories, 32% still in the Average categories, and 47% in the Resilient categories.

These figures are indicative, not least because of the challenges of looking 30 years ahead, but are very useful in relation to the scale of future issues. They suggest that the main focus on policies relating to housing needs would be on around 3,000 households by 2028 (in the Vulnerable – and Vulnerable – – categories), and around 4,000 by 2048, compared with just over 2,050 in 2018.

3.7 Household Type and Dwelling Value Band 2018

A core aspect of resilience / vulnerability and related affordability is dwelling prices, in relation to household incomes and assets. This section details the estimated housing demand situation as at June YE 2018 according to dwelling value (price), and examines future demand according to dwelling value band.

A key output from the *QLD Housing Model 2019* is the estimates of the dwellings by value which are occupied by households of each type. Although the mean and median dwelling values for QLD in total do have some relevance, the core matter for the QLD housing market and community is the distribution of dwelling values – as a key indicator of potential housing affordability for each segment of the market, for owner and renter households.



The tables in this section are based on the \$2014 dwelling values¹⁵, which have been broadly updated to \$2018 values based on the QLD-wide average increase recorded between 2014 and 2018¹⁶. The estimates are based on the 2013 dwelling occupancy patterns (household type by locality), factored up for estimated household numbers as at June 2018, and assuming the relationships between household type and dwelling type observed in 2013 have persisted to 2018¹⁷.

Within that proviso that the value ranges to \$2018 terms are indicative, the tables and figures below show important patterns of dwelling occupancy by the total QLD community.

Table 3.10 shows the estimated 2018 pattern of dwellings occupied (owned or rented). While each main household category type shows a broad range of occupied dwellings by value, there are patterns within the overall mix. Smaller households (single person and couples) show some concentration in lower value bands (\$710,000 or lower) and less incidence in the higher value bands (\$1,060,000 or higher). Non-family households have a similar pattern though with a greater share in the lower value bands. Family households show somewhat less incidence in the lower value bands and more in the higher value bands.

However, the key feature of the current distribution is the broad spread of dwelling values among all household categories, which puts focus on household income levels and dwelling tenure in terms of housing needs.

¹⁵ The Corelogic valuation statistics indicate an average increase of 57.4% for QLD 'houses' over the 2014-2018 period, arising from successive increases of 0.6% (2014-15), 13.3% (2015-16), 28.5% (2016-17) and 7.6% (2017-18).

¹⁶ Based on Corelogic dwelling values indexed to March years.

¹⁷ There is no data yet available from the 2018 Census to provide a more detailed update.



Table 3.10 - QLD Households by Type and Dwelling Value 2018

Dwellings by Value and Household Type 2018 QLD								
Dwelling Value (\$000)	One Person	Couple	2 Parents 2 Chn	1 - 2 Parents 3+ Chn	1 Parent Family	Multi-Family Hhlds	Non-Family Hhlds	Total Households
\$<350	130	280	150	20	30	-	30	640
\$351-530	400	940	430	80	90	20	90	2,050
\$531-710	620	1,330	620	110	150	20	130	2,980
\$711-880	570	1,330	730	150	180	20	110	3,090
\$881-1060	310	820	450	110	100	10	60	1,860
\$1061-1240	220	550	310	70	70	10	40	1,270
\$1241-1410	130	330	190	40	50	10	30	780
\$1411-1590	90	190	110	20	30	-	10	450
\$1591-1770	80	220	130	30	30	-	10	500
\$1771-2120	130	300	180	40	50	10	20	730
\$2121-2500	110	270	90	20	30	10	50	580
\$2501-2800	50	120	50	10	20	-	20	270
\$2801-3200	30	70	30	10	10	-	10	160
\$3201-3500	40	70	50	10	10	-	-	180
\$3501-4000	10	20	10	-	-	-	-	40
\$4001-4400	10	50	30	10	10	-	-	110
\$4400+	20	60	30	10	10	-	10	140
TOTAL	2,950	6,950	3,590	740	870	110	620	15,830
\$<350	4%	4%	4%	3%	3%	0%	5%	4.0%
\$351-530	14%	14%	12%	11%	10%	18%	15%	13.0%
\$531-710	21%	19%	17%	15%	17%	18%	21%	18.8%
\$711-880	19%	19%	20%	20%	21%	18%	18%	19.5%
\$881-1060	11%	12%	13%	15%	11%	9%	10%	11.7%
\$1061-1240	7%	8%	9%	9%	8%	9%	6%	8.0%
\$1241-1410	4%	5%	5%	5%	6%	9%	5%	4.9%
\$1411-1590	3%	3%	3%	3%	3%	0%	2%	2.8%
\$1591-1770	3%	3%	4%	4%	3%	0%	2%	3.2%
\$1771-2120	4%	4%	5%	5%	6%	9%	3%	4.6%
\$2121-2500	4%	4%	3%	3%	3%	9%	8%	3.7%
\$2501-2800	2%	2%	1%	1%	2%	0%	3%	1.7%
\$2801-3200	1%	1%	1%	1%	1%	0%	2%	1.0%
\$3201-3500	1%	1%	1%	1%	1%	0%	0%	1.1%
\$3501-4000	0%	0%	0%	0%	0%	0%	0%	0.3%
\$4001-4400	0%	1%	1%	1%	1%	0%	0%	0.7%
\$4400+	1%	1%	1%	1%	1%	0%	2%	0.9%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%

Source: ME Queenstown Housing Model 2019

Table 3.11 summarises the structure of the housing market in terms of tenure and main dwelling type for 2018. While rented dwellings are generally more concentrated in the lower value bands, the pattern is for is dominated by the relatively even spread of dwellings by value as between owned and rented dwellings. That said, detached dwelling mean value is around 25% above the mean for attached dwellings.



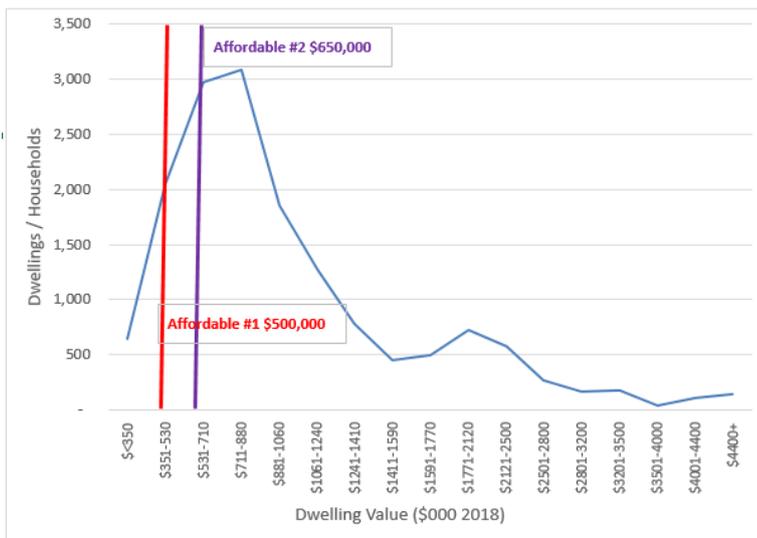
Table 3.11 – QLD Total Households: Dwellings by Value and Tenure 2018

Total Households : Dwellings by Value and Tenure : 2018 QLD										
Dwelling Value (\$000)	Detached, Owned	Attached, Owned	Detached, Not Owned	Attached, Not Owned	TOTAL	Detached, Owned	Attached, Owned	Detached, Not Owned	Attached, Not Owned	TOTAL
<\$350	260	80	130	180	650	1.6%	0.5%	0.8%	1.1%	4.1%
\$351-530	890	240	380	540	2,050	5.6%	1.5%	2.4%	3.4%	12.9%
\$531-710	1,290	340	610	760	3,000	8.1%	2.1%	3.8%	4.8%	18.9%
\$711-880	1,680	190	790	430	3,090	10.6%	1.2%	5.0%	2.7%	19.4%
\$881-1060	1,120	70	520	150	1,860	7.0%	0.4%	3.3%	0.9%	11.7%
\$1061-1240	750	40	360	110	1,260	4.7%	0.3%	2.3%	0.7%	7.9%
\$1241-1410	450	20	230	60	760	2.8%	0.1%	1.4%	0.4%	4.8%
\$1411-1590	260	20	140	40	460	1.6%	0.1%	0.9%	0.3%	2.9%
\$1591-1770	330	10	150	30	520	2.1%	0.1%	0.9%	0.2%	3.3%
\$1771-2120	420	40	210	70	740	2.6%	0.3%	1.3%	0.4%	4.7%
\$2121-2500	180	70	100	240	590	1.1%	0.4%	0.6%	1.5%	3.7%
\$2501-2800	100	20	60	90	270	0.6%	0.1%	0.4%	0.6%	1.7%
\$2801-3200	60	10	40	50	160	0.4%	0.1%	0.3%	0.3%	1.0%
\$3201-3500	120	-	60	-	180	0.8%	0.0%	0.4%	0.0%	1.1%
\$3501-4000	20	-	20	-	40	0.1%	0.0%	0.1%	0.0%	0.3%
\$4001-4400	80	-	40	-	120	0.5%	0.0%	0.3%	0.0%	0.8%
\$4400+	80	-	60	-	140	0.5%	0.0%	0.4%	0.0%	0.9%
TOTAL	8,090	1,150	3,900	2,750	15,890	50.9%	7.2%	24.5%	17.3%	100%

Source: ME Queenstown Housing Model 2019

Figure 3.8 shows the current dwelling estate in relation to the affordability indicators implicit in the KiwiBuild strategy, with \$500,000 for one-bedroom dwellings and \$650,000 for three-bedroom dwellings. Approximately 14.9% of all dwellings owned or occupied by QLD residents are in the <\$500,000 range, while around 29% lie in the under \$650,000 band. The shares are slightly less than this when dwellings owned by absentee entities are included. The data does not differentiate specific dwelling tenure arrangements, such as timeshares and similar.

Figure 3.8 - QLD Dwellings by Value Band vs Affordability 2018





3.8 Summary

The analysis of the current 2018 housing demand situation shows results generally consistent with the NPS-UDC research and conceptual bases, including:

- a. The QLD housing market is reasonably substantial at 20,850 dwellings (2018). The economy is fast growing, with population size more than doubling in the two decades to 2018. There have been corresponding fast growth rates in the QLD dwelling estate;
- b. The QLD housing market has distinctive features, especially the high share of the estate which is owned by absentee owners, who own investment / holiday dwellings. The region is also characterised by relatively high property values, and continued increase in dwelling prices even in the last 2 years when price increases across the rest of the country have slowed. The tourism-focussed economy and the high shares of couple households within the population, both indicate relative volatility in housing demand, especially from the medium-stay and seasonal workforce;
- c. These factors continue to suggest that the parameters of the existing QLD housing market do offer a reasonably stable base for projecting future outcomes, the market is influenced much more than other districts by external factors, especially the continued attractiveness of QLD as a place to invest in holiday / investment dwellings, and the strong influence of tourism demand - a discretionary good and therefore subject to fluctuations in growth;
- d. The housing demand outlook is for consistent, incremental change, driven primarily by household growth and work opportunity, but also by investment opportunity especially from stakeholders residing in other parts of New Zealand.
- e. The high housing prices in QLD have generated considerable housing stress for the resident population, especially for renter households for whom the dwelling estate is relatively high value and there commanding quite high rental rates, and because of the ongoing competition from short-term usually holiday visitors to QLD who are able to afford higher weekly rentals than long term residents because of their shorter stays.
- f. QLD has a significant number of relatively vulnerable households when assessed according to their demographic structure and income levels – in the order of 2,050 currently and expected to reach 4,000 in the long term. While the share of households in the more vulnerable categories is not substantially greater than in other parts of New Zealand, these households are nevertheless subject to generally higher pressures because of relatively high housing prices, and rental rates.
- g. Using eligibility for KiwiBuild as an indicator of housing ownership need, the QLD market indicates potential requirement for around 2,000 households to move into dwelling ownership.

4 Housing Supply

This section provides analysis of QLD housing supply. It covers the total dwelling estate, with focus on the newer additions to that estate. The housing supply being added, and intended for the future, is a strong indicator of how housing supply is changing and likely to change, and the extent to which the future dwelling estate is likely to meet the needs of the QLD resident population.

The housing supply patterns and trends are critical indicators of how and whether the supply side is recognising and responding to the demands and needs of the QLD population and community.

4.1 QLD total dwelling estate

The current QLD housing estate with an estimated 20,850 dwellings¹⁸ (June 2018) includes 15,850 dwellings occupied by resident households (9,220 owner occupiers and 6,630 renter households), and 5,000 dwellings not usually occupied (though often occupied by short term visitors), and owned by investors from QLD and elsewhere in New Zealand (3,980), or overseas (1020). Table 4.1 shows the estimated distribution of the total dwelling estate by value band (\$2018). Figure 4.1 shows the differences in the overall pattern, with dwellings owned and /or occupied by QLD residents showing somewhat lower average value than those owned as investment/holiday dwellings.

