

QUARTERLY MONITORING REPORT

Urban Development Indicators No.8



2024



Te Kaunihera-ā-Rohe o Ngāmotu
NEW PLYMOUTH
DISTRICT COUNCIL
newplymouthnz.com

National Policy Statement on Urban Development

Records Sheet

Document: NPDC Quarterly Monitoring Report
Date: May 2024
Version: 8.0
Next review due: March 2025

Prepare by:



Te Kaunihera-ā-Rohe o Ngāmotu

**New Plymouth
District Council**



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Executive Summary

This report provides an overview of New Plymouth housing and business development capacity for the March 2024 quarter. The report is designed to meet the monitoring requirements of the Government's *National Policy Statement on Urban Development 2020*, which requires local authorities to be well informed about urban development activity and outcomes. As such, this report uses a selection of nationally agreed indicators.

This is our seventh quarterly report reviewing statistical indicators of house prices, housing affordability and housing development, as well as business land (retail, commercial, and industrial) and floor space for the New Plymouth district. Statistical analysis of each data set provides a qualitative overview of our monitoring and the implications for the district.

The New Plymouth district is expected to experience moderate population growth.

New Plymouth Housing and Business Trends

The trends indicate a cooling in the property market with decreasing sale prices but increasing rental prices, suggesting a higher demand in the rental market compared to property sales.

- The average sale price for homes in New Plymouth in 2023 was \$645,000, which represents a -3.9% decrease from the previous year.
- Oākura remains the most expensive suburb, while Waitara is the most affordable suburb.
- Properties in New Plymouth spent an average of 31 days on the market before being sold.
- The median rent increased significantly, reaching \$540, up 10% from the previous year.
- The average property took about 21 days to be rented out.
- Buying a house has become slightly more affordable in the past year due to the drop in median house price.
- Development is primarily taking place through the intensification of existing urban areas or on previously undeveloped residential land, with a significant portion also occurring in rural environments.
- Employment rates in New Plymouth have been steadily improving, with job creation in the tech and services industries. The unemployment rate has remained low, and there is a focus on upskilling the workforce to meet the demands of emerging industries.

Introduction

As a tier 2 local authority, the National Policy Statement and Urban Development (NPS-UD) requires councils to assess housing and business demand and capacity across the district. The New Plymouth District Council and the Taranaki Regional Council must provide sufficient development capacity for the New Plymouth district to meet demand over a 30-year period.

Both the New Plymouth District Council and Taranaki Regional Council recognise that affordable housing is important for people's well-being. For example, high housing costs can leave lower income households with insufficient income to meet other basic needs. Expenditure on housing is a major component of household spending and a key factor in the assessment of housing affordability.

To determine the level of development capacity required to meet the estimated population growth of the New Plymouth District, the NPS-UD requires the New Plymouth District Council and Taranaki Regional Council to:

Every tier 1, 2, and 3 local authority must monitor, quarterly, the following in relation to each urban environment in their region or district:

- (a) The demand for dwellings
- (b) The supply of dwellings
- (c) Prices of, and rents for, dwellings
- (d) Housing affordability
- (e) The proportion of housing development capacity that has been realised:
- (f) Available data on business land

Purpose

The purpose of this report is to review indicators on house prices, housing affordability and housing development, as well as business land (retail, commercial, and industrial) and floor space in the New Plymouth district, for the quarter ending March 2024. The report fulfils the requirements of Clause 3.9 in the NPS-UD, summarising quarterly information for a range of indicators including:

- current house and rental prices and residential and business land capacity by location and type, including changes over time;
- the number of subdivision consents and building consents granted for urban development relative to population growth;
- Indicators of housing and rental affordability; and supply of business space.

Scope and structure of quarterly report

This report contains updated residential and business indicators for the March 2024 quarter. To identify and understand trends, and better develop an overview of the impacts for the New Plymouth District, indicators are organised into groups.

The six residential baseline indicator groups are:

- Housing.
- Rentals.
- Price Efficiency.
- Housing Affordability.
- Provision of new houses.
- Housing Capacity Realised

The two business baseline indicators groups are:

- Employment and growth.
- Supply of business space.

Each data set is presented graphically and accompanied by written explanation or analysis, as well as the data source. Data used in this report is from 2013 to 2023 and is sourced from a variety of sources. Including, but not limited to the Ministry of Housing and Urban Development (HUD) dashboard. A dashboard on the HUD website provides information on a range of market indicators. The data is drawn from:

- Data purchased from Corelogic on housing sales, rating valuation and property attributes.
- Infometrics Regional Economic Profile
- Infometrics Population Projections
- The Ministry of Business, Innovation and Employment (MBIE) tenancy bond database.
- Statistics New Zealand.

The data published in this report from the dashboard was updated in April 2024 which includes a full data set for 2023.

To understand general trends around New Zealand and for comparative purposes, this report includes information on other tier 2 urban environments of a similar size and growth rate as the New Plymouth District; namely, Whangarei, Hastings and Nelson.

For the purpose of this report, all indicators relate to the wider New Plymouth District area.

Overview of population growth in the New Plymouth District

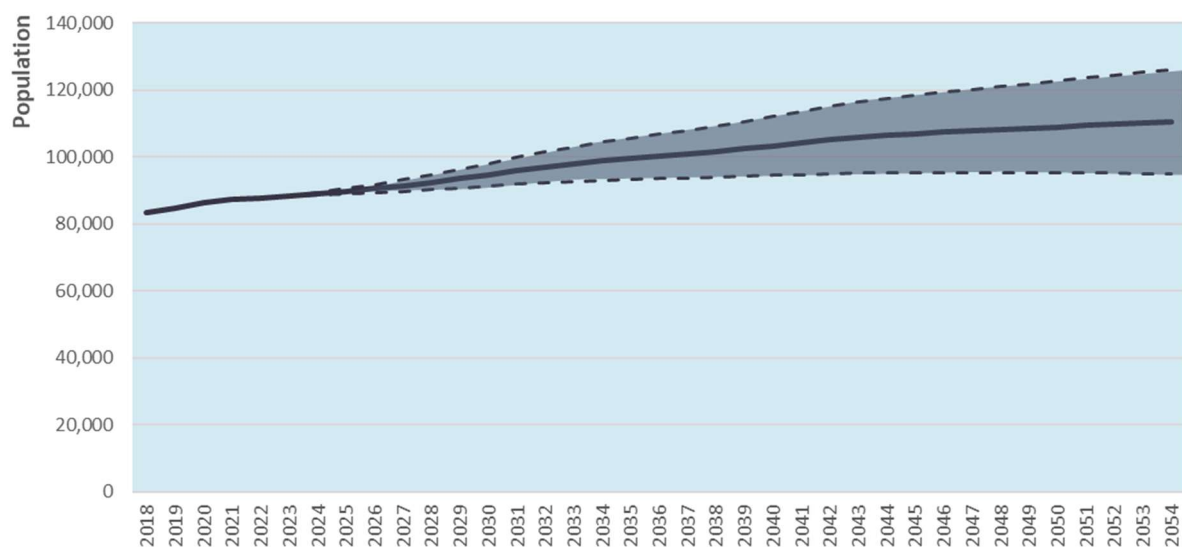
The New Plymouth District is situated in the wider Taranaki region and covers an area of 2,205 square kilometres, including both rural and urban areas. One of the resource management issues the district faces is planning for growth and development, whilst ensuring that the needs of the community are met and any adverse effects on the environment are avoided, remedied or mitigated.

NPDC, Venture Taranaki, South Taranaki District Council, Stratford District Council and Taranaki Regional Council have subscribed to the new Population Projections service provided by Infometrics. The Infometrics Population Projections uses a unique methodology that draws on a region's economic outlook as well as its demographic drivers to give a realistic population projection for our local area.

The Infometrics population projection data is economically driven, using regional employment forecasts to inform net migration projection. The approach builds upon the established cohort component approach, meaning they consider how births, deaths, migration, household formation and labour force participation affect the population at each stage of life. This means that the projections reflect both demographic processes and the economic prospects of an area

Anticipated growth in the New Plymouth district is projected at 9,800 people (8.3%) in the next decade, reaching approximately 98,800, and 110,400 over the next 30 years (by the end of 2054).

New Plymouth District Population Growth



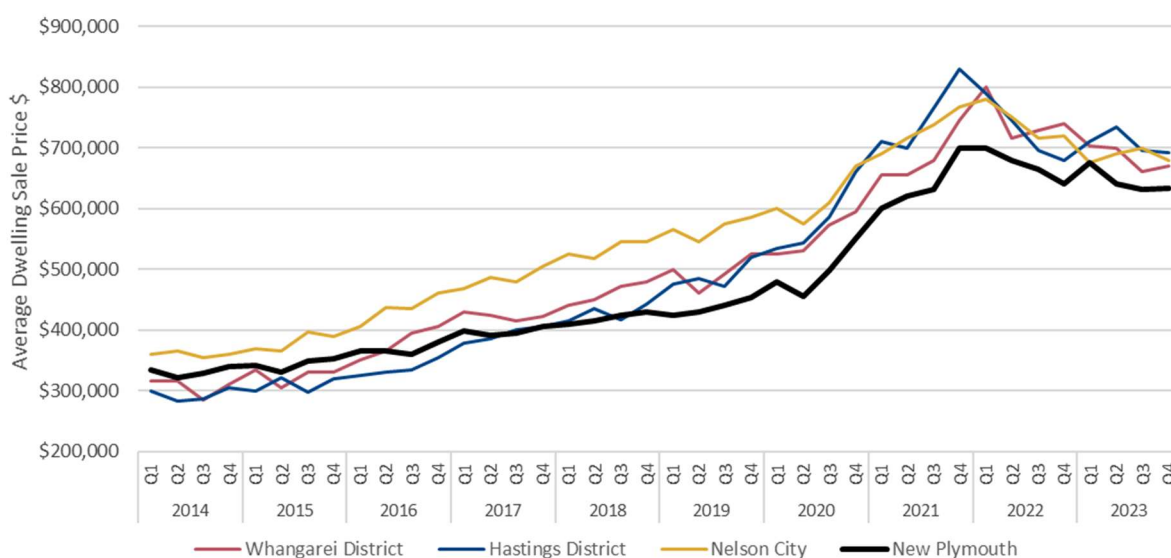
Source: New Plymouth Infometrics Projections

Residential Indicators

This section summarises information on residential trends on supply and demand sourced from Ministry for the Environment (MFE) NPS-UD Dashboard, Internal NPDC data and Statistics NZ. It has been supplemented by specific local authority measures of housing age and type.

