

Trending topics – Housing

Supply of new homes

Is there currently a house ‘building boom’?

In the year ended June 2017, 30,453 new homes were consented across New Zealand. This is near levels last seen in early 2005, but is still well below the all-time peak of over 40,000 homes per year seen in early 1974.

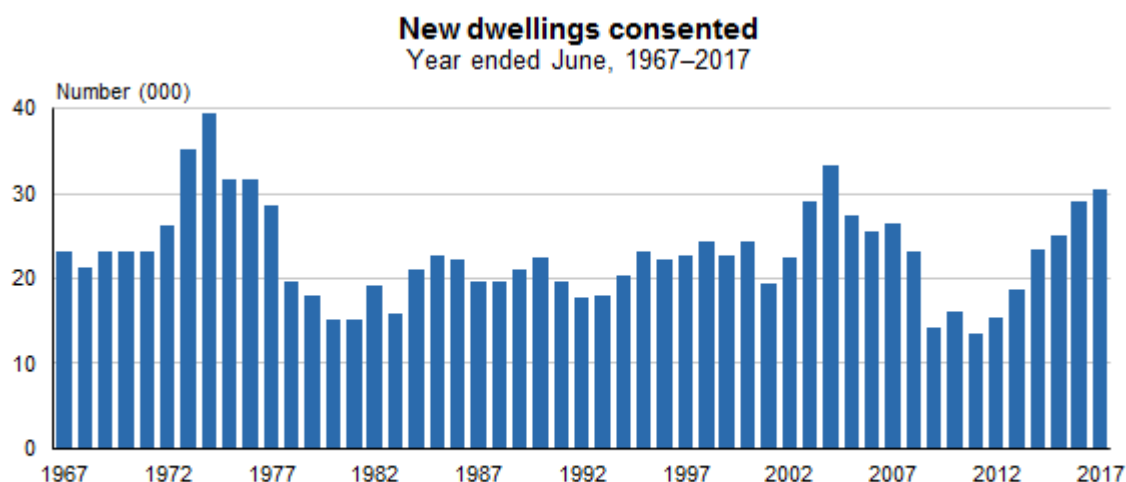
These new homes include stand-alone houses, apartments, townhouses, and retirement village units, but exclude non-residential dwellings such as prisons, hospitals, and hostels.

The average number of new homes consented was about 23,000 a year for the past 50 years. About 97 percent of all homes consented are eventually constructed, and on average their construction is completed about 10 months after the consent was issued, as estimated in recent [experimental dwelling statistics](#).

Was there a house ‘building bust’ during the 2008 global financial crisis?

Home consents began to decline in 2007, and reached a low of 13,236 new homes consented in the July 2011 year. This was the lowest number in about 65 years, and was half the number of consented homes recorded in 2007.

Figure 1



Source: Stats NZ

Where are homes being built?

Just over one-third (10,364) of all new homes consented were for the Auckland region in the year ended June 2017. Canterbury issued the second-highest number of home consents, accounting for 17 percent of the national total.

What types of homes are being built?

Stand-alone houses accounted for 69 percent (21,090) of all new homes consented in the June 2017 year. Apartments accounted for 10 percent (2,913) of all new homes consented; three-quarters of these apartments were intended for Auckland.

Existing stock of homes

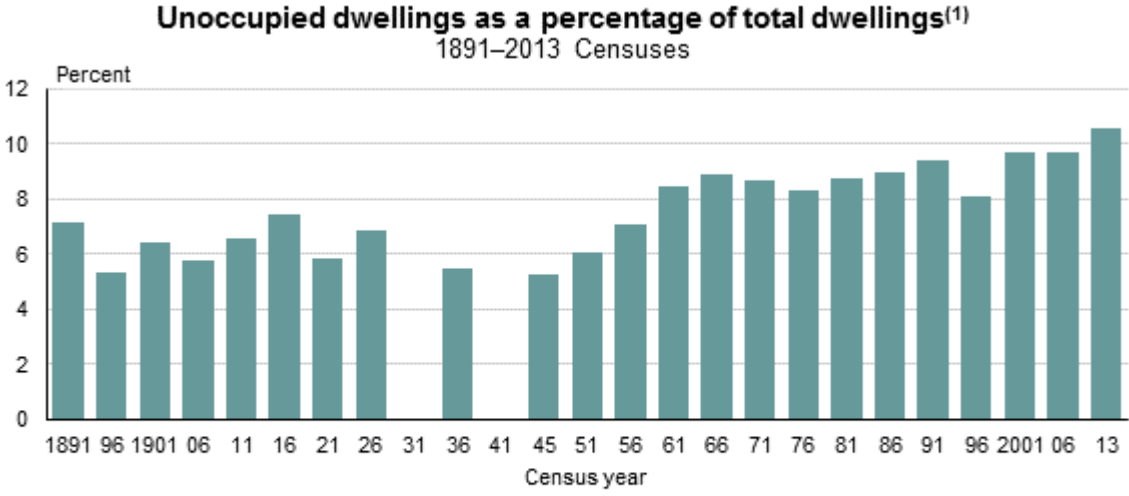
How many homes are there in New Zealand?