Table 4.1 – QLD Total Dwellings by Ownership and Value Band 2018

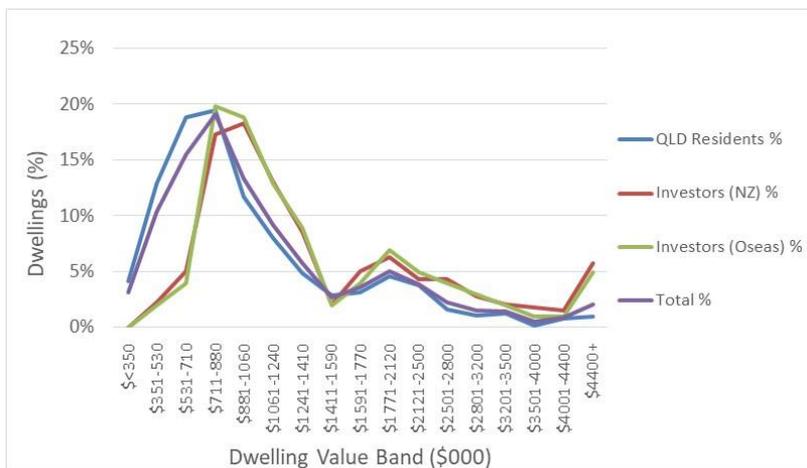
Total Dwellings by Value Band 2018 QLD								
Dwelling Value (\$000)	QLD Residents	Investors (NZ)	Investors (Oseas)	Total	QLD Residents %	Investors (NZ) %	Investors (Oseas) %	Total %
\$<350	660	-	-	660	4%	0%	0%	3%
\$351-530	2,040	90	20	2,150	13%	2%	2%	10%
\$531-710	2,990	200	40	3,230	19%	5%	4%	15%
\$711-880	3,090	690	200	3,980	19%	17%	20%	19%
\$881-1060	1,860	730	190	2,780	12%	18%	19%	13%
\$1061-1240	1,270	520	130	1,920	8%	13%	13%	9%
\$1241-1410	770	340	90	1,200	5%	9%	9%	6%
\$1411-1590	450	80	20	550	3%	2%	2%	3%
\$1591-1770	500	200	40	740	3%	5%	4%	4%
\$1771-2120	730	250	70	1,050	5%	6%	7%	5%
\$2121-2500	590	170	50	810	4%	4%	5%	4%
\$2501-2800	260	170	40	470	2%	4%	4%	2%
\$2801-3200	170	110	30	310	1%	3%	3%	1%
\$3201-3500	190	80	20	290	1%	2%	2%	1%
\$3501-4000	20	70	10	100	0%	2%	1%	0%
\$4001-4400	120	60	10	190	1%	2%	1%	1%
\$4400+	150	230	50	430	1%	6%	5%	2%
TOTAL	15,860	3,990	1,010	20,860	100%	100%	100%	100%

Source: ME Queenstown Housing Model 2019

¹⁸ The projection identifies "houses" as "all residential units, dwellings, units, apartments."



Figure 4.1 - QLD Dwellings by Ownership and Value Band 2018



Projected growth in demand is for around 16,900 additional dwellings over the next 30 years, including an estimated 15,100 for resident households as owners or tenants, and another 1,800 dwellings as investment/holiday dwellings for absentee owners. In broad terms, that means around 11% of total growth would be taken up as external investment into QLD.

This ongoing external demand means there is limited prospect of supply side actions within QLD having a strong effect on dwelling prices for QLD residents (owners and tenants). There is expected to be long term external demand pressure for property in QLD, which is expected to place long term upward pressure of dwelling prices – particularly because the external demand will arise from much larger population bases than QLD.

Table 4.2 – QLD Projected Dwellings 2018-2048

Housing Demand	2018	2021	2028	2048	Short Term		Medium Term		Long Term	
					2018-21	2018-21 %	2018-28	2018-28 %	2018-48	2018-48 %
Owner-occupied	9,220	10,690	13,530	18,910	1,470	16%	4,310	47%	9,690	105%
Long-term Rental	6,630	7,590	9,370	12,060	960	14%	2,740	41%	5,430	82%
<i>QLD owners</i>	2,710	3,110	3,870	5,090	400	15%	1,160	43%	2,380	88%
<i>Other NZ Owners</i>	3,240	3,720	4,620	6,080	480	15%	1,380	43%	2,840	88%
<i>International Owners</i>	690	760	880	880	70	10%	190	28%	190	28%
Other NZ-Investment	1,990	2,070	2,270	2,870	80	4%	280	14%	880	44%
Other NZ-Holiday	1,990	2,060	2,230	2,720	70	4%	240	12%	730	37%
Other NZ-Total	3,980	4,130	4,500	5,590	150	4%	520	13%	1,610	40%
International-Investment	510	530	570	700	20	4%	60	12%	190	37%
International-Holiday	510	510	520	520	-	0%	10	2%	10	2%
International-Total	1,020	1,040	1,090	1,220	20	2%	70	7%	200	20%
Total	20,850	23,500	28,500	37,800	2,600	12%	7,600	36%	16,900	81%
Total with Margin	20,850	24,000	30,000	40,300	3,100	15%	9,100	44%	19,400	93%

Source: ME QLD Housing Model 2019. Figures have been rounded.



4.2 New Dwellings in QLD

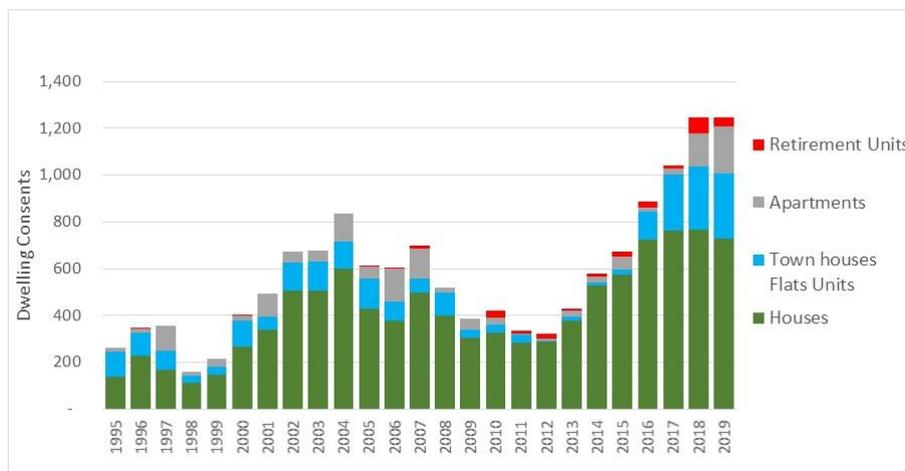
Nevertheless, there have been significant trends in the QLD dwelling estate in the past 5 years which are expected to continue, and are likely to increase diversity and lead to increases in the supply of dwellings in the lower price bands into the future. These trends are expected to have material effect. The projected growth means that by 2028 (following the addition of some 7,600 dwellings) around 73% of the total estate will be dwellings which are already in existence as at 2018, while 27% will be new builds (post 2018). The new builds will reflect the trends across the next decade.

By 2048 only around 55% of the total estate will be dwellings already in existence as at 2018, and 45% will be new builds (post 2018).

4.2.1 Consent Numbers

Analysis of the Statistics NZ dwelling consent statistics in the period since 1995 shows some clear changes, with focus on the last decade (2008 to 2018). Over the period June 1995 to June 2019, there were 14,168 dwelling consents issued for QLD¹⁹. During those 24 years, houses accounted for 72% of the total increase, town houses and units 15%, apartments 10% and retirement units 2%. The pattern is shown in Figure 4.2.

Figure 4.2 – QLD New Dwelling Consents 1995-2019 (YE June)



Source: StatisticsNZ 2019

Over the last decade, the apparent high completion rate has continued, with the net increase in dwellings actually tracking slightly ahead of consents issued according to QLDC figures. This is not surprising given the nature of the information available, including the potential for two or more dwellings to relate to a single consent, and the varying lag period between consents being issued and dwellings completed. The

¹⁹ Over the 1997-2019 period, the QLDC estimates show an increase of 12,201 dwellings from 12,565 consents issued, indicating a very high conversion rate - around 97.1% of consented dwellings becoming completed dwellings.



key point is that the dwelling consent figures are a good guide to the additional dwelling estate which has been developed in QLD over the past two decades.

The graph also shows the strong rate of growth since 2012, when only 322 consents were issued. The number has increased rapidly to 1,247 issued in 2018, though with no change between 2018 and 2019. The current rate of around 1,250 dwellings per year is well above the projected increase in dwellings to 2021 (870 per year) and growth expected by 2028 (around 760 per year), and above the long term rates (570 per year out to 2048).

A key conclusion from this is that the construction and development sector appears to have substantial capacity in relation to long term demand for housing. Further, the requirement to have land capacity before consents are issued suggests that the supply of land at the moment is well ahead of projected demand.

4.2.2 Consents by Housing type

A second key aspect is the change in the nature of dwelling consents. Figure 4.2 shows very clearly the shift toward townhouses and units, apartments and retirement units, while the number of houses consented has remained steady at 720-760 per year between 2016 and 2019 (inclusive). The attached dwelling sector has increased from just 162 consents in 2016 to 518 in 2019. In other words, attached dwellings accounted for almost all of the increase in consents issued after 2016.

Table 4.3 provides a summary of the changes in dwelling consents across the decade between 2010 and 2019 (years ending June). As well as the increase in numbers, several shifts are apparent:

- a. The total value of consents in 2019 was nearly three times that recorded in 2010, in real \$2018 terms. While this is obviously expected because of the greater numbers of dwellings consented, it is important to show the increase in the capacity of the residential construction sector, to over \$568m of residential consents;
- b. The mean value of consents was around the same in 2019 as in 2010 in real terms. However, there are real increases for each dwelling type especially in apartments and retirement units. The increase across all types is nil because the dwelling mix has changed;
- c. Mean floor areas were considerably lower in 2019 than in 2010, for all dwelling types, including -20% for houses, -14% for town houses and units, and 39% for apartments;
- d. However, the mean real value per sqm increased across all dwelling types, by 365 overall and 37% for houses.



Table 4.3 – QLD Dwelling Consent Trends 2010-2019

Time Period	Houses	Town houses Flats Units	Apartments	Retirement Units	Dwellings	Residential Buildings
N of Consents						
2010	327	33	30	32	422	422
2019	729	277	204	37	1,247	1,247
2010-2019	402	244	174	5	825	825
Change 2010-2019 %	123%	739%	580%	16%	195%	195%
Change 2010-2019 %pa	9.3%	26.7%	23.7%	1.6%	12.8%	12.8%
Value of Consents (\$m)						
2010	\$ 150	\$ 7	\$ 5	\$ 5	\$ 167	\$ 167
2019	\$ 423	\$ 76	\$ 53	\$ 16	\$ 568	\$ 568
2010-2019	\$ 272	\$ 69	\$ 48	\$ 11	\$ 401	\$ 401
Change 2010-2019 %	181%	985%	1051%	205%	239%	239%
Change 2010-2019 %pa	12.2%	30.3%	31.2%	13.2%	14.5%	14.5%
Value of Consents (Real \$m) 2018						
2010	\$ 170	\$ 8	\$ 5	\$ 6	\$ 189	\$ 189
2019	\$ 417	\$ 75	\$ 52	\$ 16	\$ 560	\$ 560
2010-2019	\$ 246	\$ 67	\$ 47	\$ 10	\$ 371	\$ 371
Change 2010-2019 %	145%	845%	902%	166%	196%	196%
Change 2010-2019 %pa	10.5%	28.3%	29.2%	11.5%	12.8%	12.8%
Mean Value of consents (\$000)						
2010	\$ 460	\$ 213	\$ 153	\$ 167	\$ 397	\$ 397
2019	\$ 580	\$ 276	\$ 259	\$ 441	\$ 456	\$ 456
2010-2019	\$ 120	\$ 62	\$ 106	\$ 274	\$ 59	\$ 59
Change 2010-2019 %	26%	29%	69%	164%	15%	15%
Change 2010-2019 %pa	2.6%	2.9%	6.0%	11.4%	1.6%	1.6%
Mean Real Value of Consents (\$000)						
2010	\$ 521	\$ 241	\$ 173	\$ 189	\$ 449	\$ 449
2019	\$ 572	\$ 272	\$ 255	\$ 435	\$ 449	\$ 449
2010-2019	\$ 51	\$ 30	\$ 82	\$ 245	\$ 0	\$ 0
Change 2010-2019 %	10%	13%	47%	130%	0%	0%
Change 2010-2019 %pa	1.0%	1.3%	4.4%	9.7%	0.0%	0.0%
Floor Area of Consents (sqm)						
2010	84,660	4,620	4,480	2,820	96,580	96,580
2019	151,160	33,250	18,650	7,080	210,140	210,140
2010-2019	66,500	28,630	14,170	4,260	113,560	113,560
Change 2010-2019 %	79%	620%	316%	151%	118%	118%
Change 2010-2019 %pa	6.7%	24.5%	17.2%	10.8%	9.0%	9.0%
Mean Floor Area of Consents (sqm)						
2010	259	140	149	88	229	229
2019	207	120	91	191	169	169
2010-2019	-52	-20	-58	103	-60	-60
Change 2010-2019 %	-20%	-14%	-39%	117%	-26%	-26%
Change 2010-2019 %pa	-2.4%	-1.7%	-5.3%	9.0%	-3.3%	-3.3%
Mean Value \$ sqm of Consents						
2010	\$ 1,778	\$ 1,523	\$ 1,025	\$ 1,894	\$ 1,734	\$ 1,734
2019	\$ 2,798	\$ 2,297	\$ 2,830	\$ 2,305	\$ 2,705	\$ 2,705
2010-2019	\$ 1,020	\$ 774	\$ 1,805	\$ 411	\$ 971	\$ 971
Change 2010-2019 %	57%	51%	176%	22%	56%	56%
Change 2010-2019 %pa	5.2%	4.7%	11.9%	2.2%	5.1%	5.1%
Mean Real Value \$2018 sqm of Consents						
2010	\$ 2,011	\$ 1,723	\$ 1,159	\$ 2,143	\$ 1,962	\$ 1,962
2019	\$ 2,757	\$ 2,263	\$ 2,788	\$ 2,271	\$ 2,665	\$ 2,665
2010-2019	\$ 746	\$ 540	\$ 1,629	\$ 128	\$ 703	\$ 703
Change 2010-2019 %	37%	31%	140%	6%	36%	36%
Change 2010-2019 %pa	3.6%	3.1%	10.2%	0.6%	3.5%	3.5%

Source: Statistics NZ 2019

Table 4.4 provides detail of the most recent trends 2015 to 2019, showing the more substantial changes:

- The mean value of consents was lower in 2019 than in 2015, by -4% overall.
- However, within that pattern the mean value of houses increased (+15%) even though mean floor size fell by -7%. The mean value per sqm for houses increased by 24% in real terms;
- The mean value of town house and unit consents fell by -12% in real terms. This was driven by a drop in mean floor size (-19%) together with an increase in mean value per sqm of 8%;



- d. The mean value of apartment consents increased slightly (+3%). This was driven by a drop in mean floor size (-8%) together with an increase in mean value per sqm of 11%.