Residential Indicators Group 1: Housing

Indicator 1: Price for housing-dwelling sale price (actual)



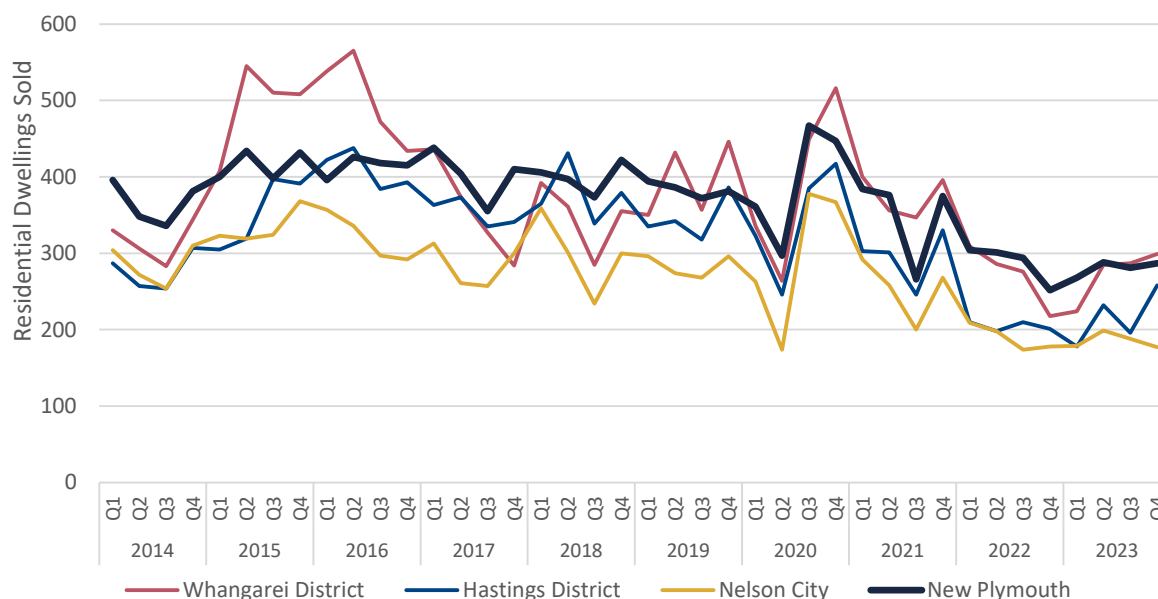
Source: HUD Urban Development Capacity Dashboard, Last updated May 2024

Observations

| | 2014 | 2020 | 2023 | Short Term % Change 2020-2023 | Medium Term % Change 2014-2023 |
|---------------------|------------------|------------------|------------------|-------------------------------------|---|
| Sale Price | | | | | |
| New Plymouth | \$330,900 | \$495,500 | \$644,800 | 30% ↑ | 95% ↑ |
| Whangarei | \$306,300 | \$555,500 | \$683,300 | 23% ↑ | 123% ↑ |
| Hastings | \$293,800 | \$581,000 | \$708,100 | 22% ↑ | 141% ↑ |
| Nelson | \$360,000 | \$613,500 | \$686,300 | 12% ↑ | 91% ↑ |

Between 2014 and 2023, there was a noticeable medium-term increase in house prices throughout the New Plymouth District. However, over the last two years, there has been a slight downturn in the average house price across all regions, reflecting the ongoing dynamics of the housing market in New Zealand. This decrease is estimated to be around 10%, although it still keeps house prices above pre-COVID levels. Over the course of a decade, the average annual rise in house prices in the New Plymouth district stood at 9.5% per year, compared to the range of 9-14% observed in districts of similar size across New Zealand.

Indicator 2: Dwellings sold.



Source: HUD Urban Development Capacity Dashboard, Last updated May 2024

Observations

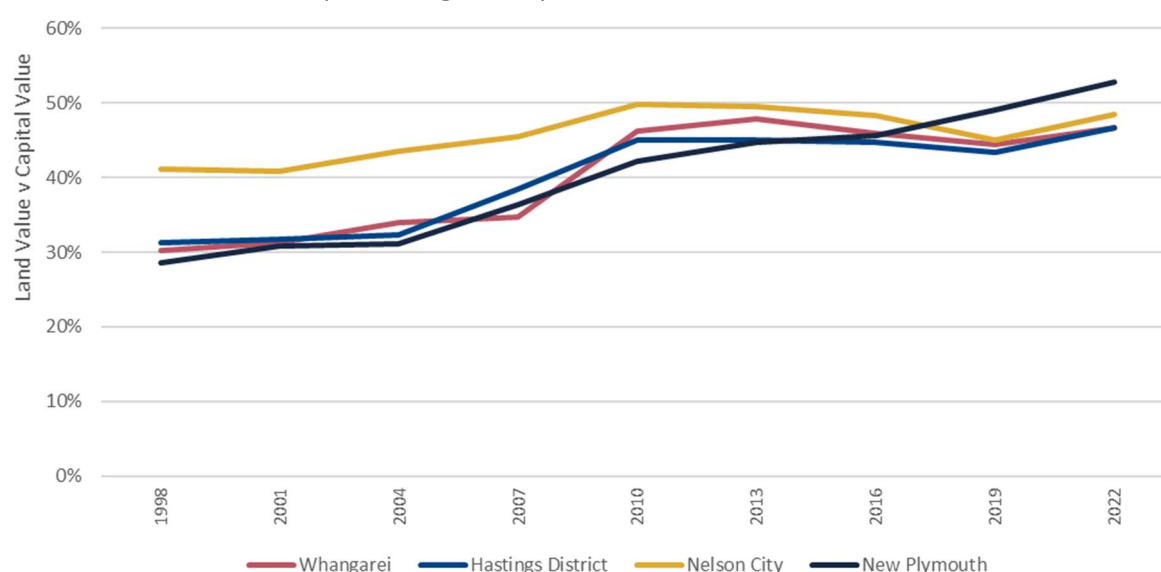
| Dwellings Sold | 2014 | 2020 | 2023 | Short Term % Change 2020-2023 | Medium Term % Change 2014-2023 |
|----------------|-------|-------|-------|-------------------------------------|--------------------------------------|
| New Plymouth | 1,460 | 1,570 | 1,120 | -23% ↓ | -29% ↓ |
| Whangarei | 1,260 | 1,570 | 1,100 | -30% ↓ | -13% ↓ |
| Hastings | 1,110 | 1,370 | 860 | -37% ↓ | -23% ↓ |
| Nelson | 1,140 | 1,180 | 740 | -37% ↓ | -35% ↓ |

Over the past decade, an average of 370 dwellings were sold per quarter in the New Plymouth District, totalling 1,479 per year. However, there has been a decline in house sales in 2023 compared to previous years, a trend observed across all comparable districts.

The number of dwellings sold often reflects both the sale price of housing and the balance between housing supply and demand in these areas. Generally, fluctuations in house prices correlate with changes in the number of dwellings traded. For instance, when house prices decrease or remain stagnant, the number of dwellings traded tends to decrease. This pattern mirrors the current situation across New Zealand.

There has been a consistent decrease in the number of house sales in the fourth quarter of each year. This is common in the property market, generally coinciding with the beginning of the Christmas season.

Indicator 3: Land value as percentage of capital value



Source: HUD Urban Development Capacity Dashboard, Last updated January 2024

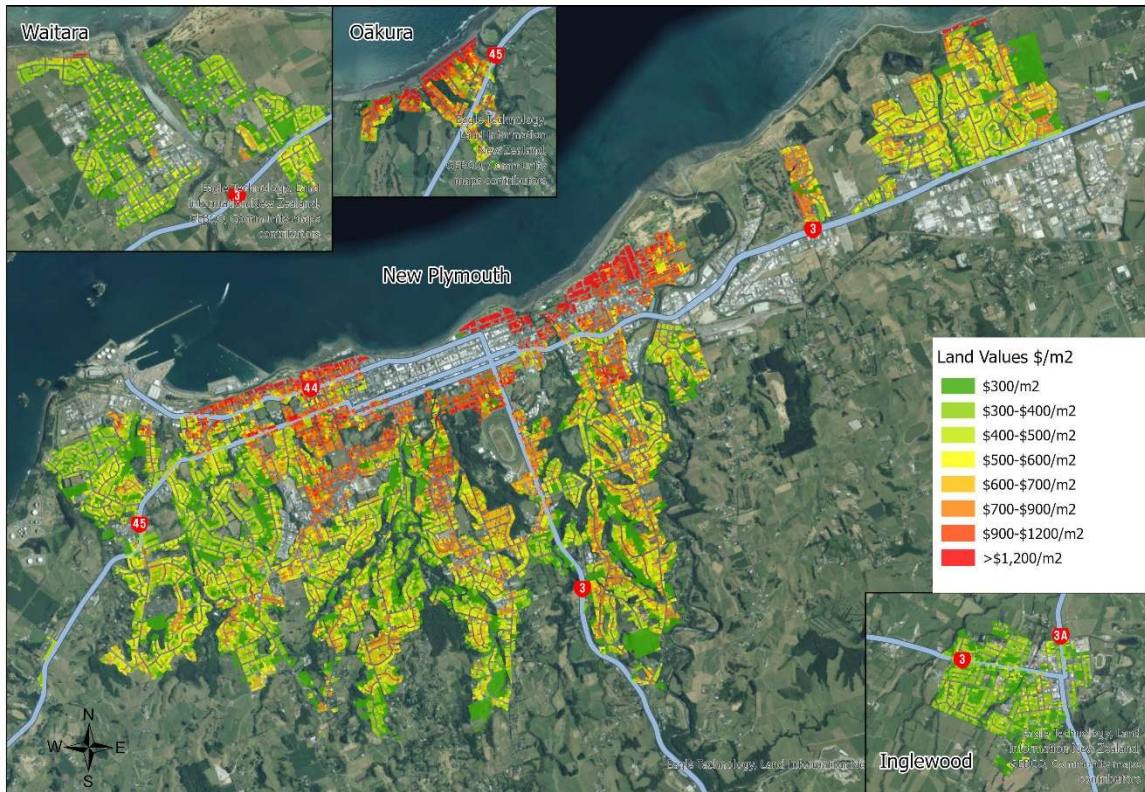
Information regarding the proportion of land value to capital value is obtained from Quotable Value every three years. This data reveals the approximate share of property values attributed to land costs during each valuation cycle. A greater ratio signifies that land holds a higher value relative to the structures situated upon it.

Observations

| LV % CV | 2013 | 2019 | 2023 | Short Term % Change 2019-2023 | Medium Term % Change 2013-2023 |
|--------------|------|------|------|-------------------------------------|--------------------------------------|
| New Plymouth | 45% | 49% | 53% | 5% ↑ | 14% ↑ |
| Whangarei | 46% | 44% | 47% | 7% ↑ | -1% ↓ |
| Hastings | 45% | 43% | 47% | 6% ↑ | 2% ↑ |
| Nelson | 49% | 45% | 48% | 31% ↑ | 20% ↑ |

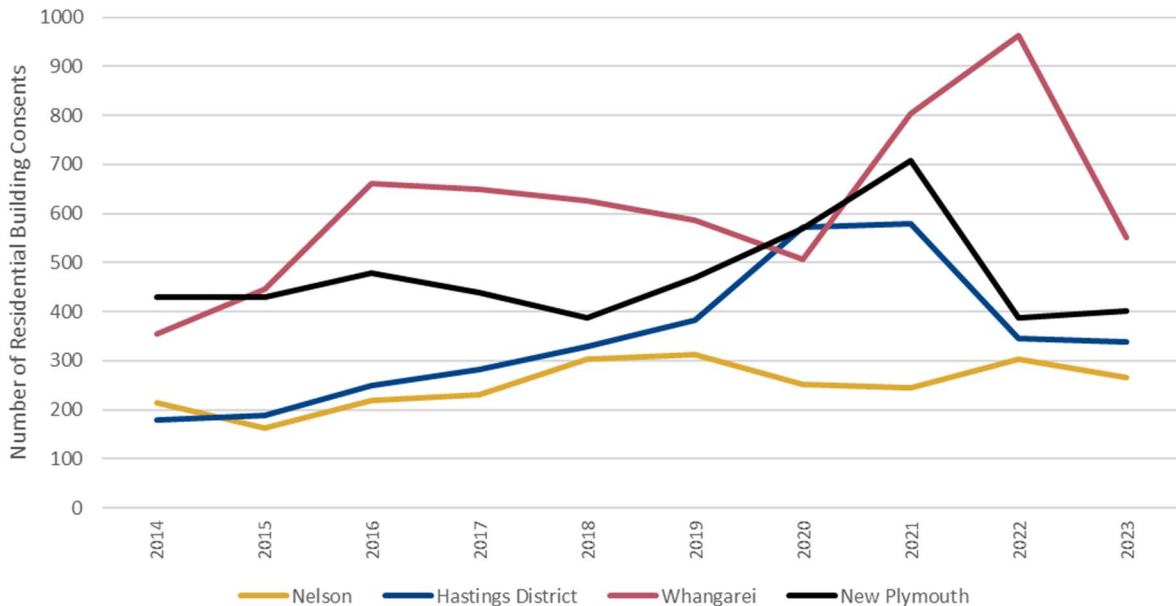
Over the span of nine years, from 2013 to 2023, the proportion of land value to capital value experienced a gradual rise throughout the New Plymouth District. This upward trend suggests that over time, land is gaining more value relative to the dwellings situated upon it. When compared to similar districts, New Plymouth exhibits a higher cost of land as a portion of the total quotable value.

Proximity to sought-after amenities like the beach, sea views, or the city centre significantly impacts house prices, often leading to higher values. Properties along the coastline or with panoramic sea vistas command premiums due to their desirable locations and lifestyle appeal. Similarly, homes in city centres are in high demand, offering convenient access to cultural attractions, dining options, and employment opportunities, which drives up their market value. Additionally, residences with easy access to essential amenities such as schools and transportation hubs tend to fetch higher prices, reflecting the importance of convenience in real estate decision-making. Overall, location remains a key determinant of property prices, with proximity to desirable features playing a pivotal role in shaping market values.