[Dwelling and household estimates for the June 2017 quarter](#) show there were 1.84 million private dwellings (homes) in New Zealand (at June 2017). These include stand-alone houses, apartments, townhouses, and retirement village units available for residential use that may be occupied or unoccupied. The estimates do not include non-private dwellings such as prisons, hospitals, and hostels.

How many dwellings are unoccupied?

The last few censuses identified that around 10 percent of dwellings were unoccupied. In these cases the homes may be baches and holiday homes only used part time, or the residents may have been away on census night. As some of the new homes consented are likely to be unoccupied because of part-time usage, we chose to exclude them from our estimate of housing supply.

Figure 2



1. Excludes dwellings under construction.
Note: Census not held in 1931 and 1941.

Source: Statistics New Zealand

Figure 2 from [A century of censuses – dwellings and households](#).

How many people live in each New Zealand home?

On average nearly three people are housed by each private dwelling in New Zealand (see [A century of censuses – dwellings and households](#)). This has changed over time, with just over five people on average living in a single house in the 1880s.

Figure 3

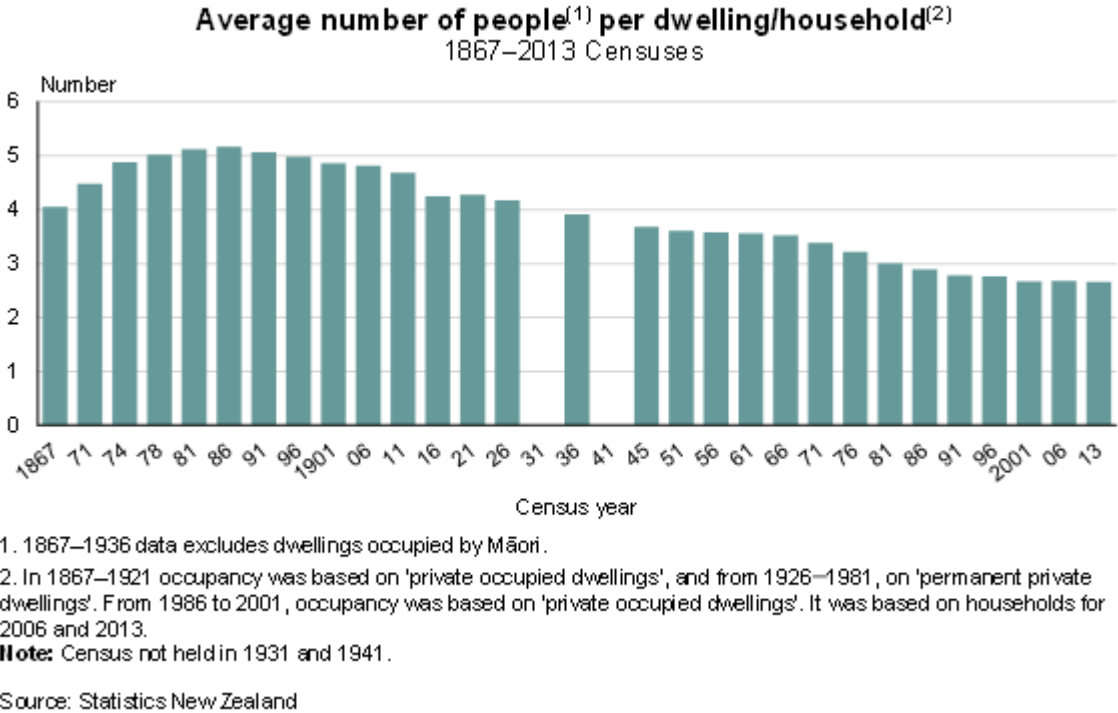


Figure 3 from [A century of censuses – dwellings and households](#).

Is new housing supply keeping up with demand?

Supply of housing can be influenced by many different factors including regulations, new building plans, the cost of building materials, the availability of skilled workers, and zoning rules. Demand for homes is also influenced by a multitude of factors including increasing population, the cost of borrowing, exchange rates, and house prices.