Table 4.4 – QLD Dwelling Consent Trends 2015-2019

Time Period	Houses	Town houses Flats Units	Apartments	Retirement Units	Dwellings	Residential Buildings
N of Consents						
2015	573	23	54	23	673	673
2019	729	277	204	37	1,247	1,247
2015-2019	156	254	150	14	574	574
Change 2015-2019 %	27%	1104%	278%	61%	85%	85%
Change 2015-2019 %pa	6.2%	86.3%	39.4%	12.6%	16.7%	16.7%
Value of Consents (\$m)						
2015	\$ 276	\$ 7	\$ 13	\$ 7	\$ 302	\$ 302
2019	\$ 423	\$ 76	\$ 53	\$ 16	\$ 568	\$ 568
2015-2019	\$ 147	\$ 70	\$ 40	\$ 10	\$ 266	\$ 266
Change 2015-2019 %	53%	1014%	309%	140%	88%	88%
Change 2015-2019 %pa	11.3%	82.7%	42.2%	24.5%	17.1%	17.1%
Value of Consents (Real \$m) 2018						
2015	\$ 286	\$ 7	\$ 13	\$ 7	\$ 313	\$ 313
2019	\$ 417	\$ 75	\$ 52	\$ 16	\$ 560	\$ 560
2015-2019	\$ 131	\$ 68	\$ 39	\$ 9	\$ 247	\$ 247
Change 2015-2019 %	46%	958%	289%	128%	79%	79%
Change 2015-2019 %pa	9.9%	80.3%	40.4%	22.9%	15.6%	15.6%
Mean Value of consents (\$000)						
2015	\$ 481	\$ 298	\$ 239	\$ 296	\$ 449	\$ 449
2019	\$ 580	\$ 276	\$ 259	\$ 441	\$ 456	\$ 456
2015-2019	\$ 99	\$ -22	\$ 20	\$ 146	\$ 7	\$ 7
Change 2015-2019 %	21%	-8%	8%	49%	2%	2%
Change 2015-2019 %pa	4.8%	-1.9%	2.0%	10.5%	0.4%	0.4%
Mean Real Value of Consents (\$000)						
2015	\$ 499	\$ 309	\$ 248	\$ 307	\$ 466	\$ 466
2019	\$ 572	\$ 272	\$ 255	\$ 435	\$ 449	\$ 449
2015-2019	\$ 73	\$ -38	\$ 7	\$ 128	\$ -17	\$ -17
Change 2015-2019 %	15%	-12%	3%	42%	-4%	-4%
Change 2015-2019 %pa	3.5%	-3.2%	0.7%	9.1%	-0.9%	-0.9%
Floor Area of Consents (sqm)						
2015	128,250	3,410	5,340	3,190	140,190	140,190
2019	151,160	33,250	18,650	7,080	210,140	210,140
2015-2019	22,910	29,840	13,310	3,890	69,950	69,950
Change 2015-2019 %	18%	875%	249%	122%	50%	50%
Change 2015-2019 %pa	4.2%	76.7%	36.7%	22.1%	10.6%	10.6%
Mean Floor Area of Consents (sqm)						
2015	224	148	99	139	208	208
2019	207	120	91	191	169	169
2015-2019	-16	-28	-8	53	-40	-40
Change 2015-2019 %	-7%	-19%	-8%	38%	-19%	-19%
Change 2015-2019 %pa	-1.9%	-5.1%	-2.0%	8.4%	-5.2%	-5.2%
Mean Value \$ sqm of Consents						
2015	\$ 2,149	\$ 2,010	\$ 2,412	\$ 2,134	\$ 2,155	\$ 2,155
2019	\$ 2,798	\$ 2,297	\$ 2,830	\$ 2,305	\$ 2,705	\$ 2,705
2015-2019	\$ 649	\$ 286	\$ 418	\$ 172	\$ 550	\$ 550
Change 2015-2019 %	30%	14%	17%	8%	26%	26%
Change 2015-2019 %pa	6.8%	3.4%	4.1%	2.0%	5.8%	5.8%
Mean Real Value \$2018 sqm of Consents						
2015	\$ 2,229	\$ 2,086	\$ 2,502	\$ 2,213	\$ 2,236	\$ 2,236
2019	\$ 2,757	\$ 2,263	\$ 2,788	\$ 2,271	\$ 2,665	\$ 2,665
2015-2019	\$ 527	\$ 177	\$ 286	\$ 58	\$ 429	\$ 429
Change 2015-2019 %	24%	8%	11%	3%	19%	19%
Change 2015-2019 %pa	5.5%	2.1%	2.7%	0.6%	4.5%	4.5%

Source: Statistics NZ 2019

4.2.3 Consents by Size and Value

The series of graphs below shows the main patterns in QLD building activity (according to consents) over the 1995 to 2019 period. The generally upward trend in mean consent values is clear from 1995 until about



2012 (Figure 4.4). Thereafter, the increase in mean values in real (\$2018) terms shows a flattening which coincides with the slight downward trend in dwelling size. It seems clear that the decrease in dwelling size has also coincided with the ongoing increase in consent values per sqm in real terms (Figure 4.7), indicating greater focus on dwelling quality albeit for slightly smaller dwellings.

In other locations, notably Auckland, the trend toward slightly smaller dwellings has coincided with planning provisions which enable greater development intensity on residential sites. It is not clear the extent to which this effect has been present in QLD. Nationally, the trend toward smaller dwellings has been evident in recent years, with mean dwelling consent size in 2019 (165m²) some -15% lower than a decade earlier in 2009. The QLD PDP allows for smaller dwellings and higher densities than in the past.

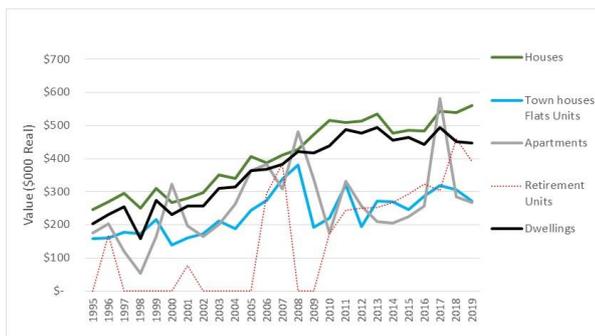
QLD new dwelling sizes have been consistently above the national average over the last 20 years, though in 2019 the QLD mean of 168m² was very close to the national average (165m²), according to Statistics NZ data.

Figure 4.3 – Mean Value of New Dwelling Consents 1995-2019



Source: Statistics NZ 2019

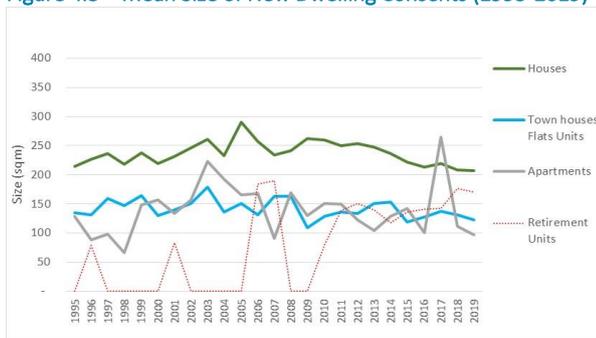
Figure 4.4 – Mean Value of New Dwelling Consents Real \$2018 (1995-2019)



Source: Statistics NZ 2019

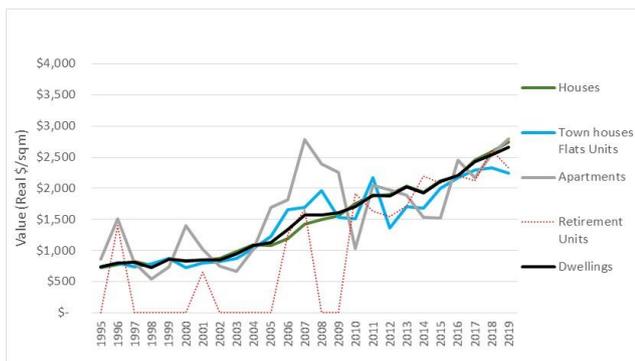


Figure 4.5 – Mean Size of New Dwelling Consents (1995-2019)



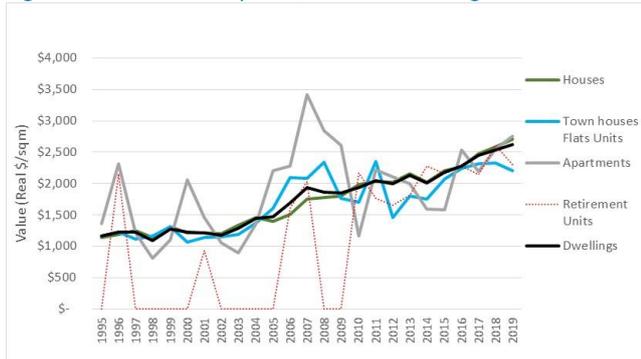
Source: Statistics NZ 2019

Figure 4.6 – Mean Value per SQM of New Dwelling Consents (1995-2019)



Source: StatisticsNZ 2019

Figure 4.7 – Mean Value per SQM of New Dwelling Consents Real \$2018



Source: StatisticsNZ 2019

Figure 4.8 shows the size distribution of dwelling consents over the last decade to 2019 (June year). Clearly evident is the increase in dwellings of less than 100m² over the 2017 to 2019 period in particular. This is



driven primarily by the significant number of apartments consented in 2018 and 2019, with some 284 in the less than 100m² range, but it is also evident in the townhouse-unit category (186), and to a small degree in detached houses. In the last 2 years, some 525 dwellings of less than 100m² have been consented, accounting for 21% of total dwellings. This contrasts with the previous 10 years, when only 445 dwellings of less than 100m² were consented, accounting for just 8% of the QLD total.

Figure 4.8 – QLD New Dwelling Consents by Size (sqm) 2015-2019 (YE June)



Source: StatisticsNZ 2019

4.2.4 Changing Consent Values

The recent changes in the type and size of dwelling consents are evident in consent values, and especially in the number of consents in the lower value bands. The pattern of slightly smaller dwelling sizes (m²) is evident in the increase in lower value consents as shown in Figure 4.9. The graph shows the share (%) of new consents in each value band in real \$2019 terms, for the 2014-15, 2016-17 and the 2018-19 periods. The main difference recently is the greater number of dwellings in the under \$300,000 band, and the



correspondingly lower shares in the middle and higher value bands. To a large degree, this arises from the trend toward apartments and town houses, but it also has elements in the smaller dwelling sizes overall.

Figure 4.9 – QLD New Dwelling Consents by Value 2015-2019 (YE June)

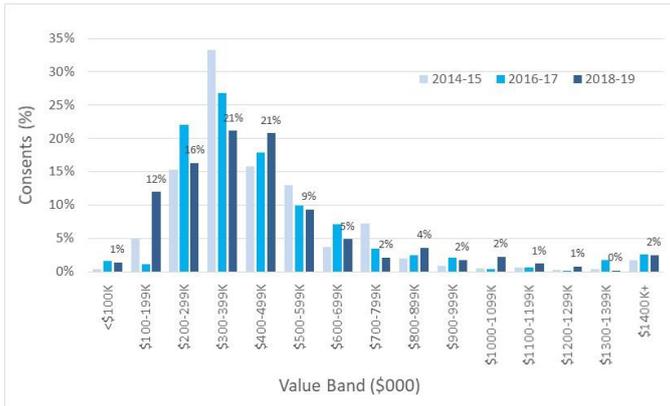


Table 4.5 provides more detail, and shows (for the 2018-19 period) the relatively large numbers of apartments in the \$100-200,000 band, and town houses – units in the \$200,000 to \$400,000 bands.

