



Home Economics is a new ASB report dedicated to in-depth analysis of the New Zealand housing market.

Our first goals for the report are to assess whether or not Auckland has a housing shortage, why, and what this suggests in terms of policy solutions. In this paper, we begin by analysing how people are living in Auckland. We make some observations around the composition of Auckland households, both relative to the rest of NZ and the differences present within Auckland council wards.

### Summary

**Auckland's housing stock has been used with a greater intensity than elsewhere in New Zealand, and this utilisation has increased over time.**

Housing preferences and household circumstances within Auckland are significant contributors to differences in housing utilisation. In 2013, relative to the rest of the New Zealand Auckland had:

- Fewer empty/unoccupied houses;
- More people living in each house;
- More households with 2 or more families in one house (over half of the country's total);
- Faster growth in the number of households with 3 or more people (especially households with more than 6 people); and
- Within Auckland, wards with lower median household income tend to have more people per house.

### Auckland vs. Rest of New Zealand

#### Population – Auckland's population is racing ahead

As at the 2013 census, Auckland's population (extending from Rodney to Franklin) was 1.5 million, or 35% of New Zealand's total population.

Since 2001, **Auckland's population has been growing at 1.7%pa on average. Outside of Auckland**, where the other 65% of the population lives, **the average population growth was only 0.8%pa.**

#### Households – Auckland is fitting more people into its houses

30% of New Zealand's 1.55 million households (people living in privately-occupied dwellings) are in Auckland. Therefore, **35% of NZ's population lives in 30% of NZ's households.** On average, there are 3 people per household in Auckland. Elsewhere, that figure is 2.7.

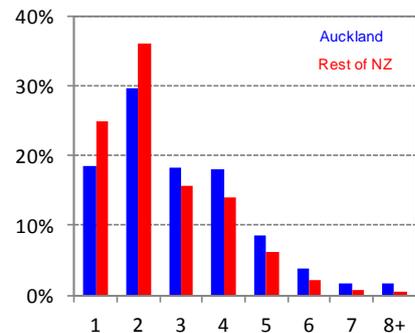
**Household sizes are growing faster in Auckland.** Between 2001 and 2013, **the fastest growing households in Auckland were those with 6 or more residents.** In the rest of New Zealand, the fastest growing households were those with two or fewer residents.

**Most multi-family households are in Auckland. Over half of all 2-family households in New Zealand are found in Auckland.** Further, **nearly 70% of all 3-family households are located in Auckland**, though the absolute number of such households is very small.

#### Dwellings – Auckland uses more houses than elsewhere

**Auckland has a lower proportion of unoccupied dwellings than elsewhere.** Auckland's unoccupied trend is falling (especially since 2006), whereas it is up for the rest of NZ. The share of unoccupied dwellings in Christchurch rose between 2006 and 2013, a legacy of the earthquakes. However, the proportion of unoccupied dwellings excluding Auckland and Canterbury also

RESIDENTS PER HOUSEHOLD



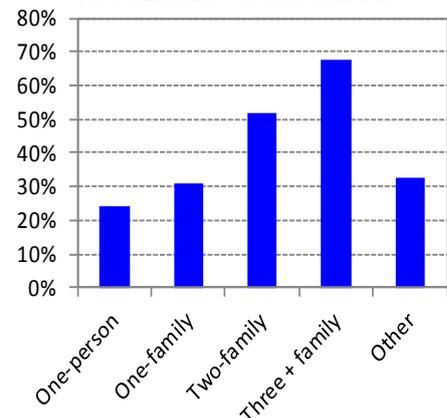
AVERAGE ANNUAL GROWTH RATE (2001 – 2013)

Residents per Household	Auckland	Rest of NZ
One	0.9%	1.3%
Two	1.3%	1.3%
Three	1.8%	0.8%
Four	2.1%	0.9%
Five	1.6%	0.0%
Six +	2.3%	0.2%

HOUSEHOLD COMPOSITION (Census 2013)

Household Comp	Auckland	Rest of NZ
One-family	68.3%	67.6%
Two + family	3.3%	2.3%
One-person	23.5%	25.5%
Multi-person	4.8%	4.6%

PROPORTION OF NZ HOUSEHOLDS IN AUCKLAND



rose, indicating that this was not a Canterbury-only phenomenon.