Source: Quotable Valuation Data 2023

Indicator 4: Number of residential dwelling building consents



Source: Statistics NZ (InfoShare), January 2024

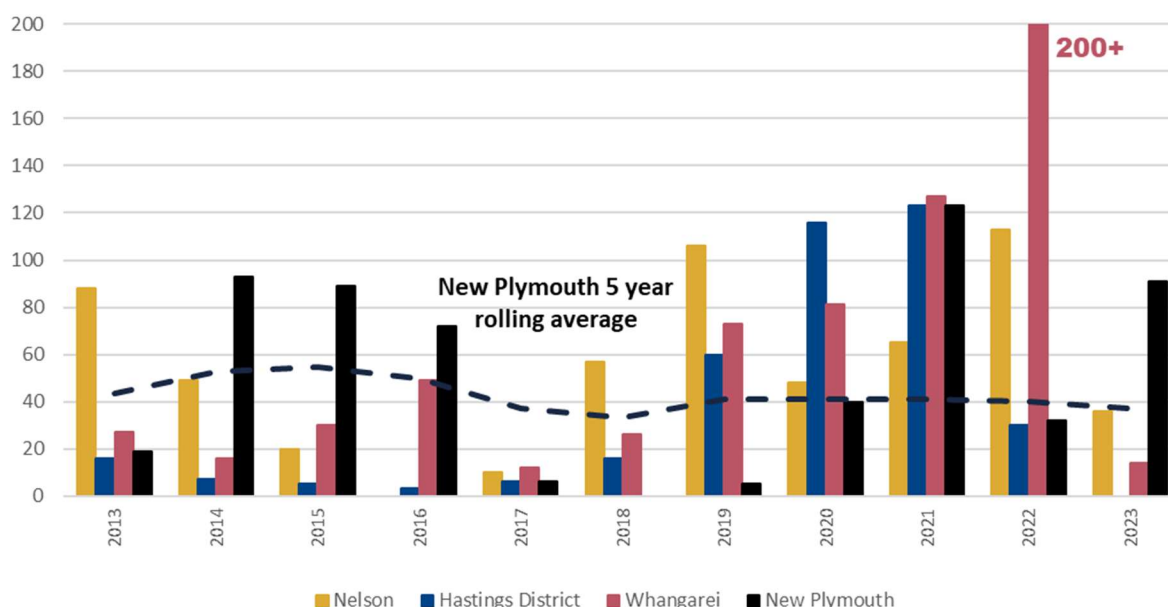
The number of consents for residential dwelling construction across the New Plymouth District per calendar year can be determined up to 2023. These are classified as: dwellings, houses, apartments, townhouses, units and other dwellings and retirement villages.

Observations

| Residential Building Consents | 2014 | 2020 | 2023 | Short Term % Change 2020-2023 | Medium Term % Change 2014-2023 |
|-------------------------------|------|------|------|-------------------------------|--------------------------------|
| New Plymouth | 429 | 571 | 401 | -30% ↓ | -7% ↓ |
| Whangarei | 354 | 507 | 552 | 9% ↑ | 56% ↑ |
| Hastings | 180 | 573 | 339 | -41% ↓ | 88% ↑ |
| Nelson | 215 | 253 | 266 | 5% ↑ | 24% ↑ |

In the last decade, there has been an average of 470 residential building consents issued annually for new dwellings, encompassing retirement village villas and townhouses. The number of residential consents in New Plymouth has remained stable, hovering around 400 since 2013. However, in 2021, amidst the COVID-19 pandemic, there was a notable spike, with 700 consents issued that year. Subsequently, in 2022 and 2023, the number of consents dropped back down to around 400 per year.

Retirement Village Building Consents



Source: Statistics NZ (InfoShare), January 2024

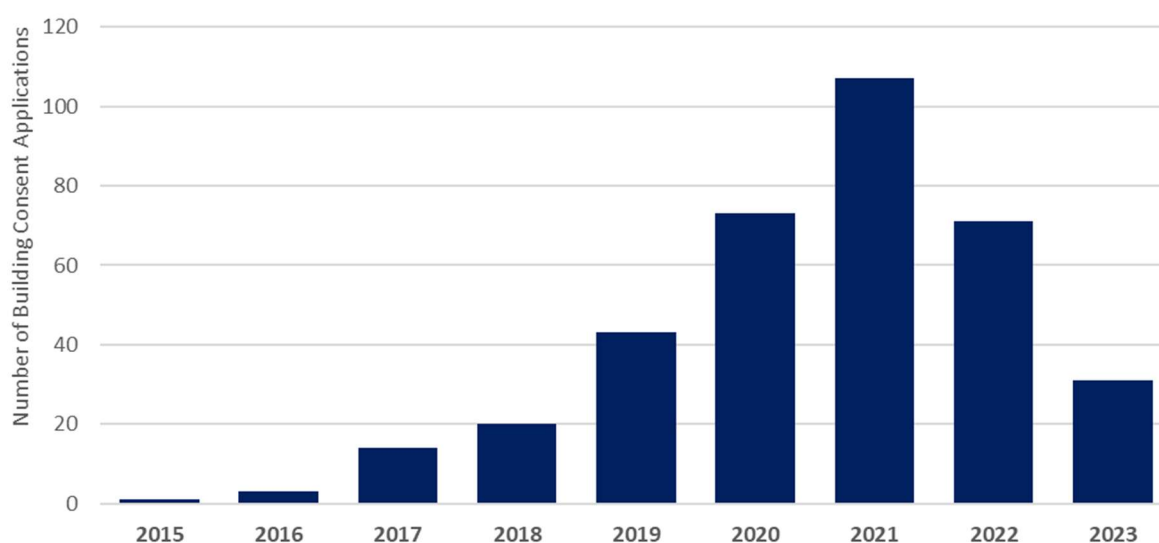
Between 2021 and 2023, we saw a surge in applications from a retirement village in Bell Block, proposing over 240 villas, cottages, and serviced apartments, each considered a new dwelling. This marked a notable comparison from 2018, during which no such applications were received, resulting in significant spikes and data upticks. A similar trend unfolded in Whangarei, where in 2022, consent was granted for over 200 new retirement village-style dwellings, compared to a mere 14 in 2023. Analysing a five-year rolling average for New Plymouth, approximately 40 new retirement village dwellings per year would be expected. These observations underscore the considerable fluctuations in data, particularly evident in the short and medium terms.

Observations

| Resthome Building Consents | 2014 | 2020 | 2023 | Short Term % Change 2019-2022 | Medium Term % Change 2013-2022 |
|----------------------------|------|------|------|-------------------------------|--------------------------------|
| New Plymouth | 93 | 40 | 91 | 128% | -2% ↓ |
| Whangarei | 16 | 81 | 14 | -83% ↓ | -13% ↓ |
| Hastings | 7 | 116 | 0 | -100% ↓ | -100% ↓ |
| Nelson | 49 | 48 | 36 | -25% ↓ | -27% ↓ |

Transportable/prefabricated Dwelling Building Consents

In the New Plymouth District, several onsite building manufacturers have specialised in crafting transportable or prefabricated houses over the years. Although a few smaller manufacturers have ceased operations, the dominant player in this industry remains. This is reflected in the number of building consent applications for transportable dwellings over the past two years. These consents, categorised as new residential building consents, maintain their classification based on where the transportable or prefabricated dwellings are constructed (e.g., the factory's location), rather than their eventual destination, which may lie within a different territorial authority area, potentially involving relocation outside the district.

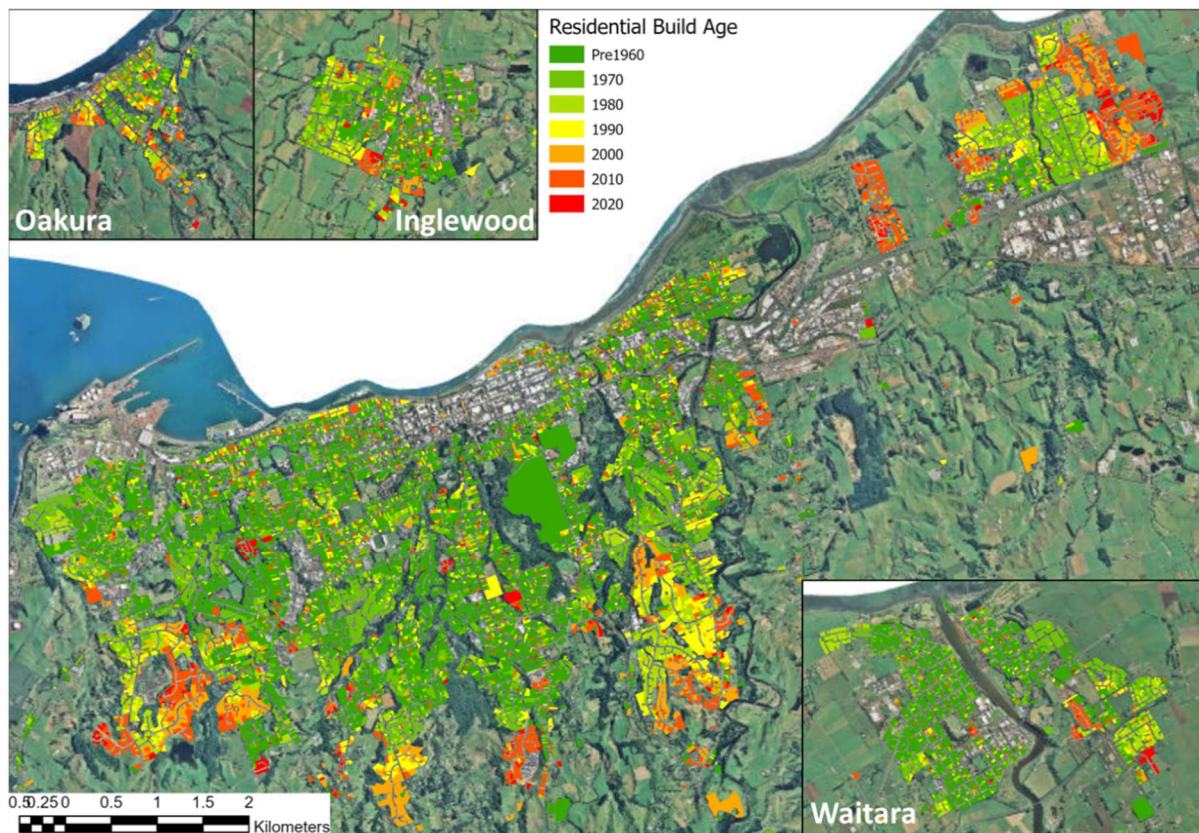


Source: NPDC Internal Data, March 2024

The trend of transportable/relocatable dwellings reached its peak in 2021, with over 100 consents granted. However, the number of consents declined along with the overall trend in 2022, and this decline has persisted into 2023. Nevertheless, we anticipate that there will still be a number of transportable consents in the future in New Plymouth.