Table 4.5 – QLD Dwelling Consent Trends 2018-2019

Consent Value \$2019	Houses	Apartments	Retire Units	Town, Unit, Flat	Total Dwellings
<\$100K	1	1	-	32	34
\$100-199K	6	230	-	62	298
\$200-299K	127	49	11	220	407
\$300-399K	327	7	46	147	527
\$400-499K	442	8	24	44	518
\$500-599K	203	3	10	16	232
\$600-699K	67	34	9	11	121
\$700-799K	45	-	5	3	53
\$800-899K	71	14	-	4	89
\$900-999K	41	-	1	2	44
\$1000-1099K	55	-	-	-	55
\$1100-1199K	30	-	-	-	30
\$1200-1299K	19	-	-	-	19
\$1300-1399K	3	-	-	-	3
\$1400K+	61	-	-	1	62
TOTAL	1,498	346	106	542	2,492
<\$100K	0%	0%	0%	6%	1%
\$100-199K	0%	66%	0%	11%	12%
\$200-299K	8%	14%	10%	41%	16%
\$300-399K	22%	2%	43%	27%	21%
\$400-499K	30%	2%	23%	8%	21%
\$500-599K	14%	1%	9%	3%	9%
\$600-699K	4%	10%	8%	2%	5%
\$700-799K	3%	0%	5%	1%	2%
\$800-899K	5%	4%	0%	1%	4%
\$900-999K	3%	0%	1%	0%	2%
\$1000-1099K	4%	0%	0%	0%	2%
\$1100-1199K	2%	0%	0%	0%	1%
\$1200-1299K	1%	0%	0%	0%	1%
\$1300-1399K	0%	0%	0%	0%	0%
\$1400K+	4%	0%	0%	0%	2%
TOTAL	100%	100%	100%	100%	100%

Source: StatisticsNZ 2019



We note that these are the values of the dwelling consents, and do not show the final value of a dwelling plus land package. To illustrate, the latest Corelogic data (below) shows that the capital value of new dwellings in the District in recent years is made up 33-39% of land value, and 61-67% improvement value, predominantly the dwelling. On this basis, consents in the (say) \$400,000 value band would relate to a dwelling plus land price of around 1.5 to 1.6 times that, or in the order of \$600-650,000.

We note that the NPS-UDC monitoring for the District shows land values represent a substantially higher share of dwelling value. However, those figures are based on the entire dwelling estate, irrespective of the market conditions and planning provisions in place at the time of development. Those results reflect primarily the history of residential development in QLD.

In urban economies, land values generally increase more or less in line with the size of the economy. However, once a dwelling is constructed the value of improvements is to a degree locked to that point in time. This, together with depreciation, commonly sees the value of built improvements change much more slowly than the value of the underlying land. This means that over time, the land value component of total residential value increases. That balance is commonly reversed when a new dwelling is constructed, and the value of improvements is greater than the value of the land.

As a consequence, the value ratios for the entire dwelling estate are of limited relevance. The more critical indicator is the extent to which new dwellings, as enabled by plan provisions, reflect a relatively efficient residential development pattern. Hence, the focus here on new dwellings being added to the estate, rather than the historical picture.

4.2.5 Cromwell and Central Otago District

Housing pressures in QLD have had some flow on impact on Cromwell, with significant numbers of those who work in QLD opting to reside in Cromwell (60km from Queenstown town), and to a lesser degree in more distant Clyde (83km) and Alexandra (90km). Housing availability and housing cost are believed to be important influences on this.

4.2.5.1 Population

Population growth in Central Otago District has accelerated in the last 5 years, from a modest 1.1% pa over the 1996-2013 period, to 2.6%pa (500 persons per year) over the 2013-2018 period, and now 3.2% pa over the 2016-2018 period (650 persons per year).

Most of the growth is in the west of the District, the areas adjacent to QLD. Cromwell town and the broad Dunstan area unit which extends from near Clyde to well north of Tarras, together accounted for five-sixths of the District growth throughout the 1996-2018 period, and still provide 70% of the growth since 2015. Cromwell town is now growing at around 250 persons per year, with Dunstan at around 220.

To place this in perspective, the current growth in total Central Otago District is around one-third the scale expected in QLD, while the growth in Cromwell town is about one-eighth that in QLD. Nevertheless, growth in Cromwell town is currently sitting at 4.6%pa, and scale of increase is likely to have a material effect on QLD into the medium term, as Cromwell town expands. That said, its 1,900 or so resident households provide a relatively small population mass when compared with Queenstown (10,700) and Wanaka (5,150).



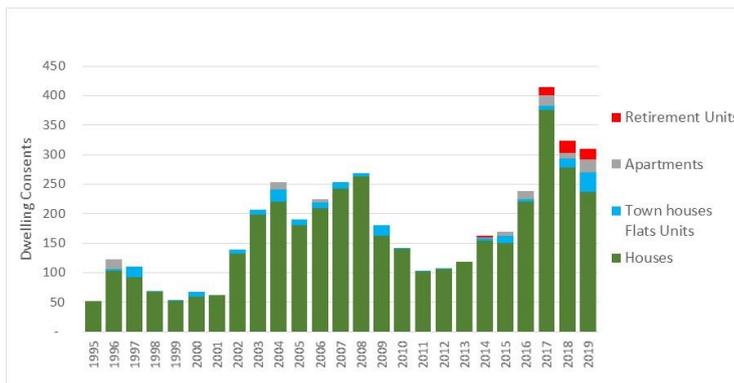
4.2.5.2 Building Activity

There has been ongoing residential development in Central Otago, with consent numbers recently running well ahead of the net increase in resident households. In the 5 years to 2018, total population growth in Central Otago added an estimated 920-940 households.

In the same period, there were 1,310 dwellings consented. Even if allowance is made for up to 10% of dwellings consented to not proceed (a relatively high figure), then consents are still running at around 1.25 times the household growth. This suggests there is substantial growth in holiday/investment dwellings, as well as increase in the resident population.

Figure 4.10 shows the trend in new dwelling consent numbers from 1995 to 2019. Houses (stand alone dwellings) continue to dominate the supply of new dwellings. In the last three years town houses, apartments and retirement units have become more evident within the total pattern, although they still account for a small share of the total (around 9%).

Figure 4.10 – Central Otago New Dwelling Consents 1995-2019 (YE June)



New dwelling consents peaked at 414 in 2017, including 376 houses. Mean dwelling sizes have been fairly steady over the last decade, but values per dwelling have risen. This is based on higher values per meter of floorspace.

New dwellings in Central Otago also show lower values than those in QLD, both in terms of the average dwelling, and the average cost per sqm. Currently, dwelling consents in Central Otago are just above the QLD mean for floorspace, but lower in terms of dwelling value (-8%) and value per sqm (-17%). That said, mean new dwelling size in Central Otago was 5 years ago smaller than QLD, and is now larger only because QLD mean sizes have reduced substantially with the shift toward town houses and apartments.



Table 4.6 – Central Otago Dwelling Consents 2015-2019

Time Period	Houses	Town houses Flats Units	Apartments	Retirement Units	Dwellings	Residential Buildings
Number of Consents						
2015	150	13	6	-	169	169
2019	237	33	22	18	310	310
2015-2019	87	20	16	18	141	141
Change 2015-2019 %	58%	154%	267%	0%	83%	83%
Change 2015-2019 %pa	12.1%	26.2%	38.4%	0.0%	16.4%	16.4%
Value of Consents (\$m)						
2015	\$ 52	\$ 1	\$ 2	\$ -	\$ 55	\$ 55
2019	\$ 111	\$ 7	\$ 8	\$ 4	\$ 130	\$ 130
2015-2019	\$ 58	\$ 6	\$ 6	\$ 4	\$ 75	\$ 75
Change 2015-2019 %	112%	1113%	277%	0%	137%	137%
Change 2015-2019 %pa	20.7%	86.6%	39.4%	0.0%	24.1%	24.1%
Value of Consents (Real \$m) 2018						
2015	\$ 54	\$ 1	\$ 2	\$ -	\$ 57	\$ 57
2019	\$ 109	\$ 7	\$ 8	\$ 4	\$ 128	\$ 128
2015-2019	\$ 55	\$ 6	\$ 6	\$ 4	\$ 71	\$ 71
Change 2015-2019 %	101%	1052%	258%	0%	125%	125%
Change 2015-2019 %pa	19.1%	84.2%	37.6%	0.0%	22.5%	22.5%
Mean Real Value of Consents (\$000)						
2015	\$ 361	\$ 46	\$ 380	\$ -	\$ 337	\$ 337
2019	\$ 460	\$ 208	\$ 372	\$ 242	\$ 414	\$ 414
2015-2019	\$ 99	\$ 162	\$ 9	\$ 242	\$ 77	\$ 77
Change 2015-2019 %	27%	354%	-2%	0%	23%	23%
Change 2015-2019 %pa	6.3%	46.0%	-0.6%	0.0%	5.3%	5.3%
Floor Area of Consents (sqm)						
2015	30,750	1,070	750	-	32,570	32,570
2019	47,320	3,640	4,380	2,500	57,840	57,840
2015-2019	16,570	2,570	3,630	2,500	25,270	25,270
Change 2015-2019 %	54%	240%	484%	0%	78%	78%
Change 2015-2019 %pa	11.4%	35.8%	55.5%	0.0%	15.4%	15.4%
Mean Floor Area of Consents (sqm)						
2015	205	82	125	-	193	193
2019	200	110	199	139	187	187
2015-2019	-5	28	74	139	-6	6
Change 2015-2019 %	-3%	34%	59%	0%	-3%	-3%
Change 2015-2019 %pa	-0.7%	7.5%	12.3%	0.0%	-0.8%	-0.8%
Mean Real Value \$2018 sqm of Consents						
2015	\$ 1,760	\$ 556	\$ 3,043	\$ -	\$ 1,750	\$ 1,750
2019	\$ 2,304	\$ 1,888	\$ 1,868	\$ 1,741	\$ 2,220	\$ 2,220
2015-2019	\$ 543	\$ 1,332	\$ 1,174	\$ 1,741	\$ 470	\$ 470
Change 2015-2019 %	31%	239%	-39%	0%	27%	27%
Change 2015-2019 %pa	7.0%	35.7%	-11.5%	0.0%	6.1%	6.1%

Source: Statistics NZ 2019

4.3 QLD New Residential Properties 2013-2017

The consent data covers only the building component of new dwellings, and does not show the land component. We have drawn on customised data from Corelogic to identify the total value of new residential properties (dwellings plus land) in QLD, and the shares of value which arise from land and improvements.

The Corelogic dataset identifies the numbers of new dwellings by type and in each value band, according to the valuation of the property (land plus improvements) assigned when the property is valued and



included in the rating data. It covers the 5-year period 2013 to 2017, and provides detail on 2,645 new dwellings constructed and in the housing estate in that time²⁰.

The valuation process assigns a value which is standardised to the relevant valuation period. For example, if the current valuation period in a district is as at June 2015, a dwelling completed after that date is valued as it would have been at that date. This is to provide consistency across the property estate, for valuation and council rating purposes.

4.3.1 New Properties by Value

Figure 4.10 shows the distribution of values of new residential properties established in 2016 and 2017. Of the total, some 21% are valued at \$500,000 or lower, and 43% are at \$650,000 or lower. These thresholds relate to the KiwiBuild target definitions of 'affordable' dwellings. The Corelogic figures suggest that currently, around two-fifths of new residential properties built in QLD (2016 and 2017) lie within these thresholds.

Figure 4.11 provides a direct comparison of the distribution (% in each value band) of new residential properties (Corelogic) with the estimated values of the existing QLD residential property estate. The key difference is that there is a higher share of new residential properties in the value bands up to \$700,000 than the existing estate. This indicates that a substantial share of new residential properties is being directed to the middle and lower value bands within the QLD dwelling estate.

That trend is expected to help improve housing affordability in QLD. This outcome is directly consistent with the dwelling consent data (above) which shows trends toward smaller dwellings and attached dwelling typologies.

²⁰ We note that the Corelogic dataset includes 2,645 new dwellings over the 2013-2017 period. Over the 2012-2017 period, the QLDC estimates indicate a net increase of 4,204 dwellings. This suggests the Corelogic analysis was able to pick up some 63% of the total new dwellings developed over that time.



Figure 4.11 – New Dwellings by Value Completed in QLD 2016 and 2017

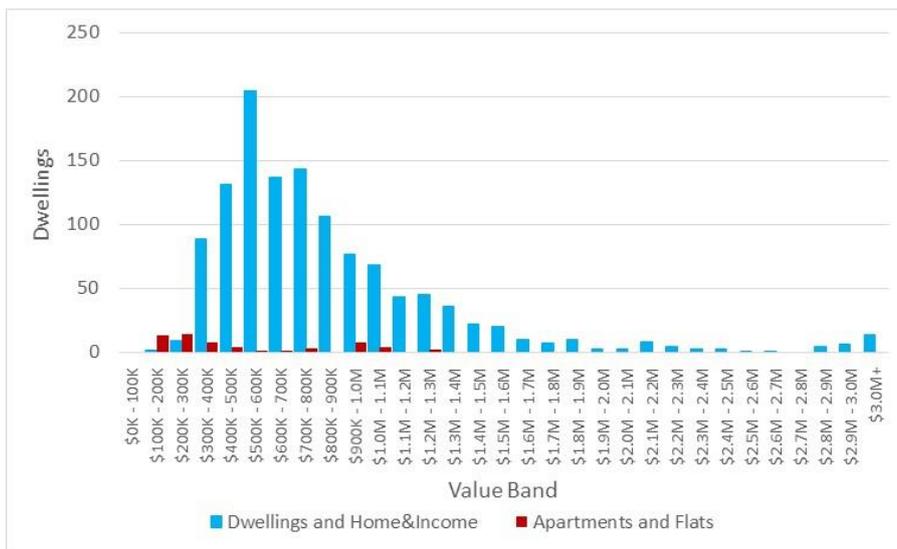
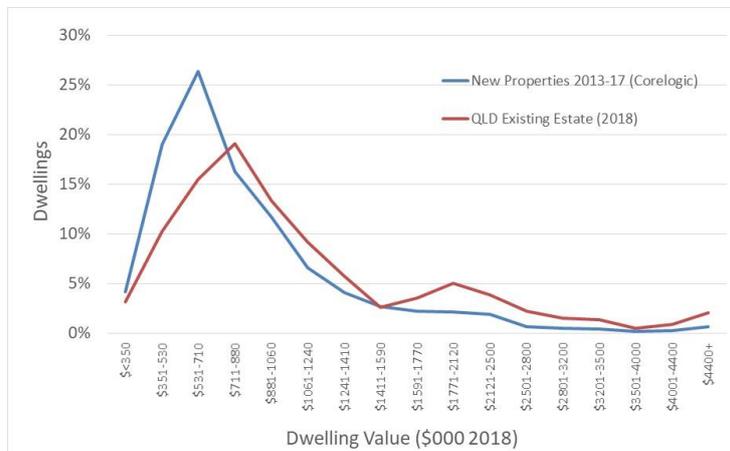


Figure 4.12 – New Properties and Existing Properties by Value 2018



4.3.2 Land Efficiency of New Dwellings

It is also relevant to consider the matter of the relative land efficiency of new dwellings. The substantial growth in dwelling prices nationally since around 2000 has been characterised by the significant increase in land values as a share of total property value. In many markets, residential land values account for more than 40% or even 50% of average residential property values. Hence there is considerable interest in the relative land efficiency of new dwellings, and how district plans may be contributing to that efficiency.