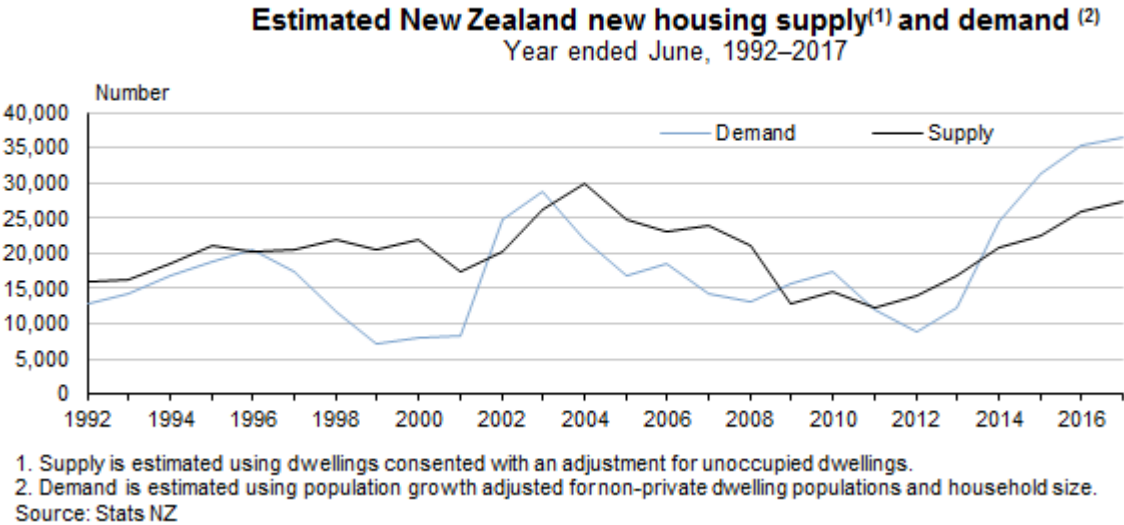
New Zealand’s rising population implies the need for more new homes, assuming an average of about 2.7 people per household. This is a broad guide only.

From an estimated population of 4.41 million in June 2012, the resident population of New Zealand rose to 4.79 million in June 2017.

Just as the population has grown, so has the number of new homes available. Comparing population growth (adjusted for people in non-private dwellings, and average people per private dwelling) with building consents (adjusted for unoccupied dwellings) gives a broad indicator of the balance between housing supply and demand.

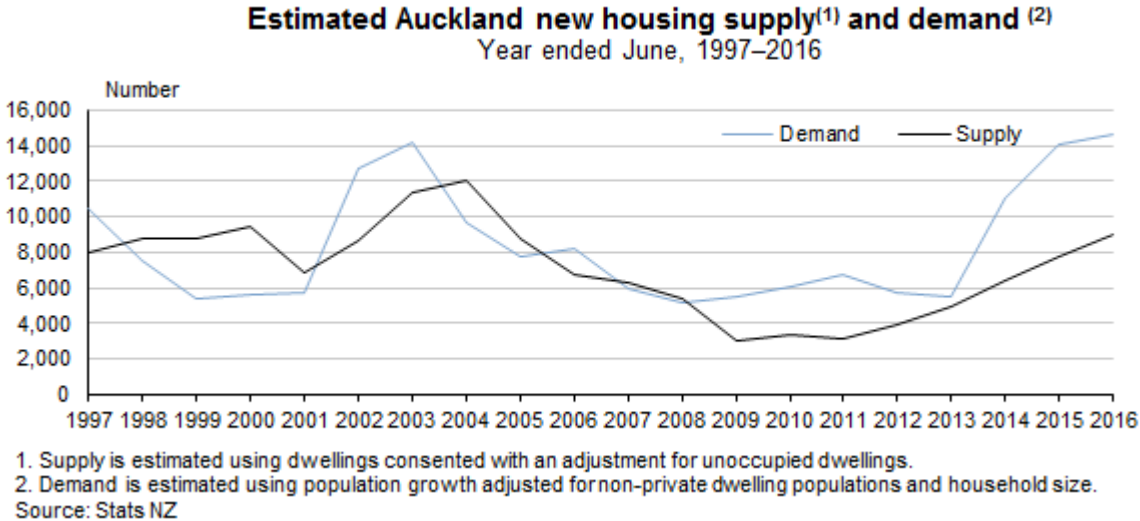
In the year ended June 2017, there was potentially a shortfall of about 9,000 new homes consented compared to what was needed to meet increased demand from a larger population in the same period.

Figure 4



In the year ended June 2016, potentially 6,000 fewer new homes were consented in Auckland than population growth suggested was demanded.

Figure 5



Note: These figures are indicators of the balance between housing supply and demand and may change as more data is looked at in future.



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