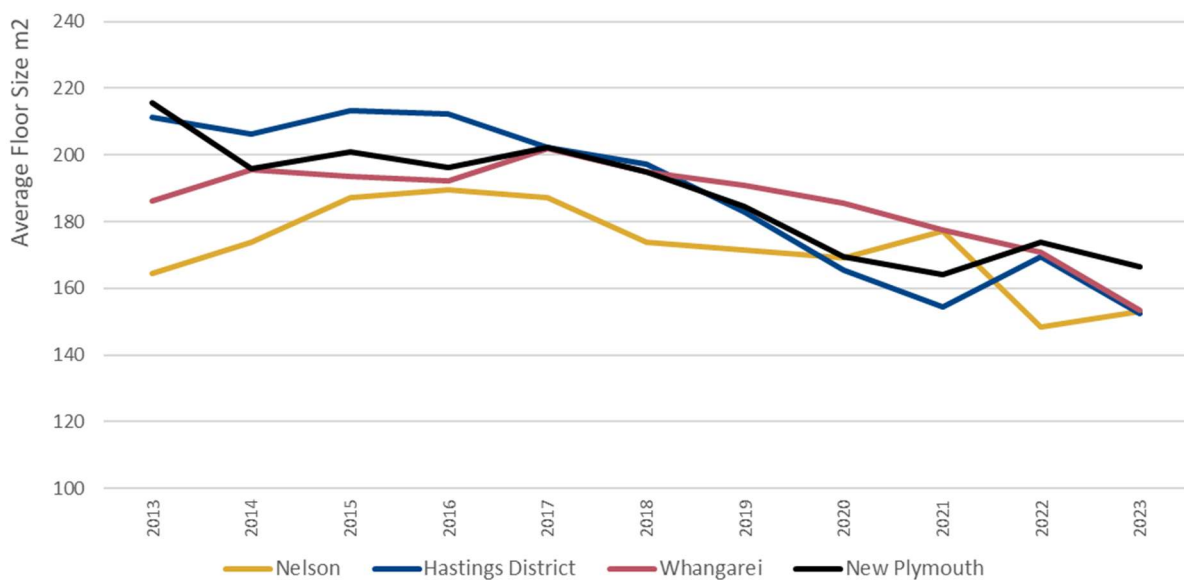
Age of dwellings by location to 2022

Residential Dwelling Build Date – 2022 QV Data



Source: Quotable Valuation Data 2022

Indicator 5: Average Floor Size per Residential Building



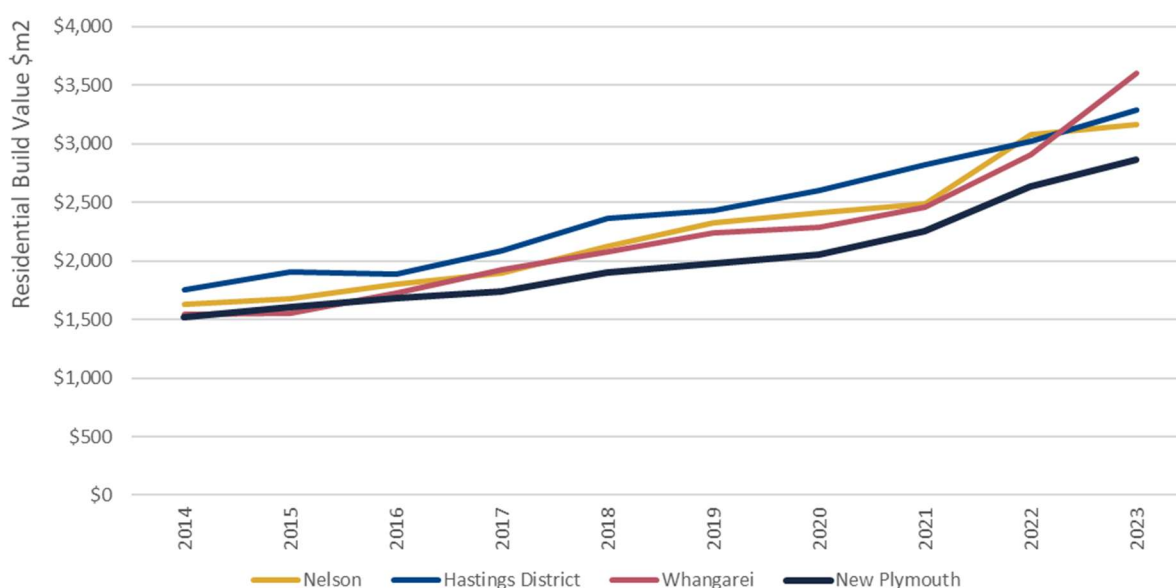
Source: Statistics NZ (InfoShare), January 2024

Observations

| Average Floor Size | 2014 | 2020 | 2023 | Short Term % Change 2020-2023 | Medium Term % Change 2014-2023 |
|--------------------|--------------------|--------------------|--------------------|-------------------------------------|--------------------------------------|
| New Plymouth | 196 m ² | 170 m ² | 167 m ² | -2% ↓ | -15% ↓ |
| Whangarei | 195 m ² | 185 m ² | 154 m ² | -17% ↓ | -21% ↓ |
| Hastings | 206 m ² | 165 m ² | 152 m ² | -8% ↓ | -26% ↓ |
| Nelson | 174 m ² | 169 m ² | 153 m ² | -10% ↓ | -12% ↓ |

Over the past decade, there has been a gradual decrease in the average house size throughout New Plymouth District, a trend mirrored in other similarly sized districts. This decline can be attributed to two primary factors influencing floor space reduction. Firstly, the increase of prefabricated dwellings, characterised by their smaller floor area designed for ease of transportation. These dwellings typically have an average floor size of 82m², ranging from as little as 27m² to 155m². Secondly, the rising construction of townhouses and villas by a retirement villages has contributed to this trend. These accommodations, tailored to cater to the needs of the older generation, primarily one to two person households, also tend to feature smaller floor areas. The growing demand for these two types of dwellings is driven by considerations such as building costs, available section size, and the aging demographic of the population.

Indicator 6: Average value per square meter for residential building dwelling consent



Source: Statistics NZ (InfoShare), January 2024

Observations

| Average Build Cost \$/m ² | 2014 | 2020 | 2023 | Short Term % Change 2020-2023 | Medium Term % Change 2014-2023 |
|--------------------------------------|---------|---------|---------|-------------------------------------|--------------------------------------|
| New Plymouth | \$1,631 | \$2,411 | \$3,160 | 39% ↑ | 89% ↑ |
| Whangarei | \$1,540 | \$2,282 | \$3,600 | 58% ↑ | 134% ↑ |

| | | | | | |
|-----------------|---------|---------|---------|-------|-------|
| Hastings | \$1,753 | \$2,604 | \$3,285 | 26% ↑ | 87% ↑ |
| Nelson | \$1,631 | \$2,411 | \$3,160 | 31% ↑ | 94% ↑ |

Over the last decade, the average build cost per square meter for residential houses in New Plymouth District and comparable regions has experienced a notable uptick. Typically, there has been an annual increase of approximately 9% across most districts, though Whangarei stands out with a more pronounced escalation, surpassing 13% per annum. This escalation in costs is primarily attributed to various factors, one being the significant rise in the prices of building products over the past three years. The onset of the COVID-19 pandemic exacerbated this trend, with heightened demand for construction materials coupled with disruptions in the global supply chain leading to shortages. As a result, the cost of building materials soared, contributing significantly to the overall increase in construction expenses across New Zealand's residential sector.

Summary on housing indicators for New Plymouth District

| | New Plymouth District | |
|-------------------------|-----------------------|----------------------|
| | Short Term % Change | Medium Term % Change |
| 1. Dwelling sales price | ↑ | ↑ |
| 2. Dwellings sold | ↓ | ↓ |
| 3. LV % CV | ↑ | ↑ |
| 4. Number of Consents | ↓ | ↓ |
| 5. Average floor size | ↓ | ↓ |
| 6. Average value \$m2 | ↑ | ↑ |

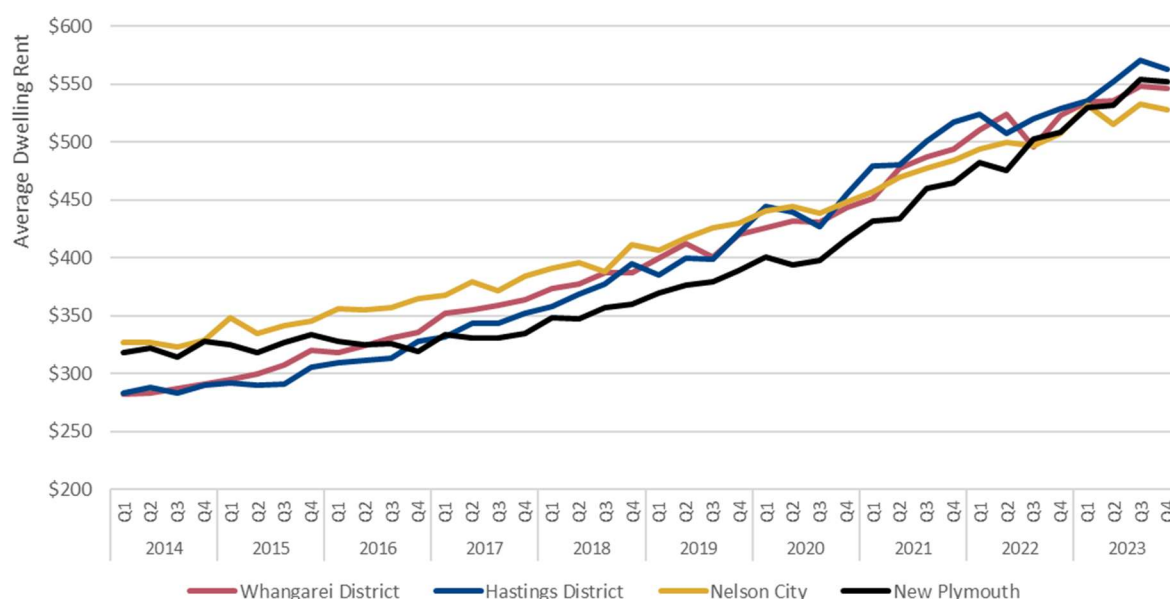
In summary, the housing indicators discussed above provide information on the relative 'health' of the property market across the New Plymouth District, including major trends and how they could be influenced by growth and development.

Looking closely, we see a mix of good and bad news. House prices in New Plymouth have dropped in the last two years, but it's still more expensive than before COVID-19. Because of this price drop, fewer houses are being sold, and fewer new houses are being built. The overall cost of building a house keeps going up, which makes it even harder for people to afford to build new home.

So, it's a bit of a balancing act in the housing market in New Plymouth. Different things like prices and building costs all affect each other and change how the market behaves.

Residential Indicators Group 2: Rent

Indicator 7: Dwelling Rents



Source: HUD Urban Development Capacity Dashboard, Last updated May 2024

Observations

| Average Rent | 2014 | 2020 | 2023 | Short Term % Change (2020-2023) | Medium Term % Change (2014-2023) |
|--------------|-------|-------|-------|---------------------------------------|--|
| New Plymouth | \$318 | \$398 | \$542 | 36% ↑ | 70% ↑ |
| Whangarei | \$284 | \$430 | \$541 | 26% ↑ | 91% ↑ |
| Hastings | \$285 | \$437 | \$556 | 27% ↑ | 95% ↑ |
| Nelson | \$326 | \$441 | \$527 | 20% ↑ | 62% ↑ |

Over the last decade, rents in the New Plymouth District have been on the rise, increasing by an average of about 7% each year. However, this rise in rent is slower compared to the increase in house prices, which has been around 9%. Looking ahead, rents are anticipated to keep climbing in the future, much like they have in the past, alongside a general increase in the cost of living.

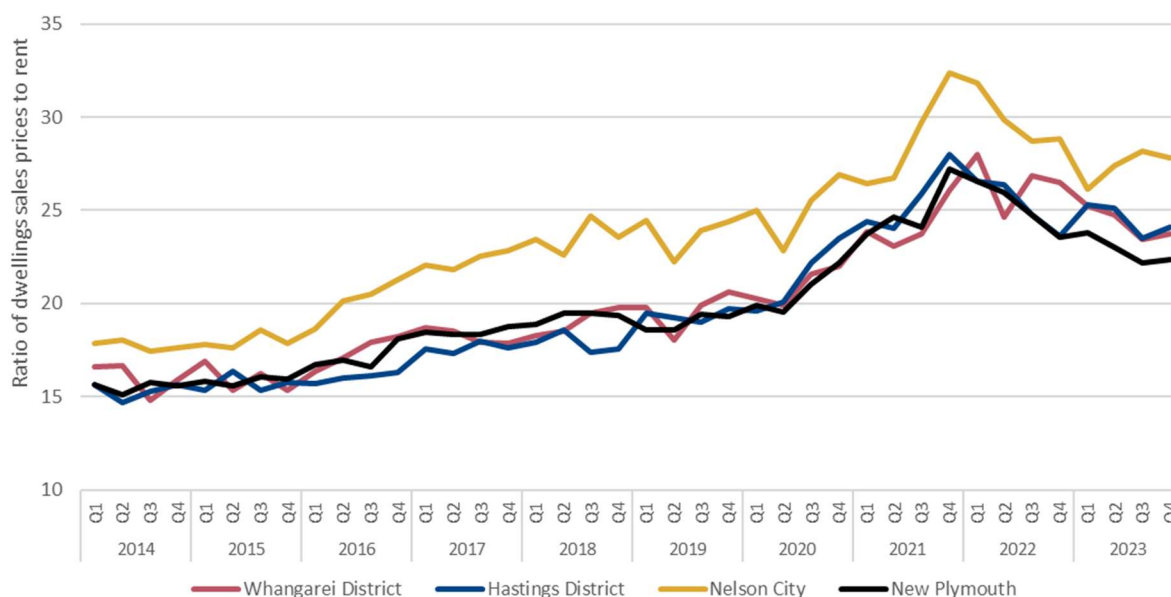
Indicator 8: Rentals per dwelling type New Plymouth

| | Median Rent | | | | |
|----------------|-------------|--------|--------|--------|--------|
| | Feb 20 | Feb 21 | Feb 22 | Jan 23 | Jan 24 |
| One bedroom | \$268 | \$268 | \$255 | \$314 | \$309 |
| Two bedrooms | \$335 | \$360 | \$424 | \$459 | \$512 |
| Three bedrooms | \$420 | \$495 | \$517 | \$554 | \$760 |

Source: Tenancy New Zealand – Market Rent Data, January 2024

Rental costs have risen for all types of bedrooms. The biggest increase over the last year has been observed in three-bedroom dwellings. This might suggest a growing demand for larger homes, but it could also be an exception. We'll keep an eye on this type of dwelling to see if this trend persists.