This is related to the consideration of housing needs because land accounts for a substantial share of the cost of new dwellings.

The MBIE/MfE guidance on housing price efficiency²¹ recommends using the Price Cost Ratio (PCR) as one key indicator of the relative efficiency of new dwelling supply. According to the guidance, if land value accounts for 33% or more of the dwelling estate, then the market is deemed “inefficient”. This equates to a PCR value of 1.5, with a higher PCR denoting market “inefficiency”. We note the MBIE/MfE approach is to apply the PCR indicator across the total dwelling estate (existing and new dwellings), and only to stand-alone houses. This means it does not include town houses and units, apartments and other typologies which are generally higher intensity than stand-alone dwellings, and are by implication more “land efficient”. We also note other conceptual and calibration challenges for the PCR as an indicator (including above at 4.2.4). Nevertheless, it can be potentially useful to help indicate land efficiency.

To get around the main shortcomings, M.E has applied a modified approach for this Report²². The PCR values are estimated for new dwellings only, as a better indicator of the efficiency of the market at the leading edge of development (the assessment is not cluttered by housing developments which occurred 20 or 30+ years in the past, under different market conditions and planning regimes). Moreover, the efficiency estimates have been developed to examine each dwelling type individually, rather than stand-alone houses only. This is especially relevant to QLD because of the clear shift towards apartments and town houses and units, and away from detached dwellings.

Table 4.7 – QLD New residential Properties 2013-2017 – Price Cost Ratio

Queenstown Lakes District	Dwellings	Apartments	Home and Income	Ownership Home Units	Rental Flats	Rental (Dwg to Flats)	More than 1 Dwelling	Total
2013-2017								
Count of Dwellings	2,387	44	149	31	3	-	31	2,645
Capital Value (\$m)	\$ 1,982	\$ 15	\$ 127	\$ 26	\$ 8	\$ -	\$ 37	\$ 2,196
Land Value (\$m)	\$ 705	\$ 6	\$ 43	\$ 9	\$ 2	\$ -	\$ 15	\$ 780
Improvement Value (\$m)	\$ 1,276	\$ 9	\$ 84	\$ 18	\$ 7	\$ -	\$ 23	\$ 1,416
LV as % CV	36%	39%	34%	33%	20%	0%	40%	36%
PCR	1.55	1.65	1.51	1.49	1.25		1.65	1.55

Source: Market Economics 2019; Corelogic 2018

Table 4.7 indicates that new residential development in QLD is relatively land efficient. Over the period 2013 to 2017, on average the land value component of total property value (CV) was 36%. This means a PCR figure for recent new residential development is around 1.55. While that is higher than the MBIE guidance (which considers a PCR of 1.50 is efficient, where land value is no more than 33% of total residential property value), it is nevertheless well below the MBIE’s average figure for the District of 1.7. That indicates an average LV share of 41%, well above the theoretical level of 33%.

The key point from the analysis is that new residential development is relatively land efficient, and close to the guideline. Moreover, the trend toward apartments and town houses which are relatively land efficient suggests that QLD’s mean PCR will continue to improve. In the period covered by the Corelogic dataset, detached houses accounted for 90% of the new dwellings identified. In the last two years (2018-

²¹ <https://www.hud.govt.nz/assets/Urban-Development/NPS-UDC/595209f7f3/National-Policy-Statement-on-Urban-Development-Capacity-Price-efficiency-indicators-technical-report-Price-cost-ratios.pdf>

²² This approach was developed and applied for the M.E analysis of the Auckland residential market, undertaken for Auckland Council in 2018.



19) that share dropped to 60% as town house units, and apartments accounted for 36% of all new consents.

Moreover, the land efficiency of new dwellings in QLD is considerably better than that for the dwelling estate as a whole. While this is unsurprising, it does indicate that QLD's dwelling estate is likely to continue to become more land efficient over time, with this process likely to be driven especially by relatively high property values, and plan-enabled opportunity for denser dwelling typologies.

Table 4.8 – QLD New Residential Properties 2013-2017 – Mean Values

Queenstown Lakes District	Dwellings	Apartments	Home and Income	Ownership Home Units	Rental Flats	Rental (Dwg to Flats)	More than 1 Dwelling	Total
2013-2017								
Count of Dwellings	2,387	44	149	31	3	-	31	2,645
Capital Value (\$m)	\$ 1,982	\$ 15	\$ 127	\$ 26	\$ 8	\$ -	\$ 37	\$ 2,196
Mean CV (\$000)	\$ 830	\$ 343	\$ 851	\$ 854	\$ 2,815	\$ -	\$ 1,204	\$ 830
Land Value (\$m)	\$ 705	\$ 6	\$ 43	\$ 9	\$ 2	\$ -	\$ 15	\$ 780
Mean Land Value (\$000)	\$ 296	\$ 135	\$ 289	\$ 281	\$ 562	\$ -	\$ 476	\$ 295
Improvement Value (\$m)	\$ 1,276	\$ 9	\$ 84	\$ 18	\$ 7	\$ -	\$ 23	\$ 1,416
Mean Improvement Value (\$000)	\$ 535	\$ 208	\$ 562	\$ 573	\$ 2,253	\$ -	\$ 728	\$ 535

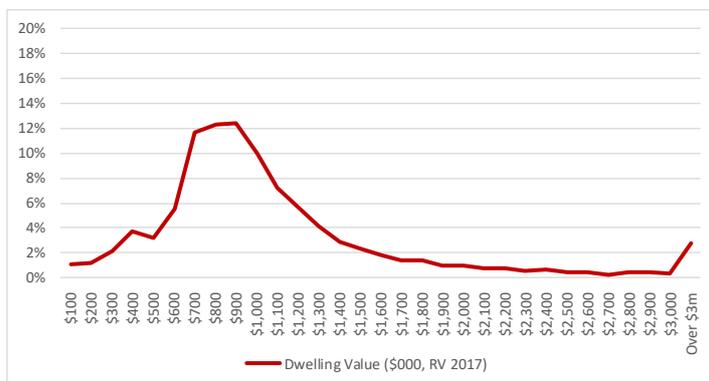
Source: Market Economics 2019; Corelogic 2018

4.4 QLD Total Dwelling Estate 2018

The consent trends and detail on new residential properties are an important guide to how the housing market is currently performing.

However, to provide an overall assessment of the dwelling estate, we have drawn on detailed information from the QLDC property dataset. The data set provides an understanding of the nature of the existing dwelling stock. The following figure shows that 8% of the houses are valued at less than \$400,000 and a further 9% are valued between \$400,000 and \$600,000. The bulk of the houses in QLD have relatively high values compared national mean, with nearly three quarters of the dwelling stock being valued at more than \$700,000 and almost half being valued at more than \$1million.

Figure 4.13 – Residential Values QLD – Rateable Value 2017





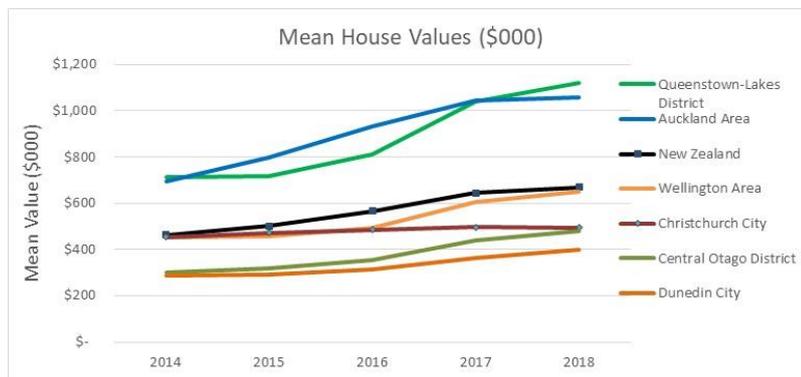
4.5 Property Value and Price Trends

QLD residential property prices are very high, and continue to increase. Over the period 2014 to 2018 (March years) QLD prices increased at a rate of 12% per year. The rate of growth is not greatly ahead of the national average (+9.6%pa) or ahead of Auckland (+11%pa) over those 5 years, and even Central Otago District grew slightly faster (+12.4%pa).

However, in the period since 2017 the pattern has changed. Price growth in Auckland and Christchurch slowed, and the national growth rate dropped to 3.9%pa. Price growth in QLD remained above the national average at +7.6%pa, slower than in previous years but still sufficient to add close to \$80,000 to the value of a house (Figure 4.13). Moreover, the mean house value in QLD surpassed that in Auckland to reach \$1,121,000, which is some 68% higher than the New Zealand average (\$669,000).

While the rate of price increase in Central Otago District has been as high as that in QLD, the mean price there is only \$478,000 – some 57% lower than the QLD figure, a difference of some \$640,000. However, we note that Central Otago is a large area, and the District wide average is likely to be well below the Cromwell average. Moreover, the figures in the graph relate to houses, and are about 4-5% above the all dwelling average for 2018.

Figure 4.14 – House Values QLD and Selected TLAs 2014-2018



4.6 Residential Development Outlook

There is significant residential development continuing in QLD, and the HDCA identified substantial capacity for growth. While the quantum of capacity is well sufficient for long term needs, a key issue is the expected shortfall in dwellings in the lower value bands. In this section, we have examined the available information on the development capacity and development intentions of the property development sector in QLD. Note that this is not a survey of all property developers, and information is drawn from a number of sources, not all of which are directly comparable.



4.6.1 MBIE/MfE Capacity Estimates

First, MBIE and MfE maintain the Urban Development Capacity Dashboard²³ which identifies the 100 largest entities owning or controlling undeveloped residentially zoned land in QLD. The most recent figures identify 49 individual entities, 3 related entities and 48 consortia making up the 100 largest owners, together holding 241 ha in 275 titles (Table 4.9). In broad terms, assuming 15 titles per ha when urbanised, these holdings would provide for another 3,620 or so titles.

The zoned development capacity is relatively concentrated in that the 20 largest entities hold around two-thirds of the total, although this share is broadly comparable with ownership patterns in other high and medium growth areas. To place this implied capacity in context, it would cater for around 5 years' of dwelling demand in QLD.

Table 4.9 – QLD Development Capacity of 100 Largest Owners 2019

Landowners by Size Group	Area(ha)	Title Count	Potential titles	Potential titles %
10 Largest	127	101	1,910	52.8%
	34	19	500	13.8%
	20	25	300	8.3%
	15	16	220	6.1%
	11	20	170	4.7%
	9	27	130	3.6%
	8	16	120	3.3%
	7	17	100	2.8%
	6	11	90	2.5%
10 Smallest	5	23	80	2.2%
TOTAL	241	275	3,620	100.0%
<i>Landowners by Type Owners</i>				
Individual Entity	49	122	1,840	50.8%
Related Entities	3	21	320	8.8%
Consortium	48	97	1,460	40.3%
TOTAL	100	241	3,620	100.0%

Source: MBIE and MfE 2019

4.6.2 Wanaka Capacity

Table 4.10 summarises the estimated development capacity in the Wanaka ward, based on QLDC's current information. The estimates show substantially more capacity than the MBIE/MfE data suggests, with capacity for 8,121 dwellings in Wanaka Ward alone. Importantly, the table also shows that development capacity is spread reasonably widely, across a dozen or so entities, which indicates limited potential for market dominance by any single entity.