**The type of houses people live in differs between Auckland and the rest of NZ.** Typical of a city with a large population base, there are more joint dwellings (two or more units, townhouses or apartments) in Auckland than elsewhere (23% vs. 14%). **Auckland is densifying compared to the rest of New Zealand.**

In contrast, 40% of Sydney's the dwellings were medium- or high-density in 2011.

## Wards within Auckland

### Households - large variations in household sizes and compositions

Within Auckland, Waitemata & Gulf Ward had the fewest residents per household at 2.5. At the other end of range were the 3.9 residents per household in the Manukau ward.

**The higher residents per household tended to reflect a higher proportion of multi-family households. 67% of households in the Manukau Ward comprised single families and 13% comprised two families.** Similarly, 9% of households in the Manurewa-Papakura Ward (3.4 residents per household) comprised two families as did 7% of households in the Howick Ward. This is significantly different to the 2% of households in the rest of NZ with two or more families in 2013.

Further, according to "Housing in Auckland: Trends in housing from the Census of Population and Dwellings 1991 to 2013," **Manurewa-Papakura and Manukau Wards have the greatest percentage of people living in crowded houses.**

### Dwellings – many wards have very few empty dwellings

**7% of all dwellings in Auckland were unoccupied\* in 2013.** This average was dragged up by the Rodney and Waitemata & Gulf Wards. In 2013, **over 17% of all dwellings were unoccupied in Rodney Ward and 14% in Waitemata & Gulf Ward.** However, both areas include popular holiday home areas such as Omaha, Matakana and Waiheke.

**The dwelling composition within Auckland also varied between wards.** Those wards with the smallest populations had the highest proportion of separate houses. Similarly, those with bigger populations tended to have more joint dwellings.

\*unoccupied includes empty houses and where residents were away.

### Income – lower incomes linked to larger household sizes

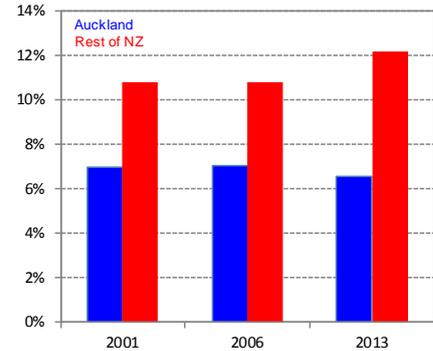
**Wards also varied in terms of median household income.** Those areas with a higher number of residents per household (3 or more) tended to have a lower median household income.

## Overall, what can we observe?

In 2013, Auckland relative to the rest of the country had:

- Fewer empty/unoccupied houses;
- More people living in each house;
- More households with 2 or more families in one house (over half of the country's total multi-family households);
- Faster growth in the number of households with 3 or more people (especially households with more than 6 people); and
- Within Auckland, wards with lower median household income tend to have more people per house.

## UNOCCUPIED DWELLINGS



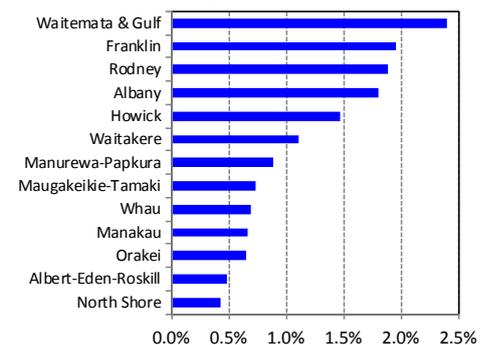
## DWELLING TYPE (Census 2013)

Dwelling Type	Auckland	Rest of NZ
Separate House	70%	79%
Joint Houses	23%	14%
Other	7%	6%

## HOUSEHOLD COMPOSITION BY WARD (Census 2013)

Ward	One-family	Two-family	Other
Rodney	75%	3%	23%
Albany	75%	4%	21%
North Shore	71%	4%	25%
Waitakere	73%	6%	21%
Whau	67%	6%	27%
Waitemata & Gulf	53%	2%	45%
Albert-Eden-Roskill	68%	4%	28%
Orakei	71%	3%	26%
Maugakeikie-Tamaki	64%	6%	30%
Manukau	67%	13%	20%
Franklin	75%	3%	21%
Manurewa-Papakura	71%	9%	21%
Howick	76%	7%	17%