Indicator 9: Ratio of dwelling sales prices to rent



Source: HUD Urban Development Capacity Dashboard, Last updated May 2024

Observations

| | 2014 | 2020 | 2023 | Short Term % Change (2020-2023) | Medium Term % Change (2014-2023) |
|---------------------|-------------|-------------|-------------|---------------------------------------|--|
| New Plymouth | 15.5 | 20.7 | 22.9 | 11% ↑ | 47% ↑ |
| Whangarei | 16.0 | 20.9 | 24.3 | 16% ↑ | 52% ↑ |
| Hastings | 15.3 | 21.3 | 24.5 | 15% ↑ | 60% ↑ |
| Nelson | 17.7 | 25.1 | 27.4 | 9% ↑ | 54% ↑ |

Recently, we've observed a small decline in the ratio of rent to house prices in New Plymouth. This is because rent has been steadily increasing while house prices have dropped over the past two years. The current ratio in New Plymouth is 22.9. Despite this decrease, it remains more affordable to rent than to buy a new home across all similar districts.

Summary on rental indicators for New Plymouth District

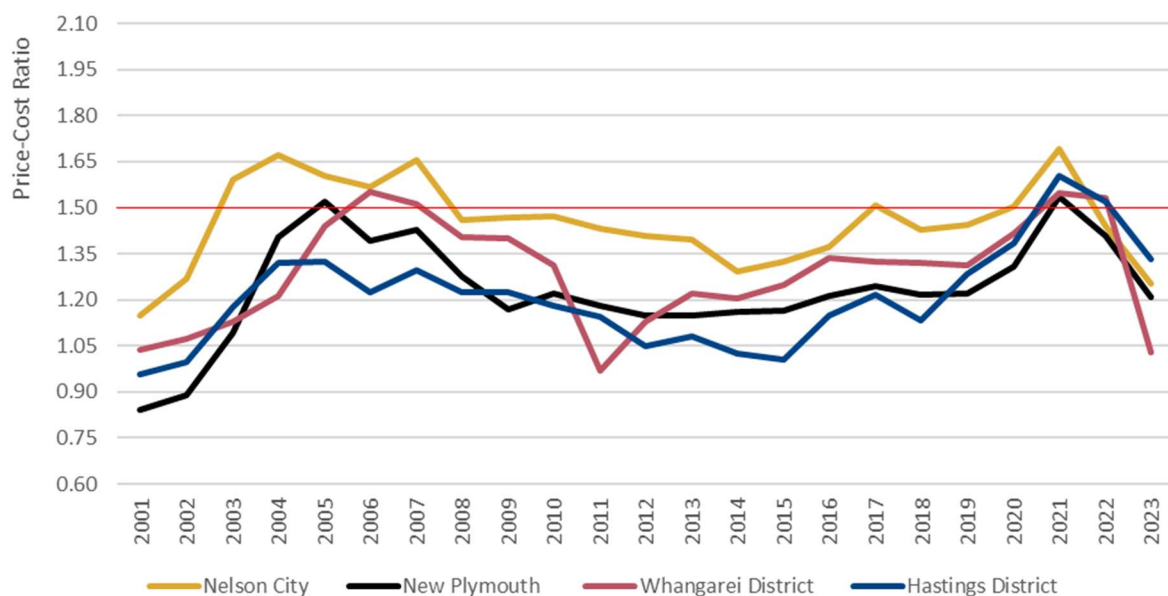
| | Short Term % Change | Medium Term % Change |
|--|---------------------|----------------------|
| 7. Dwelling rents | ↑ | ↑ |
| 8. Rentals per dwelling type | ↑ | ↑ |
| 9. Ratio of dwelling sale prices to rent | ↑ | ↑ |

In summary, rental costs have been steadily increasing over the past ten years, while house prices have shown more variability. Although the affordability of renting is approaching that of buying a new home, it is still currently cheaper to rent in New Plymouth.

Residential Indicators Group 3: Price Efficiency

The price efficiency indicators provided by the Urban Development dashboard to help Councils to understand how their local markets are responding to growth.

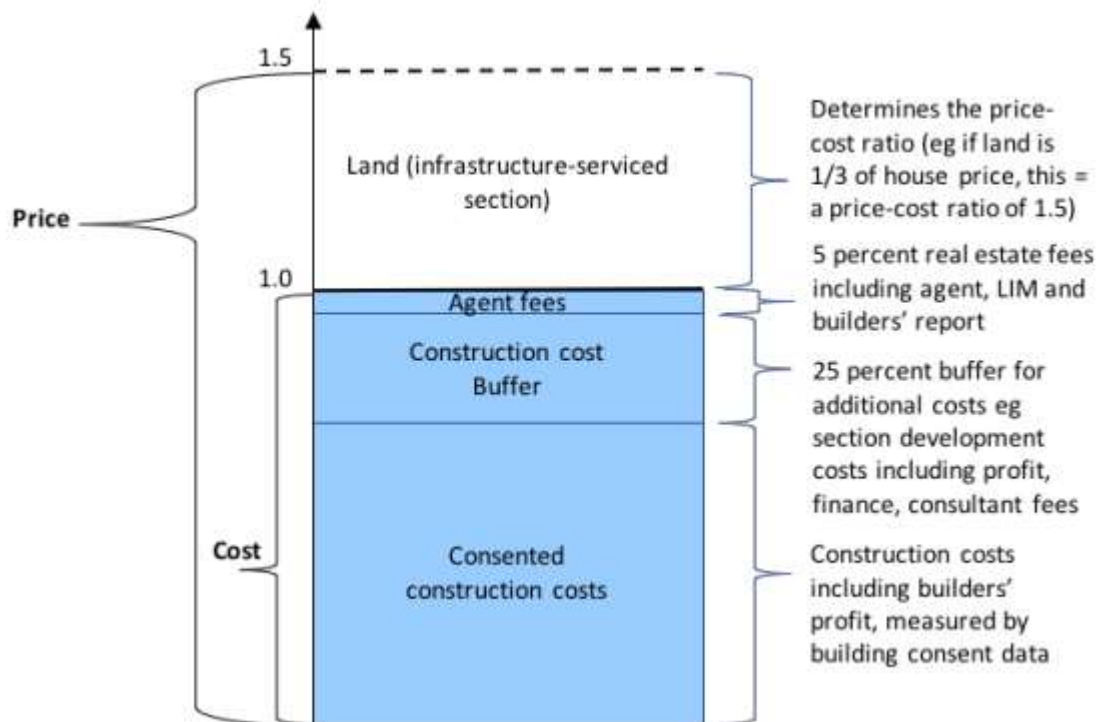
Indicator 12: Price Cost Ratio



Source: HUD Urban Development Capacity Dashboard, Last updated May 2024

Price-cost ratios show the extent to which house prices are driven by construction costs versus the cost of land (infrastructure-serviced sections). The components of the price-cost ratio. Over time, except during periods of rapid growth, most areas show price-cost ratios below 1.5 (where the cost of sections comprises less than one third of the price of a house). These results suggest a threshold of 1.5, below which land markets are operating well, and above which there are constraints on the supply of infrastructure-serviced sections relative to demand. New Plymouth follows a trend just below the 1.5 threshold.

The key components of the price-cost ratio are illustrated below:



The methodology used to develop price-cost ratios for housing in New Zealand urban areas and territorial authority can be found here:

<https://www.hud.govt.nz/assets/Uploads/Documents/National-Policy-Statement-on-Urban-Development-Capacity-Price-efficiency-indicators-technical-report-Price-cost-ratios.pdf>

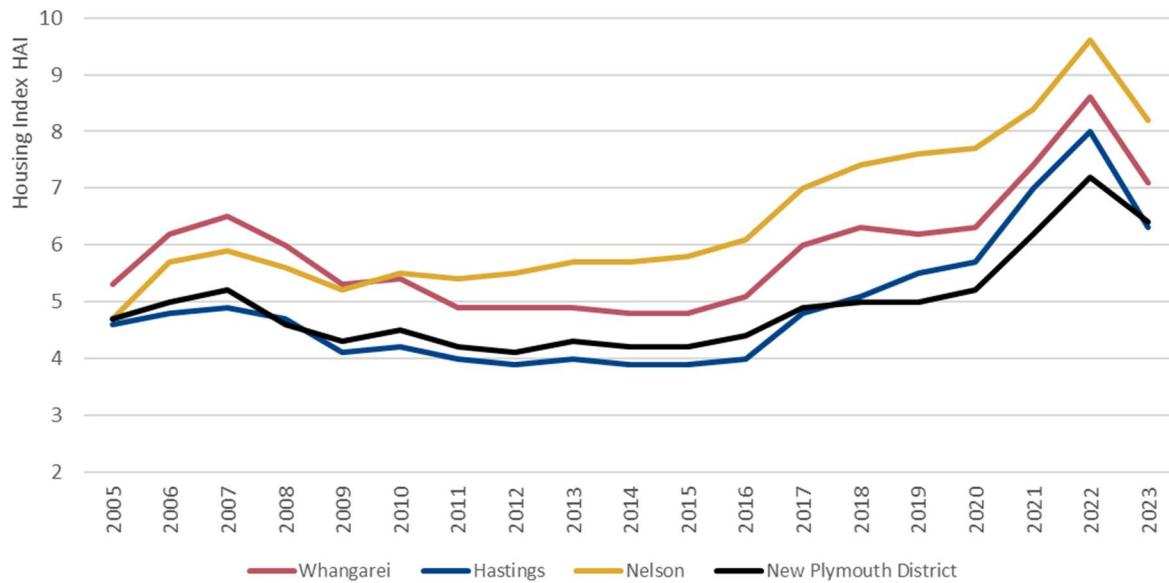
Residential Indicators Group 4: Housing Affordability Index

Ensuring affordable housing is crucial for the well-being of individuals. For those with lower incomes, disproportionately high housing expenses can lead to significant financial strain, leaving them with inadequate funds to cover essential needs like food, clothing, transportation, healthcare, and education. In contrast, higher-income earners typically have surplus income after housing costs to meet their basic necessities, making the affordability of housing less critical for them.

This segment delves into the affordability of purchasing and renting homes in New Plymouth. It examines the relationship between average property values, rental rates, and median household incomes.

Indicator 13: Housing Affordability Index (HAI) – Buy

This indicator investigates the affordability of housing in New Plymouth District. We present a ratio of the average current house values to average household income. A higher ratio, therefore, suggests that median houses cost a greater multiple of typical incomes, which indicates lower housing affordability.