²³ <https://mbienz.shinyapps.io/urban-development-capacity/#>



Table 4.10 – Wanaka Estimated Development Capacity 2019

Location	Locality	Zoned and Consented	Dwelling Capacity	Assessed Development Opportunity	Potential Intensification
Wanaka	3 Parks & Ballantyne Rd MUSZ	Yes	532	Yes	
Wanaka				Yes	
Albert Town	Albert Town inc Riverside	Yes	722	1 section	Very little
Wanaka	Cardrona	Yes	685	Yes	Yes
Wanaka				Yes	Yes
Hawea				Yes	-
Hawea	Hawea Township Area	Yes	797	No	potentially
Hawea				No	potentially
Hawea	Hawea Flat	Yes	192	No	potentially
Luggate	Luggate	Yes	243	No	Yes
Wanaka	South West Wanaka	Yes	532	No - limited	Yes
Wanaka				No - limited	limited
Wanaka	North West Wanaka	Yes	856	No	limited
Wanaka				Yes	
Wanaka	Northlake	Yes	1500	Yes as still not fully developed	
Wanaka	Wanaka Town Centre Area	Yes	762	limited	potentially
Wanaka	Wanaka airport	No	1	Yes	potentially
Wanaka				Yes	-
Wanaka	South East Wanaka	No	509	No - limited	No - limited
Wanaka				No - limited	potentially
Wanaka				Yes	-
Wanaka				No - limited	No - limited
Wanaka	South West Wanaka	Yes	790	Yes	-
Wanaka			6167		
Albert Town			722		
Hawea			989		
Luggate			243		
Total			8121		

Source: QLDC 2019

4.7 Development Context

M.E have consulted with a number of developers active in QLD to understand their capabilities and intentions, especially in relation to affordable housing. The HDCA work for the NPS-UDC identified that there is considerable residential capacity in the District, however that does not necessarily translate to capacity for new dwellings in the lower value bands.

The discussions with developers, and evidence presented at a recent hearing²⁴, has generally confirmed and reinforced understanding of the key influences on decisions by commercial operators to develop land and housing in greenfield locations. These relate especially to factors which affect the opportunity to generate adequate returns from some or all stages of the property development sequence, where land

²⁴ A consent application by River Terrace Developments in 2019



transitions from being rural-residential or rural to becoming fully urbanised. Some entities are involved throughout this sequence, others for only some steps.

The commercial returns from property development are driven primarily by the uplift in land value between initial purchase and the point of final sale, net of the costs incurred, and taking account of the margin and the development risks, and development margin on (dwelling) construction. While this is a '101' matter, residential development is a demanding and multi-faceted activity, and QLD (like any district) has factors which are common to most development, and some which are of much greater significance than the norm.

The development sector is well established, and the consistently strong growth in QLD means that the market is reasonably well informed, in relation to land supply (non-developer owners of properties with future development potential) and development activity. This, together with the significant number of operating entities, suggests there is limited potential for significant windfall gains from development. It was noted that most of the growth areas Council identified by Council, including within Cromwell, are already zoned and consented for urban development.

At a scale of about 760 new dwellings to be built annually, there is scope for up to 10-12 larger scale developers (averaging say 50-70 dwellings per year), together with a larger number of small scale operations. The 2018 Business Directory²⁵ shows 1,249 operating units (Geos) in the Construction sector, employing 4,150 persons (including working proprietors). Within the sector, there are some 475 operating units in dwelling construction and other residential building, with total employment of 1,365 persons (average employment is only 3.1 per entity). This reflects an industry characterised by small scale owner-operator businesses, with a small number of larger businesses engaged generally in larger scale (multiple dwelling) developments.

For the larger operators, their preferences include opportunity to relatively large greenfield areas to enable effective master-planning, and especially to access economies of scale and scope in dwelling construction. The ability to realise a reasonable share of the value uplift which occurs when land is identified for urbanisation and then zoned is important to all in the sector, irrespective of size. While the value uplift occurs because land zoned for urban activities is able to be used much more intensively than rural land, and so generate substantially higher returns on a per m² or per hectare basis, there are considerable costs incurred in the urbanisation process. The final value of urban land reflects also its net yield (around 30% of the gross area is set aside for roading, parks and community facilities such as schools), the costs of bulk and local infrastructure (especially roads and the 3 waters), professional fees for surveying, subdivision, planning and so on, holding costs, and the allowance for margins at different stages of the urbanisation process. Within QLD, key factors which affect development generally include:

- The availability of flat land in single ownership and sufficiently large parcelled areas.
- Construction cost escalation.
- The availability of infrastructure.
- Land sizes, including the ability to produce smaller lots to increase overall subdivision yields and reduce land costs per dwelling.
- Tensions which may exist between Council intentions, such as encouraging higher density dwelling typologies, and developers' perceptions of demand and market preferences
- Market information including demand projections may become outdated as markets fluctuate.
- The ageing population structure, contributing to demand for smaller dwellings on smaller lots

²⁵ Statistics NZ 2019



- Development efficiencies are generally achieved in larger developments of 1,000 to 2,000 lots.
- The challenges of amalgamating multiple land areas in different ownership, to achieve scale efficiencies and the ability to master-plan.
- Non-urban land has become fragmented through the trend toward rural lifestyle properties.
- The challenges from reverse sensitivities from neighbouring land uses.

The trend toward more intensive development is generally associated with higher build costs – for example, low-rise attached dwellings were cited as typically costing 10% to 25% more to construct than standalone houses, the upper end of the range reflecting development of dwellings of more than a single level. Dwellings above three storeys were cited as costing 75% to 100% more to construct than standalone dwellings. Higher construction costs act to considerably offset savings from using smaller land area per dwelling. These cost vs land trade-offs are simply a feature of the dwelling construction sector, the key implication is that these matters can limit the opportunity for construction of affordable dwellings. Adding to the mix, Queenstown and Wanaka are popular locations for holiday / investment dwellings, and the ongoing demand from outside the QLD economy places pressure on supply and pricing.

4.7.1 Developer Perspectives

It is also important to recognise that information and advice provided by developers consulted is often commercially sensitive. For that reason, we have not provided detail about each development, rather we have worked to draw general conclusions which are relevant to the Housing Needs Assessment. The following section seeks to summarise the key information offered.

Remarkables Park Ltd (RPL) owns a substantial area of land zoned for urbanisation, with potential capacity for in the order of 4,300 dwellings. The owners' current development path is to not engage directly in property development, but to release areas of land, including by sale, for other entities which are directly engaged in development activity to put the dwelling capacity "on the ground", including apartment and retirement home developments. The capacity includes potential residential development to 3-4 levels, reflecting intent to develop toward a moderate level of intensity to contribute to urban efficiency and sustainability objectives. RPL maintain a degree of control of the subsequent development including through covenants, in order to achieve the overall "master-planned" outcomes. This approach is important because the holding covers a large land area in a strategic location, and it will encompass residential and business development. Currently there is development under way for apartments (the Toru development in conjunction with the QLCHT) which is intended to provide for a number of affordable dwellings.

Jacks Point Village Holdings has a large development area south of Frankton. The area has capacity for in excess of 1,750 dwellings, and is being developed over several years. An important feature of current intent is some focus on providing a share of new dwellings in the affordable price bands, which may include 1-bedroom dwellings at less than \$500,000, and 3-bedroom dwellings indicatively in the \$600-650,000 range. That would allow for dwelling sites in the smaller range (under 300 m²) as part of the pricing. This approach is seen as a potential alternative to contributing directly to the QLCHT, on the basis that there is a common intent, to provide for affordable dwellings²⁶.

²⁶ Council currently has provision in some plan change areas for affordable housing to be provided for as a component of development, mostly through the transfer of land to the QLCHT.



Ngai Tahu Holdings The former Wakatipu High School site was Ministry of Education land on which Kāi Tahu has first rights of refusal. The land is being developed in partnership between Kāi Tahu, QLDC and KiwiBuild. The development will yield over 300 houses in the central Queenstown, including 119 KiwiBuild dwellings. The first homes are expected to be completed in 2022.

4.7.2 Opportunity for Affordable Dwellings

That said, a number of developers acknowledge a potential role in the provision of affordable housing, given their opportunities for scale efficiencies in provision of dwellings, including efficiencies in construction costs and materials, and some opportunity to provide land for land only or house and land packages at a cheaper rate than when lots are sold individually. Options include the provision of land and/or funds as a percentage share of housing developments, to provide the land resource for QLCHT. At issue is the scale of this QLCHT supply in relation to total demand, and the demand from those for whom dwelling ownership is otherwise unobtainable. In this regard, the Jacks Point development noted the intention to develop a significant number of dwellings in the affordable range, as a private initiative.

It is important to recognise that there will be trade-offs between requirements to contribute land and/or money through Council-led provisions, and effects on the opportunity for private initiatives of this type to occur instead. Conditions which would contribute to opportunities for commercial developers to make provision for affordable housing include:

- the price of land for development, which is always subject to the market conditions at the time. The district's growth strategy already provides for enough land to meet housing needs in gross terms, so there is limited opportunity for new areas to be developed targeting affordable dwellings;
- The size of lots has a direct effect on the price of dwellings, dwellings in the affordable range need to have relatively small land areas per dwelling – either small lots and through multi-unit dwellings;
- Dwelling typology is important (as noted above);
- Dwelling size is also important, and while construction costs per m² generally reduce as dwelling size increases, the total cost of a dwelling is strongly influenced by total floor area;
- There is scope for scale efficiencies, including standardised typology for consumers to choose from – for example, there may be just 6 dwelling designs available for a particular subdivision – which flows through also into some scale economies in construction costs – for example dwellings that are designed to be multiples of construction material components, such as 'room sizes which equate to 2 gib sheets'. Bespoke dwellings are generally much more costly.
- Speed of sale has a potentially significant effect on profitability, and the opportunity to pipeline affordable dwellings can improve the feasibility of these types of developments for developers.
- Larger scale developers have greater opportunity to deliver affordable housing through subdivisions (rather than individual dwellings) often having more ability to take development risk, including access the finance required to fund developments, in combination with scale efficiencies.

Developers also noted that Cromwell offers market opportunity²⁷ to provide for affordable housing, to meet demand from the Queenstown workforce, with often cheaper land which is flatter and therefore cheaper to develop. There has been large growth in Cromwell in response to the cheaper dwelling prices

²⁷ In April 2019, during the PC13 hearings, RTDL stated it could, at present/in the short-term before construction costs rise, produce at least 200 freehold titles with sale prices of \$485,000 to \$600,000; and residential lots in the price range of \$180,000 to \$250,000. It was also noted that the number of growth opportunities identified by Council in Cromwell is not sufficient to meet the anticipated growth in demand.



and housing affordability issues in Queenstown itself, with workers opting to commute in order to access cheaper/better quality of housing



5 Implications for Homes Strategy and Affordable Housing Chapter

This section draws on the evidence base above to help inform the District plan. Council has commissioned an Issues report²⁸ on affordable housing, and a core purpose of this research by M.E is to inform Council's policies relating to housing directly, and urban development more widely.

5.1 QLD Issues Report

The Issues study identifies the RMA issues associated with affordable housing, and examines the extent to which the Stage 2 PDP (decisions version) can provide an appropriate platform to help address housing affordability issues. That work seeks to identify potential RMA-based options that might be incorporated into Stage 3 of the district plan review.

An important purpose of this Report is to draw on the evidence base to inform the District plan generally, and to:

- a. Inform and support the PDP Homes Strategy;
- b. Inform and support the PDP Affordable and Community Housing chapter;
- c. Inform and support other relevant strategies/policies;
- d. Ensure and support alignment with Central Government initiatives.

One key aspect is to provide an evidence base for housing advocacy, community awareness and the provision of housing for our community.

5.1.1 Previous Studies

The matter of housing affordability has long been recognised in QLD. The 2005 HOPE Strategy identified key issues as:

- Lack of affordable housing undermining the long term sustainable growth of the district
- Adverse effects on the economic growth of the district from an inability to attract and retain a labour force
- Urban sprawl as market searches for lower cost land on fringes of settlements
- Increased impacts of transport as people travel longer distances

Plan Change 24 (2007) to introduce an affordable housing requirement into the ODP identified similar issues. It was noted that urban growth management policies limit the supply of residential land, and acted to push up housing prices, and that to date 'market forces' had not resulted in providing an adequate supply of affordable housing

The 2017 Mayoral Taskforce on Housing Affordability identified the social/community effects of high house prices, noting *"The lack of quality affordable housing is potentially the greatest challenge our*

²⁸ Affordable Housing and Queenstown Lakes Proposed District Plan - Issues and Options – HYC 2019.



District faces. If our communities are to thrive, prosper and grow in the future we need to be able to attract and appropriately house the key workers, families and even retirees who are the core of our communities”. One recommendation of the Mayoral Taskforce was to explore mechanisms to achieve more affordable homes for the community through the District Plan and address apparent market failure in delivering affordable housing.

5.1.2 2019 Issues Paper

The Issues Paper recognises that the HDCA for the NPS-UDC concluded that total housing capacity in the district plan is well in excess of projected housing demand, for both urban QLDC and the total District, in the short, medium and long-term – including allowance for the margins required by the NPS-UDC. The issue recognised in the HDCA, and again in this Report, is the generally low provision of new dwellings in the lower value bands.

It also notes that while at the time of proposed PC24 the Affordable Housing Territorial Enabling Act offered councils the scope to introduce affordability provisions, since then the main focus of recent national planning policy (especially the NPS-UDC and the HASHA legislation) has been to tackle high house prices through reducing barriers to the supply of new housing.

It notes potential hurdles in having housing affordability recognised as an RMA issue, especially to establish the nexus between lack of supply of affordable housing (supply outcome) and its effects on economic and social wellbeing.

Finally, the Issues Paper acknowledges that supply side responses alone are unlikely to substantially reduce the cost of land for urban development, noting that significant infrastructure funding issues, the small size of building companies, the constrained local labour market, the remote location and other factors all impact on pricing, including opportunities for economies of scale in housing construction. It also identifies that housing developers may not wish to supply affordable product, even if they had the option to do so. An issue is the use of restrictive covenants which act to preclude some types of housing, especially lower cost housing, from new developments – including to pitch supply toward higher value construction.