## ANNUAL HOUSEHOLD GROWTH (Average 2001-2013)



## DWELLING TYPE BY WARD (Census 2013)

Ward	Separate House	Joint Dwellings	Other
Rodney	93%	5%	2%
Albany	80%	20%	0%
North Shore	74%	26%	0%
Whau	75%	25%	0%
Waitakere	86%	13%	1%
Waitemata and Gulf	36%	63%	1%
Albert-Eden-Roskill	66%	33%	0%
Orakei	68%	32%	0%
Maugakeikie-Tamaki	63%	37%	0%
Manukau	75%	25%	1%
Franklin	91%	8%	1%
Manurewa-Papakura	86%	13%	0%
Howick	81%	19%	0%

Unfortunately, the data obtainable from Statistics NZ Census is not deep enough to fully understand what is driving the differences we have identified.

**However, it does suggest that there is a mixture of preferences and circumstances at play in Auckland.**

Because of the data limitations, we refrain from drawing conclusions on whether the above means Auckland is suffering from a housing shortage. Instead, we explore some of the preferential and circumstantial influences that might be behind these differences.

**Preferences – Auckland is younger and ethnically diverse**

There may be a preference for having more people per house in Auckland:

- **In 2013 Auckland’s population was slightly younger** (21% in Auckland are 19 years and under c.f. 20% elsewhere), suggesting more children may have been living at home. Furthermore, the share of elderly was lower in Auckland in 2013 (12% vs. 16% elsewhere).
- **Auckland was more ethnically diverse.** Fertility rates and the concept of families differ across ethnic groups.
- Between 2001 and 2006 the share of unoccupied homes was static. Over 2006 and 2013 it fell. At the same time, one dwelling was consented for every 3.3 people between 2001 and 2006, whereas there was one dwelling consented for every 3.7 people between 2006 and 2013. Combined, this suggests that **residential building rates between 2006 and 2013 did not keep up with the population’s preference for the number of homes.**

**Circumstances – affordability constrains choices**

But equally, many of the household composition figures point to circumstantial evidence of a housing shortage. And specifically, these point to a shortage in affordable houses by those on low incomes.

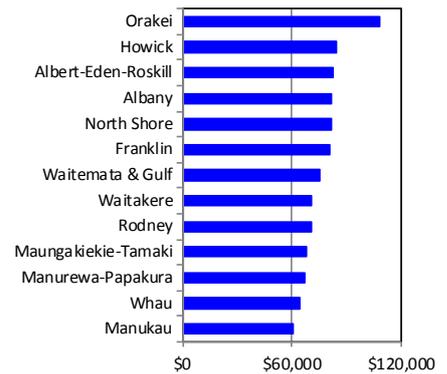
- **Auckland has relatively high house prices compared to income.** Younger people may be living for longer with parents, or flatting for longer with more people per flat than seen elsewhere in the country.
- **Socio-economic drivers are also likely to be one reason for such sharply higher household sizes in lower incomes areas.** For example, the scatter plot above shows the negative relationship between residents per household and income within Auckland wards.

**Next Steps**

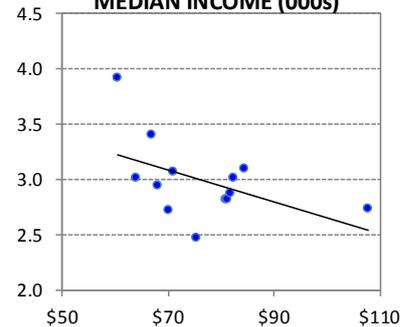
In this paper we have drilled into the detailed composition of Auckland’s households. We have made some observations and discussed some of the potential reasons for the differences we have noticed. At the very least, we can conclude that **Auckland’s housing stock has been used with a greater intensity than elsewhere, and that this utilisation has increased over time.**

The next step will be to see if we can econometrically account for some of the differences, and in doing so, gain some insights into the extent of Auckland’s housing shortage.

**MEDIAN HOUSEHOLD INCOME**



**RESIDENTS/HOUSEHOLD VS. MEDIAN INCOME (000s)**



**AGE PROFILE 2013 Census**

Age	Auckland	Rest of NZ
0 -19 years	21%	20%
65 years +	12%	16%

**ETHNICITY PROFILE 2013 Census**

Ethnicity	Auckland	Rest of NZ
European	54%	69%
Māori	10%	14%
Asian	21%	9%
Pacifica	13%	5%
Other	3%	3%

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