Source: Infometrics - Taranaki Region Economic Profile, March 2024

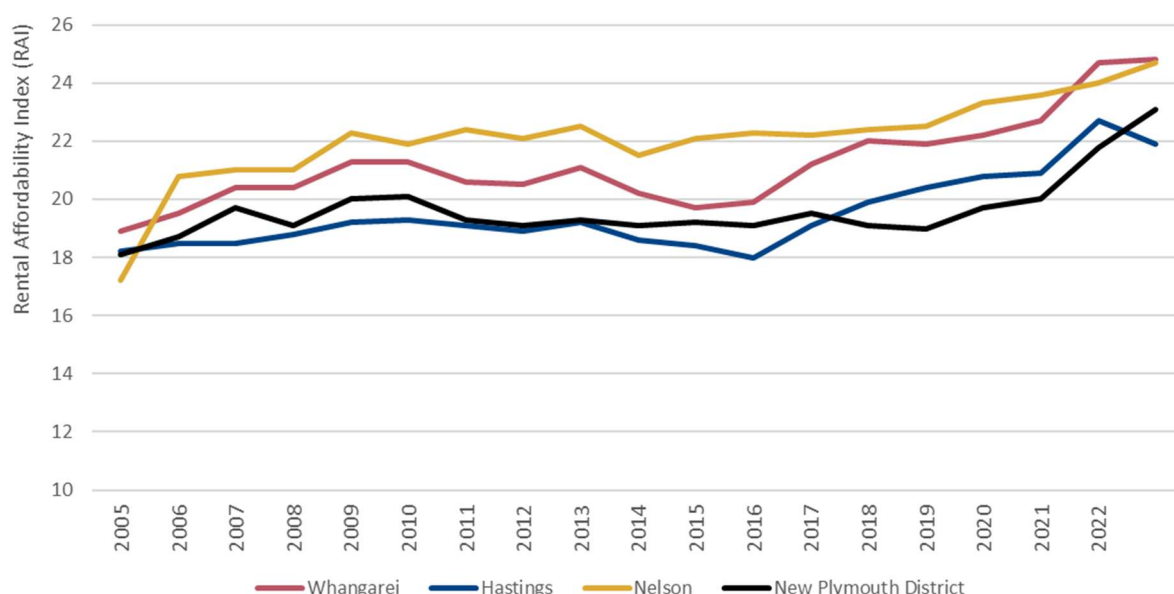
Observations

| HAI - Buy | 2014 | 2020 | 2023 | Short Term % Change 2020-2023 | Medium Term % Change 2014-2023 |
|--------------|------|------|------|-------------------------------------|--------------------------------------|
| New Plymouth | 4.2 | 5.2 | 6.4 | 23% ↑ | 52% ↑ |
| Whangarei | 4.8 | 6.3 | 7.1 | 13% ↑ | 48% ↑ |
| Hastings | 3.9 | 5.7 | 6.3 | 11% ↑ | 62% ↑ |
| Nelson | 5.7 | 7.7 | 8.2 | 6% ↑ | 44% ↑ |

In New Plymouth District the average house value was 6.4 times its average household income in 2023. Housing more affordable than in New Zealand which was 7.2. Since 2005, the house value to income multiple in New Plymouth District reached a maximum (least affordable) of 7.2 in 2022 and a minimum (most affordable) of 4.1 in 2012. While this is consistent with national trends New Plymouth HAI is lower than most similar Districts.

Indicator 14: Housing Affordability Index (HAI) – Rents

This section investigates the affordability of renting by comparing average weekly rents with average weekly household income. We present a rent affordability measure which is the ratio of the average weekly rent to average household income. A higher ratio, therefore, suggests that the average rent take up a greater proportion of the average income, which indicates lower rent affordability.



Source: Infometrics - Taranaki Region Economic Profile, March 2024

Observations

| HAI - Rent | 2014 | 2020 | 2023 | Short Term % Change 2020-2023 | Medium Term % Change 2014-2023 |
|--------------|------|------|------|-------------------------------------|--------------------------------------|
| New Plymouth | 19.1 | 19.7 | 23.1 | 17% ↑ | 21% ↑ |
| Whangarei | 20.2 | 22.2 | 24.8 | 12% ↑ | 23% ↑ |
| Hastings | 18.6 | 20.8 | 21.9 | 5% ↑ | 18% ↑ |
| Nelson | 21.5 | 23.3 | 24.7 | 6% ↑ | 15% ↑ |

In 2023, within the New Plymouth District, the average weekly rent consumed 23.1% of the average household income, surpassing the national average of 21.4% in New Zealand. Since 2000, the proportion of rent to income in the New Plymouth District peaked at 23.1% in 2023, marking the least affordability, and hit a low of 18.1% in 2005, signifying the most affordability. Notably, New Plymouth experienced the most significant short-term increase in comparison to comparable districts.

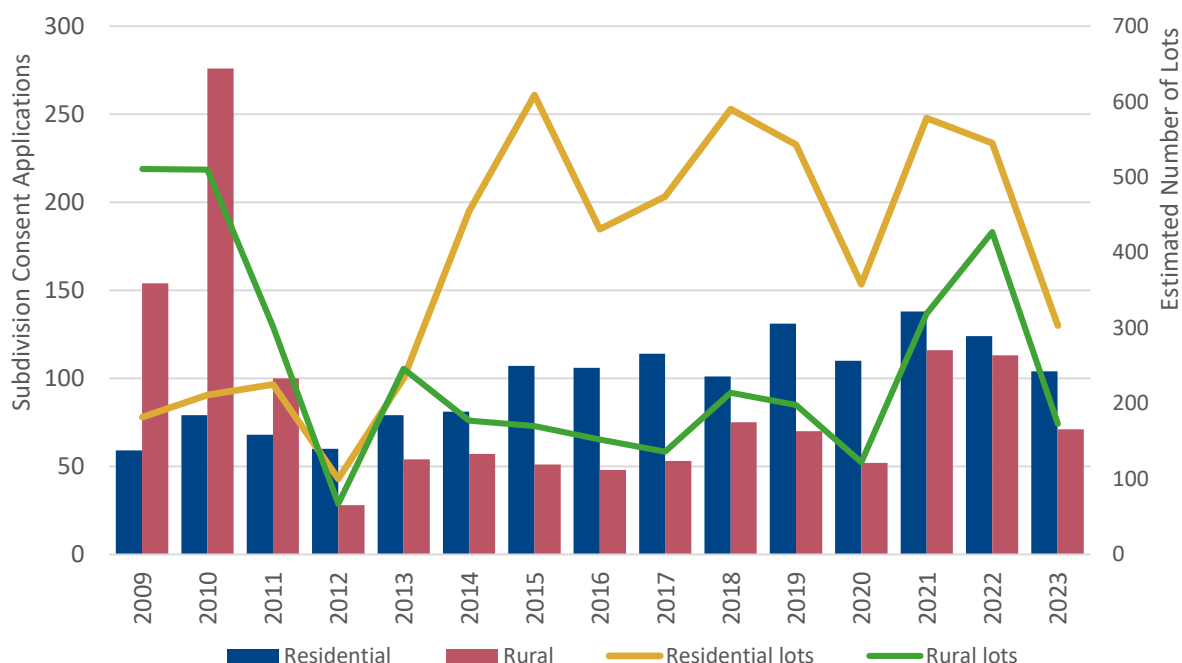
Summary of housing affordability for New Plymouth District

| | Short Term % Change | Medium Term % Change |
|----------------|---------------------|----------------------|
| 13. HAI - Buy | ↑ | ↑ |
| 14. HAI - Rent | ↑ | ↑ |

As noted earlier, the housing affordability index for renting in New Plymouth has risen at a comparable rate to that of buying. However, there has been a slight decline in the affordability of purchasing a new home, attributed to a decrease in house prices. Notably, rental affordability has shown the most significant increase over the past four years.

Residential Indicators Group 5: Provision of new houses

Indicator 15: Subdivision Consents Applications – Residential and Rural Consents and Estimated Lots.



Source: NPDC Data, March 2024

Observations

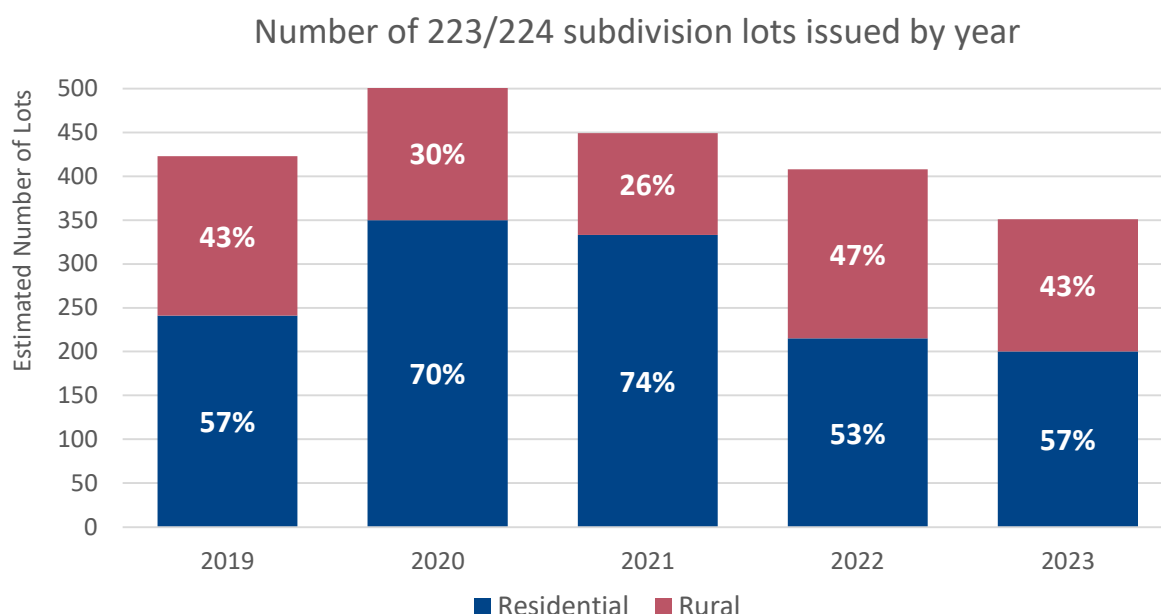
| | 2014 | 2020 | 2023 | Short Term % Change 2020-2023 | Medium Term % Change 2014-2023 |
|--------------------------|------|------|------|-------------------------------------|--------------------------------------|
| Residential | | | | | |
| Applications | 81 | 110 | 104 | -5% ↓ | 28% ↑ |
| Estimated number of lots | 455 | 358 | 303 | -15% ↓ | -33% ↓ |
| Rural | | | | | |
| Applications | 57 | 52 | 71 | 37% ↑ | 25% ↑ |
| Estimated number of lots | 177 | 122 | 173 | 42% ↑ | -2% ↓ |

Over the past decade, the New Plymouth District has consistently received approximately 100 residential subdivision applications annually. Similarly, rural subdivision consent applications remained steady at around 50 per year until 2021. The potential impact of the proposed district plan on rural consents in 2021/2022 suggests a forthcoming change in the subdivision of rural land.

The estimated number of lots resulting from these applications varies significantly each year, ranging from 2 to over 100. It's important to note that the number of lots does not always equate to the number of new dwellings. In many cases of two-lot subdivisions, one lot already contains an existing dwelling, and the second lot is designated for a new dwelling. However, other scenarios may involve land division with existing dwellings on both lots or no dwellings present, creating an empty parcel of

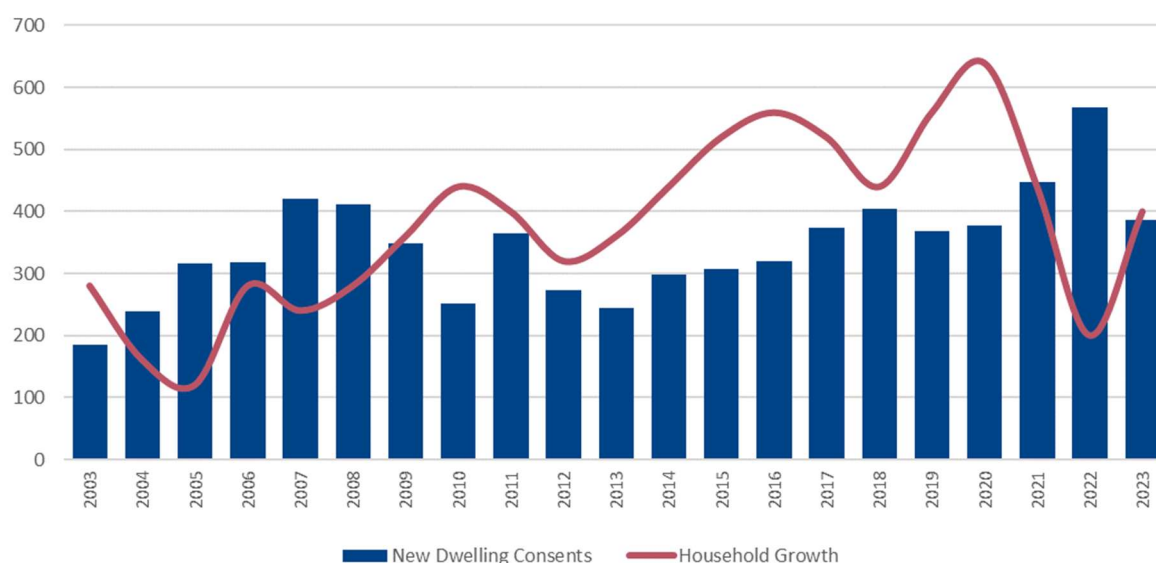
land. Examining data from the past decade reveals that over 70% of all applications involved two-lot subdivisions, while less than 1% pertained to subdivisions of 50 lots or more.