5.2 Options for QLDC

The Issues Paper set out a number of options for QLDC to pursue provision of affordable housing. At the broad level, these include reducing the amenity-based controls on housing development, such as minimum density provisions, so that development will incur lower costs; offering bonus or incentive provisions, in terms of development intensity, though these are generally more demanding to justify in RMA terms; plan changes which require development to address affordability impacts and incorporate provisions to make contributions or a provide for a share of new dwellings to be in “affordable” value ranges; and mandatory provisions for larger scale developments.

The Paper also offered discussion on the [Inclusionary zoning approach](#), which seeks to enable general community wellbeing through mixed communities, such that low to moderate income households have options to live in most neighbourhoods across a district. Inclusionary zoning typically requires that a set percentage of new homes be sold at an ‘affordable’ price, with the price determined by reference to median household incomes or property values in the relevant city or region. This is acknowledged as being “*technically more complex to justify under the RMA*” because of challenges in establishing a nexus of an



'effect' and a method of mitigation. It also identifies success in overseas situations where inclusionary zoning has contributed significant quantities of affordable dwellings, and accounted for a substantial share of new affordable dwellings.

While the options vary, at the high level the intent is the same, to ensure that some proportion of new dwellings – a minor share of the total – are provided for in “affordable” price ranges. In relation to the KiwiBuild objective, which encompasses all households up to a relatively high household income range (above the 80th percentile) it is useful to take the same indicative price bands of up to \$500,000 for a single bedroom dwelling, and up to \$650,000 for a larger (3-brm) dwelling.



6 Conclusions

This Report is to provide Council with clearer understanding of the housing needs of the QLD community into the long term. It is intended to inform the Homes Strategy and the Affordable Housing Chapter of the PDP.

6.1 Summary

Key features of the QLD housing market include:

- a. It is sizeable (20,850 dwellings in 2018) and fast growing, expected to grow by 80%+ over the next 3 decades (16,900 dwellings);
- b. The market has other distinctive features, especially a high share of the estate being investment / holiday dwellings owned by absentee owners, and a high share of couple households within the community;
- c. Residential property values are very high, a main reason being QLD's popularity as a place to visit and also to invest in holiday dwellings;
- d. QLD has a tourism-focussed economy which generates some relative volatility in housing demand, especially from the medium-stay and seasonal workforce;
- e. These matters mean the market is influenced more than other districts by external factors, especially as a place to invest in holiday / investment dwellings, and the strong influence of tourism.
- f. That said, the economy is established and quite stable in its structure, such that the existing parameters offer a stable base for projecting future outcomes, with an outlook for consistent, incremental change, driven primarily by household growth and work opportunity, supported by investment from outside the district;
- g. High housing prices continue to generate considerable housing stress for the resident population, especially for renter households - high dwelling values command quite high rents, while competition from short-term holiday visitors to QLD also places upward pressure on rental levels.
- h. QLD has a significant number of relatively vulnerable resident households (based on demography and income), in the order of 2,050 currently and expected to reach 4,000 in the long term. These households face generally higher pressures than those in other locations because of QLD's relatively high housing prices, and rental rates.
- i. Using eligibility for KiwiBuild as an indicator of housing ownership need, the QLD market indicates potential requirement for around 2,000 households to move into dwelling ownership.

The analysis suggests that the main focus on policies relating to housing needs would be on around 3,000 households by 2028 (in the "Vulnerable—" and "Vulnerable ——" categories), and around 4,000 by 2048, compared with just over 2,050 in 2018. This assumes that the current economic structure of QLD



continues into the long term, including its ongoing popularity for investment/holiday dwellings. That scale of need would represent 12-13% of total resident households by 2048, with requirements relating to both dwelling ownership, and dwelling rental.

6.2 Implications

The relatively high levels of housing stress in QLD have arisen from characteristics of the QLD economy and housing market which are well established, and for which there is limited likelihood of significant change to materially shift matters. QLD is very likely to remain a popular destination for tourism and 'holiday' investment, and be attractive as a place to live and work. This is reflected in the District's growth outlook, in terms of both scale and the nature of change.

This suggests that the "business as usual" future would see continuation of the relatively high degree of housing stress into the longer term. There is very limited prospect that shifts in the economy would bring about changes in market conditions, such as a relative over-supply of housing stock, which would place downward pressure on housing prices, and see a greater share of the existing estate shift into the "affordable" value ranges.

Obvious mitigating factors which could reduce this housing stress are:

- a. The role of the QLCHT in providing for a modest but important share of housing needs for households which would otherwise have very low prospect of becoming dwelling owners;
- b. The potential role of KiwiBuild in meeting some needs. However, the significant uncertainty around the future scope and scale of KiwiBuild suggests that a material reduction in housing stress from that source is not likely into the medium term;
- c. The stated intent of some developers to contribute to the affordable housing supply on their own initiative, that is, outside any statutory or other requirements of Council. While the scale remains unknown – one initiative suggests 350 affordable dwellings in the medium term – such initiatives could materially contribute to QLD housing needs. Having stated that, other commercial developers indicated the appropriate mechanism would be better through Council-led or similar processes (such as contributions to QLCHT) rather than voluntary initiatives;
- d. Provisions through the QLD district plan, such as Inclusionary zoning which require contributions to affordable housing through land and/or funding, and/or provision of a certain percentage of affordable dwellings within their total build.
- e. Provisions in the QLD district plan which would enable or encourage further shift toward smaller and lower value new dwellings. The dwelling consent data for QLD suggests that there is considerable opportunity for such change to occur, as evident in the recent shifts toward smaller dwellings, and higher shares of town houses and apartments.

This review of the existing economic and demographic structures in QLD suggests that material improvement would come about most likely from d. of the above list, with direct provisions through the district plan to require some contribution to the affordable housing estate, into the long term. While each of the other avenues will, or may, contribute to achieving more of the housing estate in the affordable ranges, reliance of commercial market forces alone is unlikely to materially improve the situation.



A. Appendix 1 – Housing Demand

This Appendix contains further detail on the future housing demand in QLD.

Finally, the issues paper acknowledges that supply side responses alone are unlikely to substantially reduce the cost of land for urban development, noting that significant infrastructure funding issues, the small size of building companies, the constrained local labour market, the remote location and other factors all impact on pricing, including opportunities for economies of scale in housing construction. It also identifies that housing developers may not wish to supply affordable product, even if they had the option to do so. An issue is the use of restrictive covenants which act to preclude some types of housing, especially lower cost housing, from new developments – including to pitch supply toward higher value construction.



Table A.1 – Changes in QLD Housing Demand by Household Type and Age : 2018-48

Household Type	Age	Owned Dwellings		Not-Owned Dwellings		Total
		Detached	Attached	Detached	Attached	
One Person Hhld	15-29	20	20	90	220	350
	30-39	70	50	150	310	580
	40-49	170	110	170	170	620
	50-64	530	310	170	230	1,240
	65-74	330	120	50	30	530
	75+	310	120	100	110	640
	Total	1,420	730	730	1,080	3,960
Couple Hhld	15-29	40	30	220	520	810
	30-39	210	220	200	440	1,070
	40-49	370	220	140	160	890
	50-64	2,090	530	410	140	3,170
	65-74	1,330	200	220	80	1,830
	75+	420	70	50	20	560
	Total	4,460	1,270	1,230	1,360	8,320
2 Parents 1-2chn	15-29	30	-	30	20	80
	30-39	240	90	100	70	500
	40-49	490	70	140	60	760
	50-64	180	20	40	10	250
	65-74	10	10	10	-	30
	75+	-	-	10	-	10
	Total	940	190	320	160	1,610
2 Parents 3+chn	15-29	10	-	10	-	20
	30-39	50	-	50	10	110
	40-49	90	10	30	10	140
	50-64	30	-	-	-	30
	65-74	-	-	-	-	-
	75+	-	-	-	-	-
	Total	170	10	90	20	290
1 Parent Family	15-29	-	-	-	10	10
	30-39	-	-	-	10	10
	40-49	30	10	20	30	90
	50-64	30	10	10	-	50
	65-74	-	-	-	-	-
	75+	10	-	-	-	10
	Total	60	30	30	50	170
Multi-Family Hhlds	15-29	-	-	10	20	30
	30-39	-	-	20	10	30
	40-49	-	-	20	-	20
	50-64	30	10	-	-	40
	65-74	10	-	10	10	30
	75+	-	-	-	-	-
	Total	50	10	50	40	150
Non-Family Hhlds	15-29	10	-	80	150	240
	30-39	10	10	50	90	160
	40-49	10	10	40	40	100
	50-64	-	-	20	20	40
	65-74	-	-	10	20	30
	75+	-	-	-	-	-
	Total	30	20	200	330	580
Total Households	15-29	100	60	430	940	1,530
	30-39	580	380	590	950	2,500
	40-49	1,150	410	560	480	2,600
	50-64	2,900	900	660	400	4,860
	65-74	1,680	340	290	160	2,470
	75+	730	190	150	120	1,190
	TOTAL	7,140	2,280	2,680	3,050	15,200

Source: ME Queenstown Housing Model 2019



Table A.2 – Changes in QLD Housing Demand by Household Type and Income 2018-48

Household Type	Income	Owned Dwellings		Not-Owned Dwellings		Total
		Detached	Attached	Detached	Attached	
One Person Hhld	Up to \$40,000	500	260	290	450	1,500
	\$40 - \$72,000	290	190	190	370	1,040
	\$72- \$109,000	220	110	150	150	630
	\$109 - \$160,000	170	110	60	90	430
	\$160,000 +	230	60	30	10	330
	Total	1,410	730	720	1,070	3,930
Couple Hhld	Up to \$40,000	270	100	70	60	500
	\$40 - \$72,000	640	150	170	170	1,130
	\$72- \$109,000	820	170	260	320	1,570
	\$109 - \$160,000	950	310	320	410	1,990
	\$160,000 +	1,780	550	400	390	3,120
	Total	4,460	1,280	1,220	1,350	8,310
2 Parents 1-2chn	Up to \$40,000	30	10	20	10	70
	\$40 - \$72,000	20	-	30	20	70
	\$72- \$109,000	130	40	50	50	270
	\$109 - \$160,000	170	50	60	50	330
	\$160,000 +	580	100	160	40	880
	Total	930	200	320	170	1,620
2 Parents 3+chn	Up to \$40,000	-	-	10	-	10
	\$40 - \$72,000	-	-	10	10	20
	\$72- \$109,000	20	-	10	10	40
	\$109 - \$160,000	30	10	30	10	80
	\$160,000 +	120	-	30	10	160
	Total	170	10	90	40	310
1 Parent Family	Up to \$40,000	10	10	10	20	50
	\$40 - \$72,000	20	-	20	10	50
	\$72- \$109,000	10	10	10	10	40
	\$109 - \$160,000	-	-	-	10	10
	\$160,000 +	20	-	10	-	30
	Total	60	20	50	50	180
Multi-Family Hhlds	Up to \$40,000	-	-	-	-	-
	\$40 - \$72,000	-	-	-	-	-
	\$72- \$109,000	-	-	-	-	-
	\$109 - \$160,000	-	-	10	10	20
	\$160,000 +	40	10	40	40	130
	Total	40	10	50	50	150
Non-Family Hhlds	Up to \$40,000	-	-	10	40	50
	\$40 - \$72,000	-	-	30	40	70
	\$72- \$109,000	-	-	40	50	90
	\$109 - \$160,000	10	10	60	100	180
	\$160,000 +	20	20	60	100	200
	Total	30	30	200	330	590
Total Households	Up to \$40,000	820	380	390	580	2,170
	\$40 - \$72,000	990	340	460	620	2,410
	\$72- \$109,000	1,200	320	520	590	2,630
	\$109 - \$160,000	1,340	490	550	650	3,030
	\$160,000 +	2,790	730	740	590	4,850
	Total	7,140	2,260	2,660	3,030	15,100

Source: ME Queenstown Housing Model 2019



Table A.3 - QLD Owner-Occupier Households Income and Dwelling Type 2018

Household Type	Income	Dwelling Type			Dwelling Type %			Ownership Incidence			
		Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total	Rented%
One Person Hhld	Up to \$40,000	460	120	580	5.0%	1.3%	6.3%	38%	10%	48%	52%
	\$40 - \$72,000	270	90	360	2.9%	1.0%	3.9%	33%	11%	44%	56%
	\$72 - \$109,000	180	50	230	2.0%	0.5%	2.5%	41%	11%	52%	48%
	\$109 - \$160,000	130	40	170	1.4%	0.4%	1.8%	45%	14%	59%	41%
	\$160,000 +	110	20	130	1.2%	0.2%	1.4%	69%	13%	81%	19%
	Total	1,150	320	1,470	12.5%	3.5%	15.9%	39%	11%	50%	50%
Couple Hhld	Up to \$40,000	220	50	270	2.4%	0.5%	2.9%	55%	13%	68%	33%
	\$40 - \$72,000	560	70	630	6.1%	0.8%	6.8%	59%	7%	66%	34%
	\$72 - \$109,000	660	70	730	7.2%	0.8%	7.9%	54%	6%	60%	40%
	\$109 - \$160,000	890	150	1,040	9.7%	1.6%	11.3%	50%	8%	58%	42%
	\$160,000 +	1,460	240	1,700	15.8%	2.6%	18.4%	61%	10%	71%	29%
	Total	3,790	580	4,370	41.1%	6.3%	47.4%	56%	9%	65%	35%
2 Parents 1-2chn	Up to \$40,000	60	-	60	0.7%	0.0%	0.7%	50%	0%	50%	50%
	\$40 - \$72,000	110	20	130	1.2%	0.2%	1.4%	37%	7%	43%	57%
	\$72 - \$109,000	360	60	420	3.9%	0.7%	4.6%	49%	8%	57%	43%
	\$109 - \$160,000	620	80	700	6.7%	0.9%	7.6%	61%	8%	69%	31%
	\$160,000 +	1,000	100	1,100	10.8%	1.1%	11.9%	70%	7%	77%	23%
	Total	2,150	260	2,410	23.3%	2.8%	26.1%	60%	7%	67%	33%
2 Parents 3+chn	Up to \$40,000	10	-	10	0.1%	0.0%	0.1%	100%	0%	100%	0%
	\$40 - \$72,000	20	-	20	0.2%	0.0%	0.2%	29%	0%	29%	71%
	\$72 - \$109,000	50	-	50	0.5%	0.0%	0.5%	45%	0%	45%	55%
	\$109 - \$160,000	80	10	90	0.9%	0.1%	1.0%	50%	6%	56%	44%
	\$160,000 +	320	10	330	3.5%	0.1%	3.6%	73%	2%	75%	25%
	Total	480	20	500	5.2%	0.2%	5.4%	61%	3%	63%	37%
1 Parent Family	Up to \$40,000	100	20	120	1.1%	0.2%	1.3%	31%	6%	38%	63%
	\$40 - \$72,000	100	-	100	1.1%	0.0%	1.1%	36%	0%	36%	64%
	\$72 - \$109,000	30	10	40	0.3%	0.1%	0.4%	21%	7%	29%	71%
	\$109 - \$160,000	40	10	50	0.4%	0.1%	0.5%	36%	9%	45%	55%
	\$160,000 +	70	10	80	0.8%	0.1%	0.9%	64%	9%	73%	27%
	Total	340	50	390	3.7%	0.5%	4.2%	35%	5%	41%	59%
Multi-Family Hhlds	Up to \$40,000	-	-	-	0.0%	0.0%	0.0%	0%	0%	0%	100%
	\$40 - \$72,000	-	-	-	0.0%	0.0%	0.0%	0%	0%	0%	100%
	\$72 - \$109,000	-	-	-	0.0%	0.0%	0.0%	0%	0%	0%	100%
	\$109 - \$160,000	-	-	-	0.0%	0.0%	0.0%	0%	0%	0%	100%
	\$160,000 +	40	-	40	0.4%	0.0%	0.4%	33%	0%	33%	67%
	Total	40	-	40	0.4%	0.0%	0.4%	31%	0%	31%	69%
Non-Family Hhlds	Up to \$40,000	-	-	-	0.0%	0.0%	0.0%	0%	0%	0%	100%
	\$40 - \$72,000	-	-	-	0.0%	0.0%	0.0%	0%	0%	0%	100%
	\$72 - \$109,000	-	-	-	0.0%	0.0%	0.0%	0%	0%	0%	100%
	\$109 - \$160,000	10	-	10	0.1%	0.0%	0.1%	5%	0%	5%	95%
	\$160,000 +	30	20	50	0.3%	0.2%	0.5%	12%	8%	20%	80%
	Total	40	20	60	0.4%	0.2%	0.7%	5%	3%	8%	92%
Total Households	Up to \$40,000	850	200	1,050	9.2%	2.2%	11.4%	40%	9%	50%	50%
	\$40 - \$72,000	1,060	170	1,230	11.5%	1.8%	13.3%	42%	7%	49%	51%
	\$72 - \$109,000	1,280	180	1,460	13.9%	2.0%	15.8%	47%	7%	53%	47%
	\$109 - \$160,000	1,780	290	2,070	19.3%	3.1%	22.5%	49%	8%	57%	43%
	\$160,000 +	3,020	390	3,410	32.8%	4.2%	37.0%	62%	8%	70%	30%
	Total	7,990	1,230	9,220	86.7%	13.3%	100.0%	51%	8%	58%	42%

Source: ME Queenstown Housing Model 2019



Table A.4 - QLD Renter Households Income and Dwelling Type 2018

Household Type	Income	Dwelling Type			Dwelling Type %			Rental Incidence			
		Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total	Owned%
One Person Hhld	Up to \$40,000	290	340	630	4.4%	5.1%	9.5%	24%	28%	52%	48%
	\$40 - \$72,000	190	270	460	2.9%	4.1%	6.9%	23%	33%	56%	44%
	\$72 - \$109,000	120	90	210	1.8%	1.4%	3.2%	27%	20%	48%	52%
	\$109 - \$160,000	60	60	120	0.9%	0.9%	1.8%	21%	21%	41%	59%
	\$160,000 +	20	10	30	0.3%	0.2%	0.5%	13%	6%	19%	81%
	Total	680	770	1,450	10.3%	11.6%	21.9%	23%	26%	50%	50%
Couple Hhld	Up to \$40,000	70	60	130	1.1%	0.9%	2.0%	18%	15%	33%	68%
	\$40 - \$72,000	170	150	320	2.6%	2.3%	4.8%	18%	16%	34%	66%
	\$72 - \$109,000	240	250	490	3.6%	3.8%	7.4%	20%	20%	40%	60%
	\$109 - \$160,000	370	380	750	5.6%	5.7%	11.3%	21%	21%	42%	58%
	\$160,000 +	400	310	710	6.0%	4.7%	10.7%	17%	13%	29%	71%
	Total	1,250	1,150	2,400	18.9%	17.4%	36.3%	18%	17%	35%	65%
2 Parents 1-2chn	Up to \$40,000	40	20	60	0.6%	0.3%	0.9%	33%	17%	50%	50%
	\$40 - \$72,000	100	70	170	1.5%	1.1%	2.6%	33%	23%	57%	43%
	\$72 - \$109,000	200	120	320	3.0%	1.8%	4.8%	27%	16%	43%	57%
	\$109 - \$160,000	220	100	320	3.3%	1.5%	4.8%	22%	10%	31%	69%
	\$160,000 +	260	60	320	3.9%	0.9%	4.8%	18%	4%	23%	77%
	Total	820	370	1,190	12.4%	5.6%	18.0%	23%	10%	33%	67%
2 Parents 3+chn	Up to \$40,000	-	-	-	0.0%	0.0%	0.0%	0%	0%	0%	100%
	\$40 - \$72,000	40	10	50	0.6%	0.2%	0.8%	57%	14%	71%	29%
	\$72 - \$109,000	50	10	60	0.8%	0.2%	0.9%	45%	9%	55%	45%
	\$109 - \$160,000	60	10	70	0.9%	0.2%	1.1%	38%	6%	44%	56%
	\$160,000 +	90	20	110	1.4%	0.3%	1.7%	20%	5%	25%	75%
	Total	240	50	290	3.6%	0.8%	4.4%	30%	6%	37%	63%
1 Parent Family	Up to \$40,000	130	70	200	2.0%	1.1%	3.0%	41%	22%	63%	38%
	\$40 - \$72,000	140	40	180	2.1%	0.6%	2.7%	50%	14%	64%	36%
	\$72 - \$109,000	70	30	100	1.1%	0.5%	1.5%	50%	21%	71%	29%
	\$109 - \$160,000	40	20	60	0.6%	0.3%	0.9%	36%	18%	55%	45%
	\$160,000 +	20	10	30	0.3%	0.2%	0.5%	18%	9%	27%	73%
	Total	400	170	570	6.0%	2.6%	8.6%	42%	18%	59%	41%
Multi-Family Hhlds	Up to \$40,000	-	-	-	0.0%	0.0%	0.0%	0%	0%	0%	100%
	\$40 - \$72,000	-	-	-	0.0%	0.0%	0.0%	0%	0%	0%	100%
	\$72 - \$109,000	-	-	-	0.0%	0.0%	0.0%	0%	0%	0%	100%
	\$109 - \$160,000	10	-	10	0.2%	0.0%	0.2%	100%	0%	100%	0%
	\$160,000 +	50	30	80	0.8%	0.5%	1.2%	42%	25%	67%	33%
	Total	60	30	90	0.9%	0.5%	1.4%	46%	23%	69%	31%
Non-Family Hhlds	Up to \$40,000	10	30	40	0.2%	0.5%	0.6%	25%	75%	100%	0%
	\$40 - \$72,000	50	50	100	0.8%	0.8%	1.5%	50%	50%	100%	0%
	\$72 - \$109,000	60	60	120	0.9%	0.9%	1.8%	50%	50%	100%	0%
	\$109 - \$160,000	100	110	210	1.5%	1.7%	3.2%	45%	50%	95%	5%
	\$160,000 +	100	100	200	1.5%	1.5%	3.0%	40%	40%	80%	20%
	Total	320	350	670	4.8%	5.3%	10.1%	44%	48%	92%	8%
Total Households	Up to \$40,000	540	520	1,060	8.2%	7.9%	16.0%	26%	25%	50%	50%
	\$40 - \$72,000	700	580	1,280	10.6%	8.8%	19.3%	28%	23%	51%	49%
	\$72 - \$109,000	730	560	1,290	11.0%	8.5%	19.5%	27%	20%	47%	53%
	\$109 - \$160,000	860	680	1,540	13.0%	10.3%	23.3%	24%	19%	43%	57%
	\$160,000 +	930	520	1,450	14.0%	7.9%	21.9%	19%	11%	30%	70%
	Total	3,760	2,860	6,620	56.8%	43.2%	100.0%	24%	18%	42%	58%

Source: ME Queenstown Housing Model 2019



Table A.5 – QLD Households by Resilience/Vulnerability 2018

Household Type	Income	Not Dwelling Owners			Dwelling Owners		
		Households 2018	Share of QLD %	Category	Households 2018	Share of QLD %	Category
One Person Hhld	Up to \$40,000	630	4%	9 Vulnerable - -	580	4%	8 Vulnerable -
	\$40 - \$72,000	460	3%	7 Vulnerable	370	2%	5 Average
	\$72 - \$109,000	210	1%	5 Average	230	1%	3 Resilient
	\$109 - \$160,000	120	1%	4 Average +	170	1%	3 Resilient
	\$160,000 +	30	0%	4 Average +	130	1%	2 Resilient +
	Total	1,450	9%		1,480	9%	
Couple Hhld	Up to \$40,000	130	1%	9 Vulnerable - -	270	2%	7 Vulnerable
	\$40 - \$72,000	320	2%	7 Vulnerable	630	4%	5 Average
	\$72 - \$109,000	490	3%	6 Average -	730	5%	4 Average +
	\$109 - \$160,000	760	5%	4 Average +	1,040	7%	2 Resilient +
	\$160,000 +	710	4%	3 Resilient	1,700	11%	1 Resilient ++
	Total	2,410	15%		4,370	28%	
2 Parents 1-2chn	Up to \$40,000	60	0%	9 Vulnerable - -	60	0%	8 Vulnerable -
	\$40 - \$72,000	170	1%	8 Vulnerable -	130	1%	6 Average -
	\$72 - \$109,000	320	2%	6 Average -	420	3%	4 Average +
	\$109 - \$160,000	330	2%	4 Average +	700	4%	2 Resilient +
	\$160,000 +	320	2%	3 Resilient	1,090	7%	1 Resilient ++
	Total	1,200	8%		2,400	15%	
2 Parents 3+chn	Up to \$40,000	-	0%	9 Vulnerable - -	10	0%	8 Vulnerable -
	\$40 - \$72,000	50	0%	8 Vulnerable -	20	0%	6 Average -
	\$72 - \$109,000	60	0%	6 Average -	50	0%	4 Average +
	\$109 - \$160,000	70	0%	4 Average +	90	1%	2 Resilient +
	\$160,000 +	100	1%	3 Resilient	330	2%	1 Resilient ++
	Total	280	2%		500	3%	
1 Parent Family	Up to \$40,000	200	1%	9 Vulnerable - -	120	1%	8 Vulnerable -
	\$40 - \$72,000	180	1%	7 Vulnerable	100	1%	5 Average
	\$72 - \$109,000	100	1%	4 Average +	40	0%	3 Resilient
	\$109 - \$160,000	50	0%	4 Average +	50	0%	3 Resilient
	\$160,000 +	30	0%	4 Average +	80	1%	3 Resilient
	Total	560	4%		390	2%	
Multi-Family Hhlds	Up to \$40,000	-	0%	9 Vulnerable - -	-	0%	7 Vulnerable
	\$40 - \$72,000	-	0%	7 Vulnerable	-	0%	6 Average -
	\$72 - \$109,000	-	0%	6 Average -	-	0%	4 Average +
	\$109 - \$160,000	10	0%	5 Average	-	0%	3 Resilient
	\$160,000 +	80	1%	3 Resilient	40	0%	2 Resilient +
	Total	90	1%		40	0%	
Non-Family Hhlds	Up to \$40,000	40	0%	8 Vulnerable -	-	0%	5 Average
	\$40 - \$72,000	100	1%	7 Vulnerable	-	0%	4 Average +
	\$72 - \$109,000	120	1%	5 Average	-	0%	3 Resilient
	\$109 - \$160,000	210	1%	3 Resilient	10	0%	2 Resilient +
	\$160,000 +	210	1%	3 Resilient	40	0%	1 Resilient ++
	Total	680	4%		50	0%	
Total Households	Up to \$40,000	1,070	7%		1,040	7%	
	\$40 - \$72,000	1,280	8%		1,230	8%	
	\$72 - \$109,000	1,280	8%		1,470	9%	
	\$109 - \$160,000	1,550	10%		2,060	13%	
	\$160,000 +	1,460	9%		3,410	22%	
	Total	6,640	42%		9,210	58%	

Source: ME Queenstown Housing Model 2019