An additional aspect to consider regarding subdivision applications is the quantity of lots released annually once the subdivision obtains a 223/224. This indicates that the subdivision complies with council standards and regulations before receiving approval. Furthermore, it denotes certification confirming that all necessary infrastructure has been constructed according to approved plans and is prepared for public use.



Over the last five years, we've averaged 427 projected new lots for both residential and rural settings. Among these estimates, 63% pertain to residential areas, with an additional 37% designated for rural environments.

Indicator 16: New dwellings compared to household growth.



Observations

| | 2014 | 2020 | 2023 | Short Term % Change 2019-2022 | Medium Term % Change 2013-2022 |
|------------------|------|------|------|-------------------------------------|--------------------------------------|
| Household growth | 440 | 640 | 400 | -38% ↓ | -9% ↓ |
| New consents* | 299 | 378 | 386 | 2% ↑ | 29% ↑ |
| % Comparison | 68% | 59% | 97% | | |

Generally, over the past ten years, the rate of household growth has been above that of new dwellings consented. During 2021, the number of consented dwellings has started to climb above that of household growth. It is not surprising to see a drop in household growth with recent travel restrictions at the border which had a significant effect on migration numbers.

* Data on the quantity of building consents for new dwellings across the New Plymouth District has a six-month lag. This accounts for the time taken from consent approval to completion, as recommended by MBIE.

Summary in the provision of new houses in the New Plymouth District

| | Short Term % Change | Medium Term % Change |
|--------------------------|---------------------|----------------------|
| 15. Subdivision consents | ↑ | ↑ |
| 16. Growth v. consents | Combined measure | |

Residential Indicators Group 6: Housing development capacity realised.

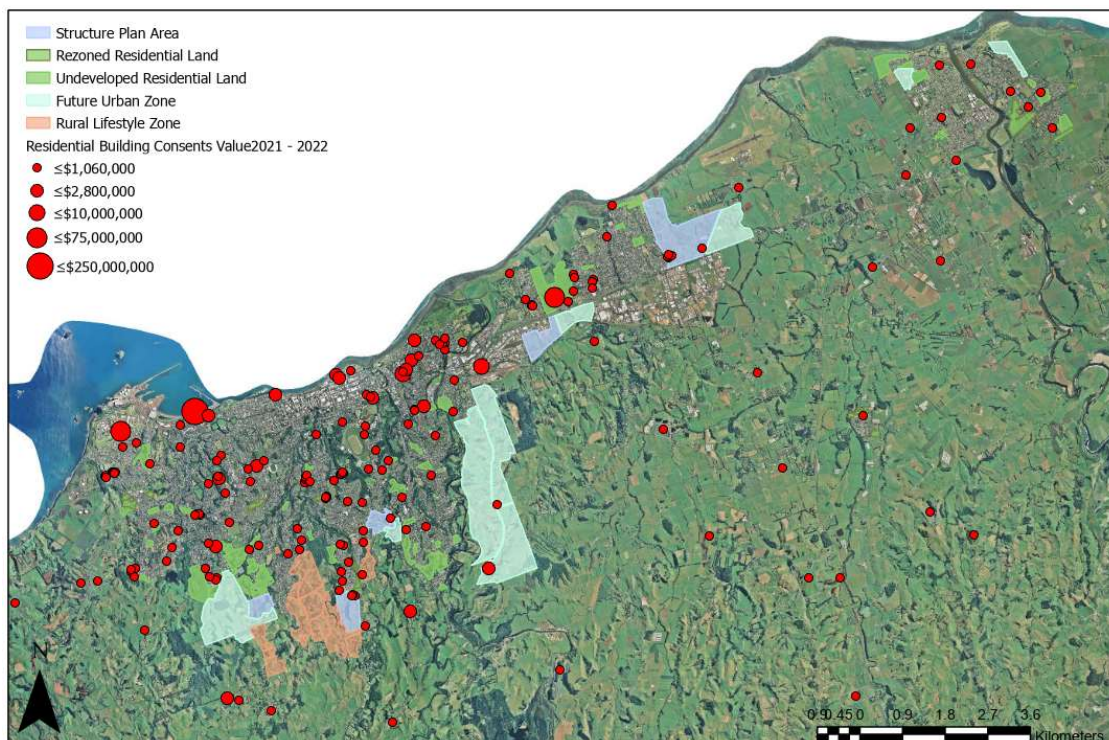
This section helps us understand where recent development has occurred and how much capacity identified remains for future development. Around 58% of all the residential building consents in 2021-23 occurred within the identified future capacity. Over the three years the two main areas of development are intensification and undeveloped residential land with. As part of the 2024 HBCA we expect to see a small increase in intensification in the short to medium term. As the infrastructure is developed for the SPDA these areas will start to see a growing number of consents.

| | Residential Building Consents | | | Percentage | | | |
|------------------------------|-------------------------------|------|------|------------|------|------|---------|
| | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | Average |
| Rural Lifestyle | 0 | 0 | 2 | 0% | 0% | 1% | 0% |
| Intensification | 153 | 124 | 91 | 26% | 31% | 23% | 27% |
| Inner City Development | 0 | 0 | 44 | 0% | 0% | 11% | 3% |
| Undeveloped Residential Land | 165 | 81 | 106 | 28% | 20% | 27% | 25% |
| Puketapu SPDA | 11 | 8 | 4 | 2% | 2% | 1% | 2% |
| Johnston SPDA | 0 | 0 | 0 | 0% | 0% | 0% | 0% |
| Patterson SPDA | 0 | 0 | 0 | 0% | 0% | 0% | 0% |
| Carrington SPDA | 0 | 0 | 0 | 0% | 0% | 0% | 0% |
| Junction SPDA | 3 | 1 | 0 | 1% | 0% | 0% | 0% |

| | | | | | | | |
|---------------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Junction FUZ | 0 | 0 | 0 | 0% | 0% | 0% | 0% |
| Frankley/Cowling FUZ | 0 | 0 | 0 | 0% | 0% | 0% | 0% |
| Area R FUZ | 0 | 0 | 0 | 0% | 0% | 0% | 0% |
| Oākura FUZ | 1 | 0 | 0 | 0% | 0% | 0% | 0% |
| Waitara FUZ | 0 | 0 | 0 | 0% | 0% | 0% | 0% |
| Smart FUZ | 1 | 2 | 1 | 0% | 0% | 0% | 0% |
| | 334 | 216 | 248 | 57% | 53% | 64% | 58% |
| Rural | 102 | 94 | 83 | 17% | 23% | 21% | 20% |
| Transportable/prefabricated Buildings | 123 | 71 | 31 | 21% | 18% | 8% | 16% |
| Demolish and rebuilds | 29 | 24 | 27 | 5% | 6% | 7% | 6% |
| | 254 | 189 | 141 | 43% | 47% | 36% | 42% |
| | 588 | 405 | 389 | | | | |

The remaining development, 42% of all the residential building consents occur outside identified feasible capacity. They are in either the rural environment 20% or are relocatable/transportable dwellings 16%. The rural consents are not within the urban boundary and are not connected to the infrastructure services of New Plymouth District Council. We expect to see a drop in rural consents moving into the medium term with the implementation of the PDP.

Around 6% of all new builds are estimated to be rebuilding a previously demolished dwelling. This does not create any additional dwelling stock for the district and is expected to continue at a similar rate in the future.



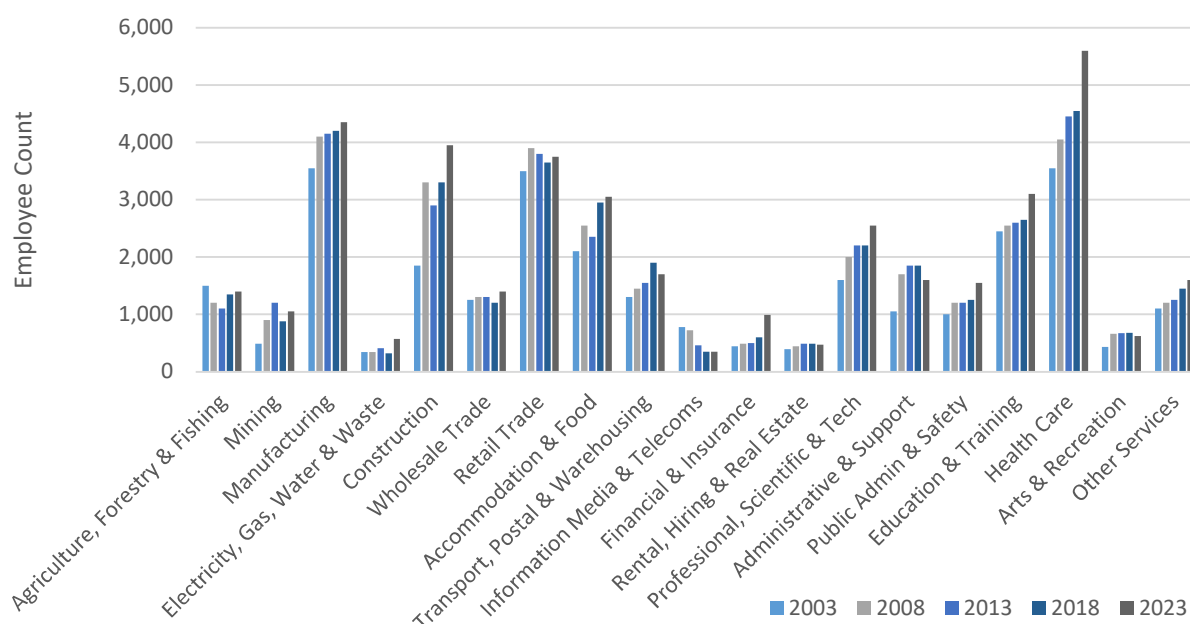
Source: Internal NPDC Data

Business Indicators

This section summarises information on business trends, business supply and demand, and specific local authority measures of business capacity, freely available from various sources.

Business Indicators Group 1: Employment and growth

Indicator 1: Employment current economy and recent past



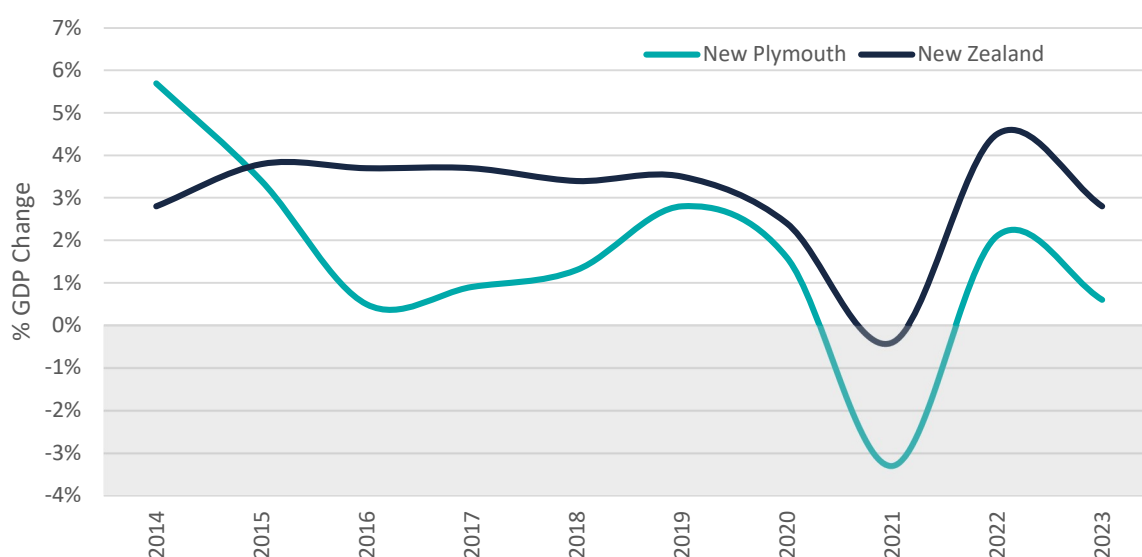
Source: Statistics New Zealand, May 2024

Observations

| Employment Growth | 2014 | 2020 | 2023 | Short Term % Change 2020-2023 | Medium Term % Change 2014-2023 |
|-------------------------------|--------|--------|--------|-------------------------------|--------------------------------|
| Agriculture | 1,200 | 1,400 | 1,400 | 0.0% ↑ | 16.7% ↑ |
| Manufacturing | 4,250 | 4,250 | 4,350 | 2.4% ↑ | 2.4% ↑ |
| Construction | 2,950 | 3,650 | 3,950 | 8.2% ↑ | 33.9% ↑ |
| Retail Trade | 3,900 | 3,600 | 3,750 | 4.2% ↑ | -3.8% ↓ |
| Accommodation & Food Services | 2,300 | 3,200 | 3,050 | -4.7% ↓ | 32.6% ↑ |
| Health Care | 4,500 | 4,900 | 5,600 | 14.3% ↑ | 24.4% ↑ |
| Overall | 35,270 | 37,930 | 39,650 | 4.5% ↑ | 12.4% ↑ |

The New Plymouth District has seen an increase in overall employment growth in the short term and medium term. The large increase in construction isn't surprising with the large number of building consent applications we received in 2021, this has seen a small drop in the past year of around 50 employees. The biggest drop we have seen over the medium term is a drop in retail trade which is consistent with national trends and the increasing interest in online shopping.

Indicator 2: Gross Domestic Product Growth



Source: MBIE Regional Economic Activity Web Tool, May 2024

Gross Domestic Product (GDP) is a fundamental economic indicator that measures the value added from the production of goods and services. This section presents estimates of GDP for Taranaki Region for the year to March 2023 and previous years. GDP is measured in 2023 prices.

Observations

| GDP per capita | 2014 | 2020 | 2023 | Short Term % Change 2020-2023 | Medium Term % Change 2014-2023 |
|----------------|------|------|------|-------------------------------------|--------------------------------------|
| New Plymouth | 5.7% | 1.6% | 0.6% | -62.5% ↓ | -89.5% ↓ |
| Taranaki | 4.2% | 0.5% | 0.3% | -40.0% ↓ | -92.9% ↓ |
| New Zealand | 2.8% | 2.4% | 2.8% | 16.7% ↑ | 0% |

Nominal GDP dropped in 2021, but there has been an increase in the short and medium term. New Plymouth follows a consistent trend of New Zealand overall growth.

Summary of employment and growth for the New Plymouth District

| | Short Term % Change | Medium Term % Change |
|---|------------------------|-------------------------|
| 1. Employee current economy and recent past | ↑ | ↑ |
| 2. GDP per capita | ↓ | ↓ |

In summary, we have seen an increase in employment growth and drop in GDP in the New Plymouth District over the short and medium term.

Business Indicators Group 2: Supply of business space

Indicator 3: Vacant industrial land by location as part of the 2024 HBCA



Source: 2024 Housing and Business Capacity Assessment

Indicator 4: Current Industrial capacity within existing facilities

To understand retail, industrial, and commercial capacity within existing built facilities, we utilised data from Real Estate NZ¹. This data set includes most listings that are currently for lease or sale by multiple real estate agencies, including the location and estimated gross floor area (GFA) of listings. Because it assumes that any existing capacity would be listed for lease or sale via a real estate agency, this measure may not capture 100 per cent of potential capacity but is a good tool for indicating vacancy at a point in time. Additionally, monitoring trends within the industrial business area can offer insights into broader business trends.

| Suburb | Vacant Gross Floor Area SQM | | | Percentage % |
|--------------|-----------------------------|--------|--------|--------------|
| | 2022 | 2023 | 2024 | |
| Bell Block | 56,930 | 49,330 | 44,095 | 49% |
| Glen Avon | 889 | 0 | 360 | 0% |
| Marfell | 0 | 182 | 329 | 0% |
| Moturoa | 2,088 | 3,604 | 23,520 | 26% |
| New Plymouth | 1,698 | 8,163 | 4,493 | 5% |
| Strandon | 0 | 1,233 | 0 | 0% |

¹ www.realestate.co.nz

| | | | | |
|-------------|---------------|---------------|---------------|-------------|
| Waitara | 540 | 340 | 0 | 0% |
| Waiwhakaiho | 22,401 | 14,225 | 12,698 | 14% |
| Westown | 120 | 0 | 474 | 1% |
| Spotswood | 0 | 0 | 3,608 | 4% |
| Fitzroy | 0 | 0 | 16 | 0% |
| | 84,666 | 77,077 | 89,593 | 100% |

Currently, there is around 89,593 square meters (8.9 ha) of existing vacant industrial or new build facility space available in the New Plymouth District. Bell Block holds over 49 per cent of all vacant capacity, the second largest is in Moturoa with 23,520 sqm or 26 per cent.

Indicator 5: Business Capacity as part of the 2024 HBCA

The amount and distribution of retail and commercial land provision in the New Plymouth District. Within the district we have identified future potential land which would require construction of new premises.

| Zone | Potential Capacity (ha) | | |
|--------------------------------|-------------------------|--------------|--------------------------|
| | Plan-enabled | Feasible | Suitable for Development |
| City Centre Infill Development | 94.0 | 72.6 | 16.9 |
| Mixed Use infill Development | 53.0 | 53.0 | 15.3 |
| Rezoned Areas from the PDP | 6.0 | 5.7 | 1.7 |
| Area R FUZ | 11.0 | 11.0 | 10.3 |
| Total | 164.0 | 142.3 | 44.3 |

This process involved in assessing the potential land provision is included in the 2024 HBCA.

Indicator 6: Current Retail Capacity within existing facilities

As per Indicator 4 above, the following data was obtained from Real Estate New Zealand.

| | Vacant Gross Floor Area SQM | | | |
|--------------|-----------------------------|---------------|---------------|--------------|
| Suburb | 2022 | 2023 | 2024 | Percentage % |
| Bell Block | 70 | 141 | 80 | 0% |
| Fitzroy | 145 | 0 | 743 | 2% |
| Glen Avon | 0 | 315 | 315 | 1% |
| New Plymouth | 5,984 | 26,481 | 33,497 | 96% |
| Oakura | 0 | 120 | 0 | 0% |
| Okato | 689 | 0 | 60 | 0% |
| Strandon | 0 | 30 | 0 | 0% |
| Urenui | 0 | 589 | 0 | 0% |
| Waiwhakaiho | 1,937 | 0 | 290 | 1% |
| Marfell | 0 | 0 | 60 | 0% |
| Welbourn | 330 | 374 | 0 | 0% |
| | 9,155 | 28,050 | 35,045 | 100% |

There is currently around 35,045 square meters (3.5 ha) of existing vacant retail or new built facility space in New Plymouth District. The majority of this capacity is located in the Central City. This is a small increase in vacant retail land from 2023.

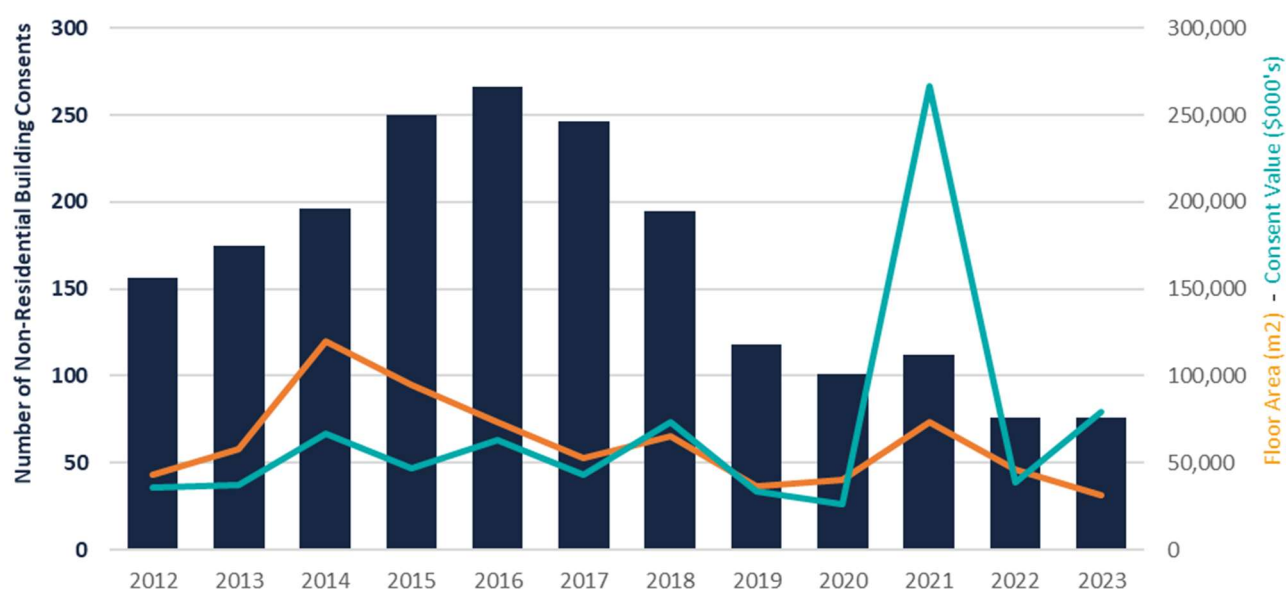
Indicator 7: Capacity within existing and new built facilities – commercial/office

As per Indicator 5, the following data was obtained from Real Estate New Zealand.

| Suburb | Vacant Gross Floor Area SQM | | | Percentage % |
|--------------|-----------------------------|---------------|---------------|--------------|
| | 2022 | 2023 | 2024 | |
| Bell Block | 15,625 | 3,954 | 0 | 0% |
| Inglewood | 149 | 0 | 0 | 0% |
| Lynmouth | 200 | 200 | 200 | 1% |
| Moturoa | 907 | 907 | 259 | 1% |
| Marfell | 0 | 0 | 182 | 1% |
| New Plymouth | 15,818 | 24,101 | 28,166 | 95% |
| Waitara | 141 | 141 | 569 | 2% |
| Waiwhakaiho | 505 | 959 | 366 | 1% |
| Westown | 54 | 0 | 0 | 0% |
| | 33,399 | 30,262 | 29,742 | 100% |

There is currently around 29,742 square meters (2.9 ha) of existing vacant commercial/office or new built facility space in New Plymouth district. Current vacant floor space is very similar to that of 2022/23.

Indicator 8: Non-Residential Building Consents



Source: NPDC Data, May 2024

Observations

| | 2014 | 2020 | 2023 | Short Term % Change (2020- 2023) | Medium Term % Change (2014-2023) |
|-------------------------------|---------|--------|--------|--|---|
| Applications | 196 | 101 | 76 | -25% ↓ | -61% ↓ |
| Floor space (m ²) | 119,786 | 40,229 | 31,724 | -21% ↓ | -74% ↓ |
| Consent Value (\$M) | \$66 | \$25 | \$79 | 206% ↑ | 19% ↑ |

The number of non-residential building consent applications have decreased in the short and medium term. The overall business

| | Short Term % Change | Medium Term % Change |
|--------------------------------------|------------------------|-------------------------|
| 4. Industrial capacity | ↑ | |
| 6. Retail capacity | ↑ | |
| 7. Commercial/office capacity | ↓ | |
| 8. Non-residential Building Consents | | |
| Applications | ↓ | ↓ |
| Floor Space | ↑ | ↓ |
| Consent Value | ↑ | ↑ |

Future Quarterly Reports

The New Plymouth District Council is committed to improving quarterly reporting over time. As information becomes available, future quarterly reports will be adjusted to incorporate or refine information or data sources for the following indicators: