



# NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT – QUARTERLY MONITORING REPORT

October to December 2022

**Contents**

October – December Snapshot..... 2

Introduction ..... 3

Growth Trends ..... 4

    Building Consents ..... 4

    House prices ..... 5

    Median Days to Sell ..... 6

    Houses sold ..... 7

    Rental prices ..... 7

    Affordability (for renting and buying) ..... 8

    Housing Register..... 9

    Business..... 9

## **October – December Snapshot**

Some baseline data over several years gives an overall indication of consent trends in the Manawatū District as well as for the Oct-Dec 2022 quarter. Data over the span of the year 2021 to 2022 has indicated no significant change in consent numbers. However, an increase of 115% is present in data dating back to 2015.

Quarterly house prices appear to have peaked in Oct-Dec 2021, easing into a gradual downward trend since. Between 2021 and 2022, this decline stabilises for the Feilding Township while the Manawatū District as a whole is declining slightly.

Average weekly rent prices have seen a significant increase of 65.6% between 2016 and 2022.

Data from the Housing Register shows an increase in applicants for the Apr-Jun and Jul-Sep 2022 periods, followed by a 20% decrease since.

Business openings have slowed between 2021 and 2022, with 71 fewer businesses opening compared to the previous year. Closures, however, have increased in the 2021-2022 period, with current trends having stabilised.

## Introduction

This is the first quarterly monitoring report implementing the National Policy Statement on Urban Development (NPS-UD). The NPS-UD states that all tier 1, 2 and 3 local authorities must report quarterly on the demand and development capacity for housing. Subpart 3 of the NPS-UD requires local authorities to monitor the following indicators:

- (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:
  - (i) in previously urbanised areas (such as through infill housing or redevelopment); and
  - (ii) in previously undeveloped (ie, greenfield) areas
- (f) available data on business land

This quarterly report identifies key trends and changes in the urban environments of the Manawatū District. The Manawatū District has one key urban environment, Feilding, and several rural and semi-rural satellite villages.

The purpose of monitoring reports is to provide input into decision-making that responds to the real-time trends of growth in the District. This ensures that any future development is appropriate and able to sustain communities.

Some data is not available past a certain point, which has resulted in some minor variations for data showing trends over the past 5-7 years. The influence of the Covid-19 pandemic has also impacted data over the past 3 years, which is reflected in this report.

## Growth Trends

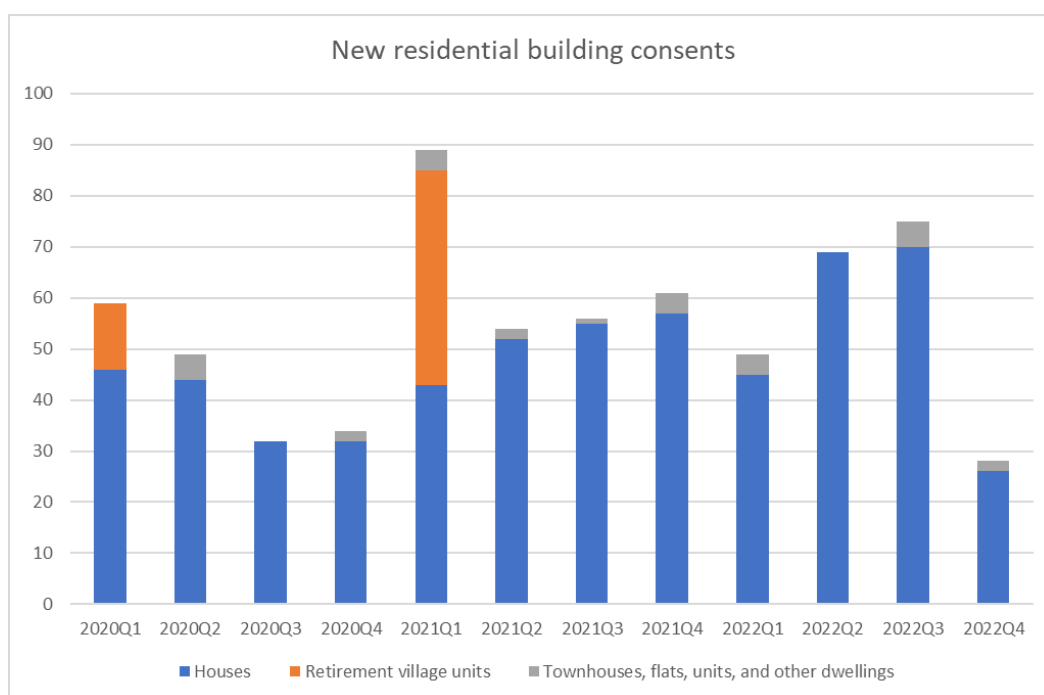
All the following data is based on the Manawatū District as a whole unless otherwise stated. The data comes from a range of sources and is accurate at the time of reporting.

### Building Consents

Data from building consents indicates the trends for new residential buildings in all parts of the District, and these trends have been shown below on an annual and quarterly scale. Building consent data has been broken down into house, retirement village unit and townhouses, flats, units and other dwellings.

Figure 1 shows the new residential building consents at a quarterly level for the Manawatū District. The Manawatū District’s urban and peri-urban environments primarily support detached housing, and the majority of new residential consents are for standalone houses. Two spikes in consents for retirement village units are present in Jan-Mar 2020 and Jan-Mar 2021.

There has been a considerable decrease in consents in the Oct-Dec 2022 period. With 28 in total a 62.7% decrease compared to the previous quarter and a 54.1% decrease compared with Oct-Dec 2021. The Apr-Jun and the Jul-Sep time periods have a greater number of granted consents than other time periods.



**Figure 1: Quarterly consents for new residential buildings** (Source: Statistics New Zealand)

Figure 2 shows the new residential building consents on an annual scale for the Manawatū District. We can see that there has been an increase in unit consents for retirement villages in 2018, 2020 and 2021, but the majority of building consents have been granted for standalone houses.

The major difference between 2021 and 2022 are the 42 retirement village units consented in 2021, compared to none consented in 2022.

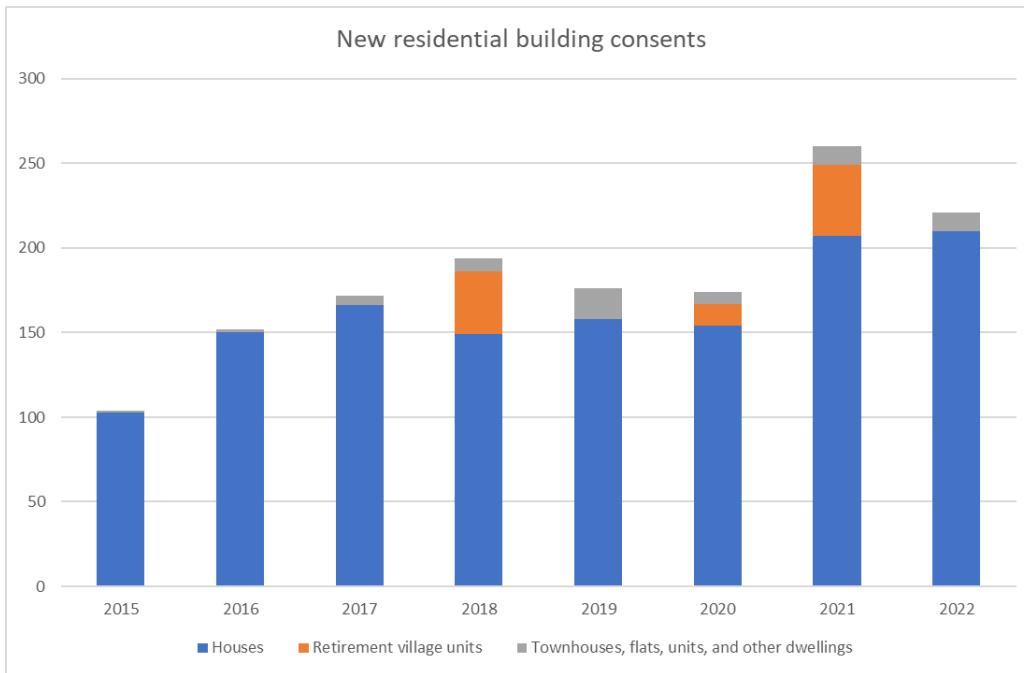


Figure 2: Annual consents for new residential buildings (Source: Statistics New Zealand)

### House prices

The median house price data has been averaged over each quarter. Due to the overall amount of sales within the Manawatū being low, monthly data may give an inaccurate reading of the overall house prices.

Figure 3 shows the median house price of the Manawatū District as a whole as well as the Feilding township separately. House prices in the Feilding township sit marginally higher than the overall Manawatū District, but this variation is not statistically significant.

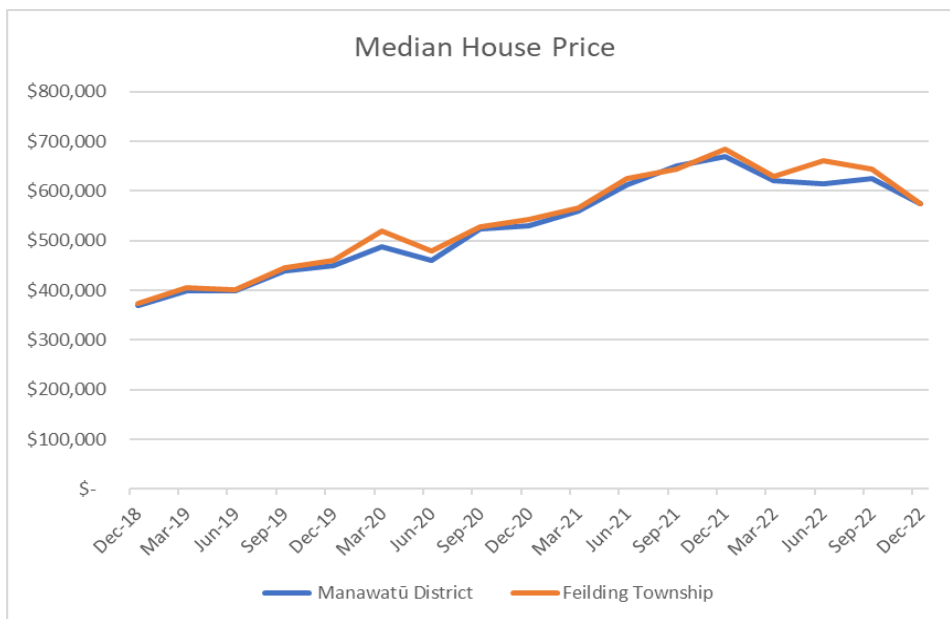


Figure 3: Quarterly median house prices (Source: REINZ)

Figure 4 shows the median house price over a year. This shows a steady increase in house prices across Manawatū with a slight reduction or plateau between 2021 and 2022.

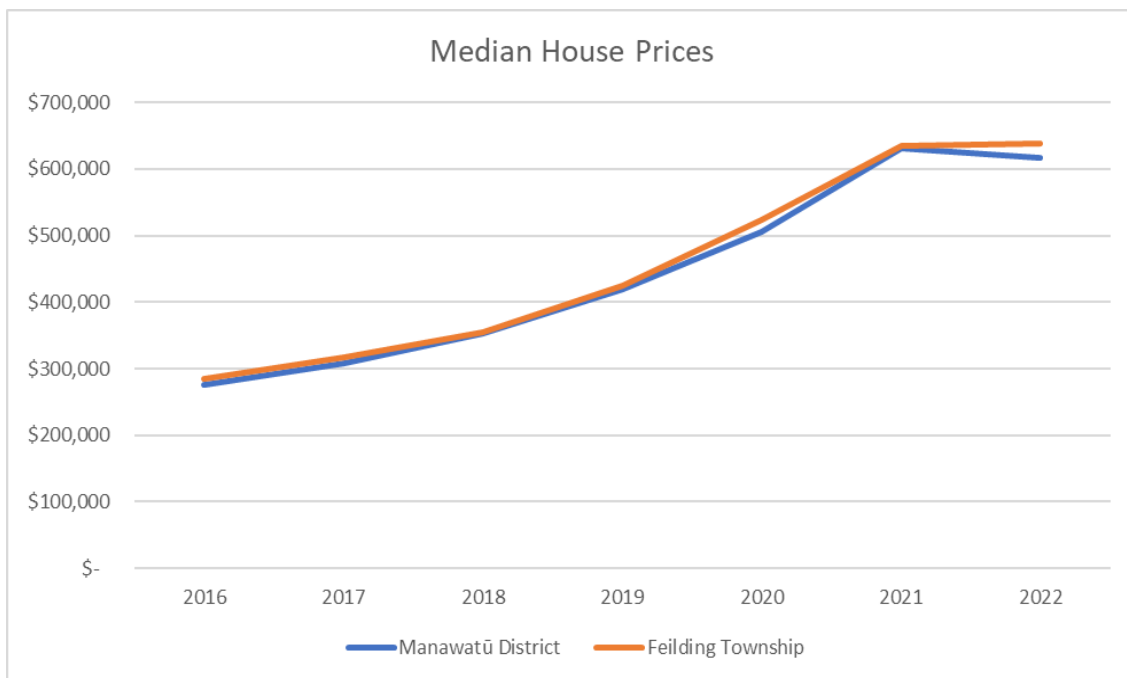


Figure 4: Median house price shown yearly (Source: REINZ)

### Median Days to Sell

Figure 5 shows the median number of days to sell a house averaged over each quarter. This shows there was a significant increase in the number of days to sell over the Jul-Sep 2022 period with a slight reduction in the Oct-Dec time period to 38 for the Manawatū District as a whole.

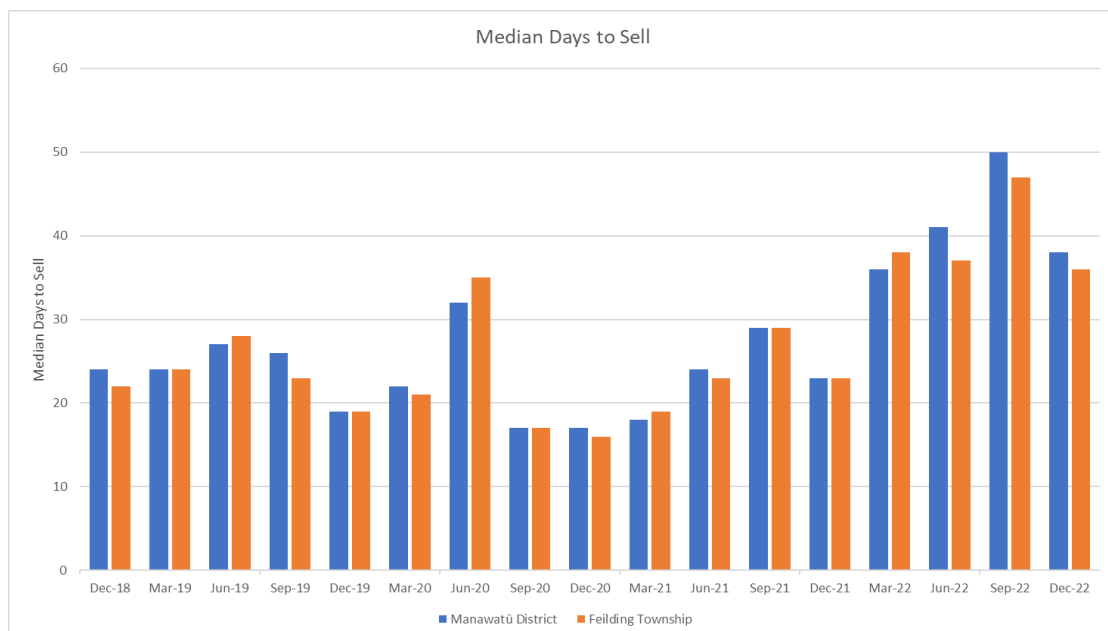


Figure 5: Median days to sell averaged over each quarter (Source: REINZ)

### Houses sold

Figure 6 shows the number of houses sold within the Manawatū District per quarter. There was a spike in the number of houses sold in Oct-Dec 2021 which has now reduced down to 91 in Oct-Dec 2022.

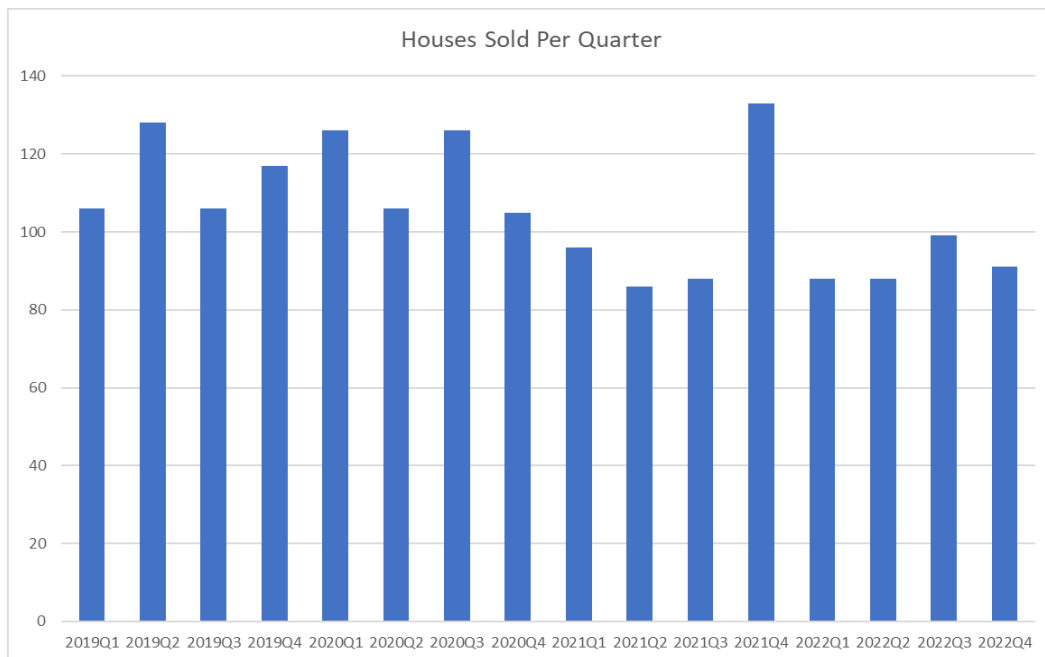


Figure 6: The number of houses sold in each quarter in the Manawatū District (Source: REINZ)

### Rental prices

Figure 7 shows the average weekly rent price for each month. This shows there has been a steady increase since March 2021, with the Oct-Dec 2022 period having rent sitting at an average of \$450 per week.

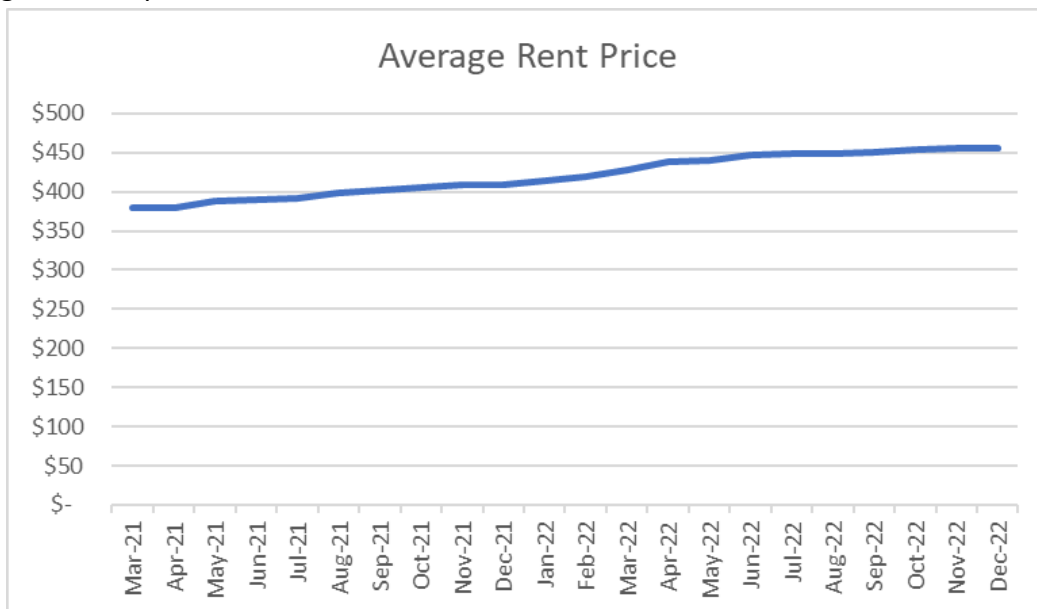


Figure 7: Average rent price shown monthly (Source: Dot Loves Data)



Figure 8 shows an increasing trend in the average weekly rent price over a year. Between 2016 and 2022 the rent price has increased by \$178 (65.6%) per week.

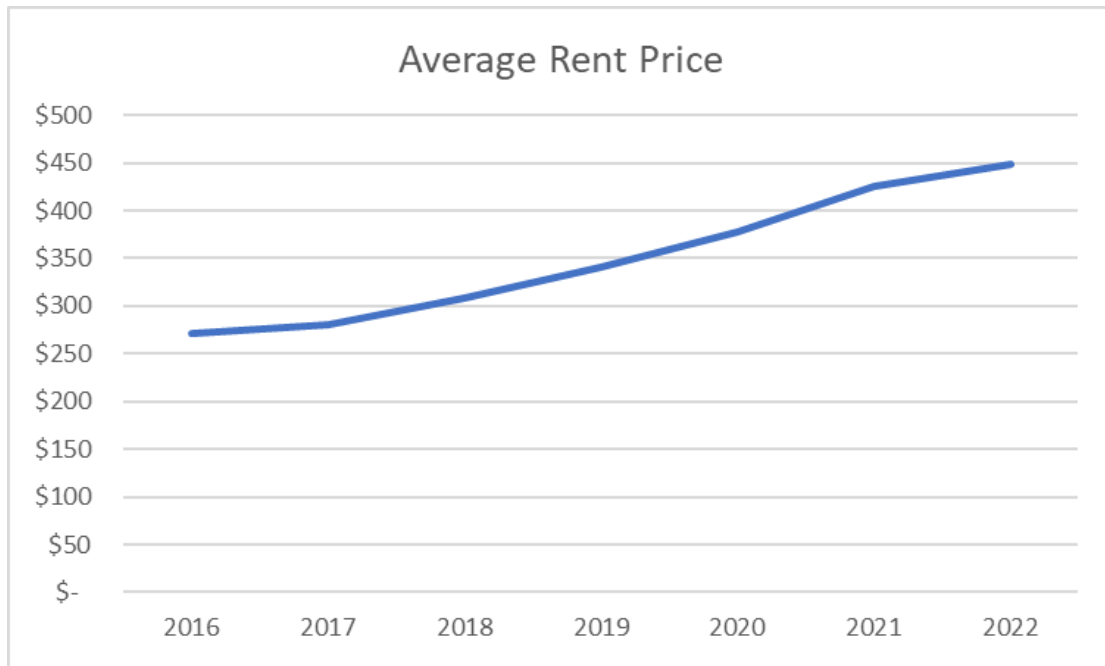


Figure 8: Average rent price shown yearly (Source: Dot Loves Data)

**Affordability (for renting and buying)**

Figure 9 shows the percentage of the average annual income that is spent on a mortgage. This is based on the current median house price with an assumed 30 year mortgage with an interest rate of 4%. There has been a steady increase between March 2021 and May 2022, before the trend flattens out from Aug-Dec 2022.

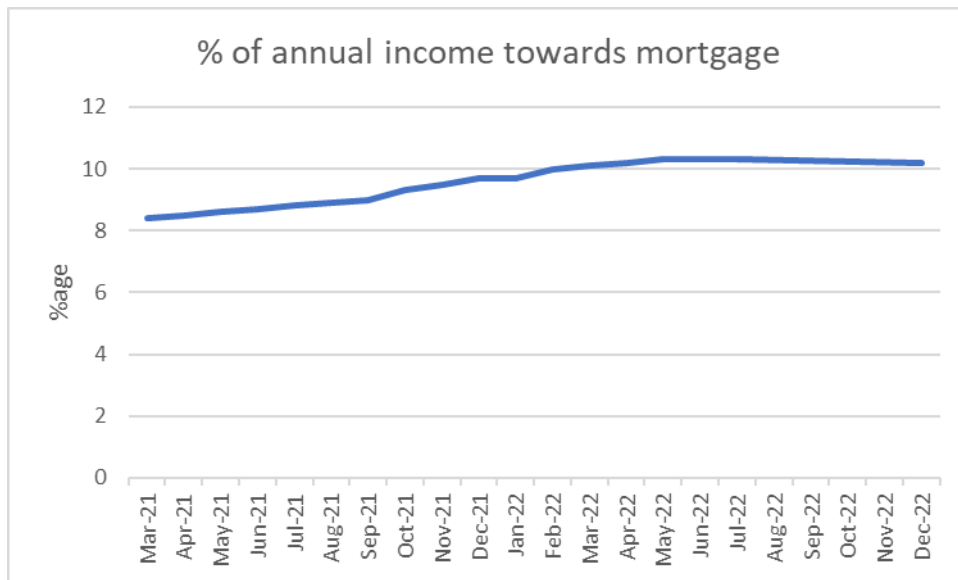


Figure 9: Percentage of annual income going towards mortgage (Source: Dot Loves Data)

Figure 10 shows the percentage of annual income spent on rent. Between March 2021 and December 2022 this has gone up by 4.3%.

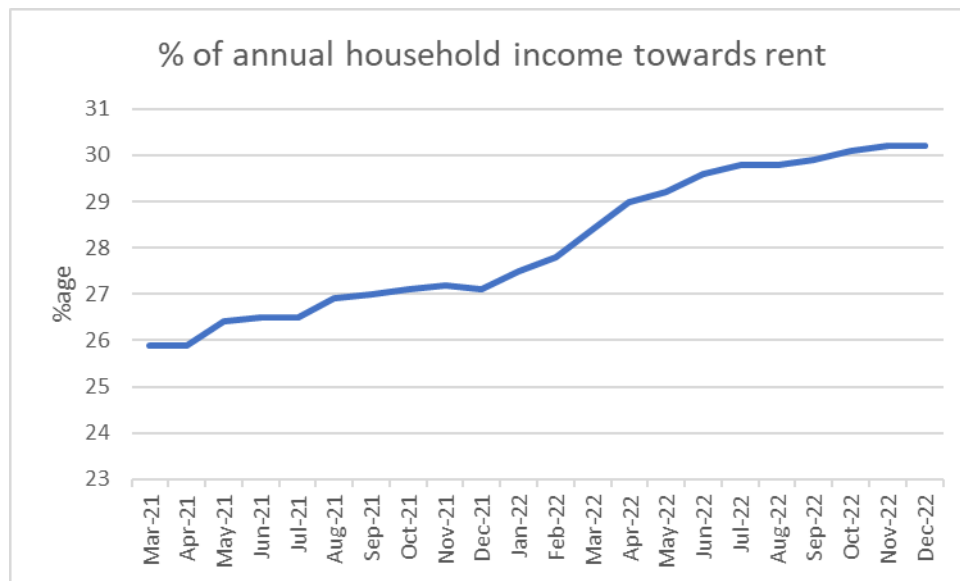


Figure 10: Percentage of annual income going towards rent (Source: Dot Loves Data)

### Housing Register

Figure 11 shows the number of applicants assessed as eligible for social housing who are ready to be matched to a suitable property. The number of applicants on the register had been steadily increasing out to Apr-Jun 2022 before decreasing by 20% over the Oct-Dec 2022 period.

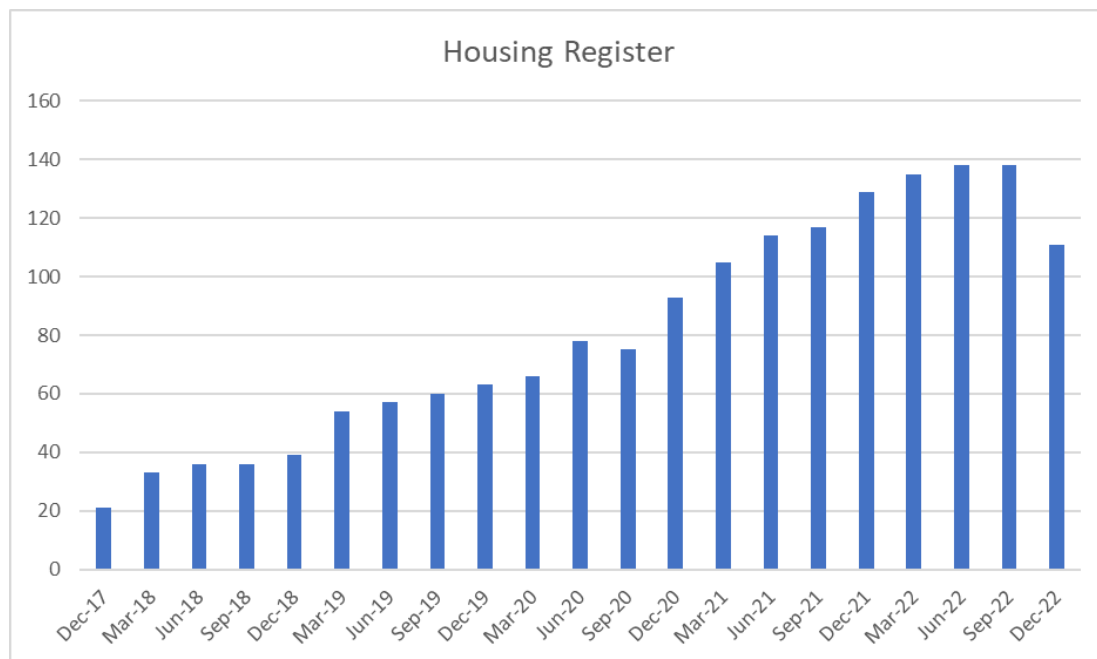
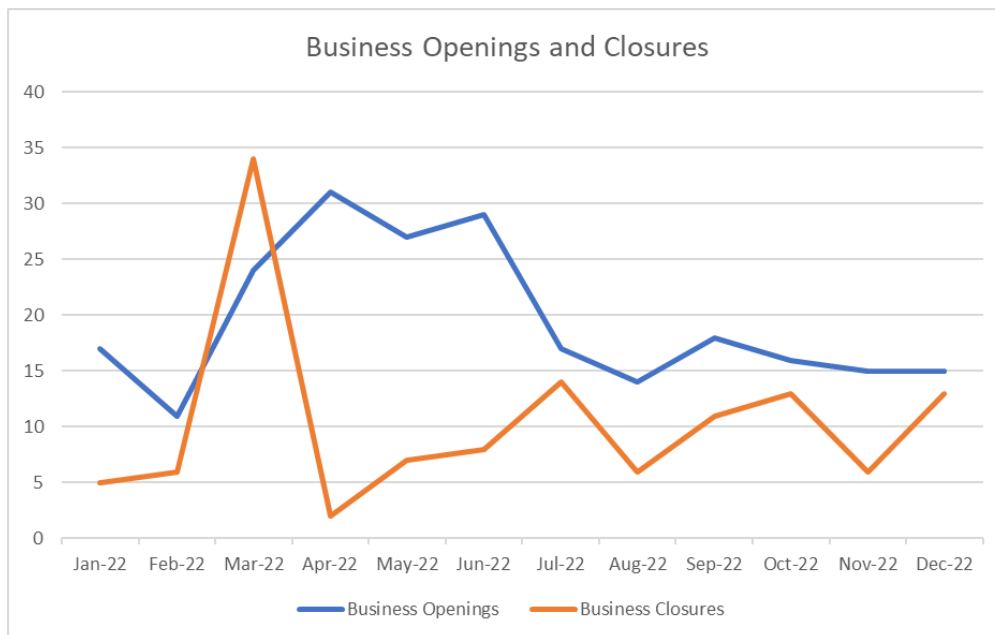


Figure 11: Number of applicants on the housing register (Source: Ministry of Social Development)

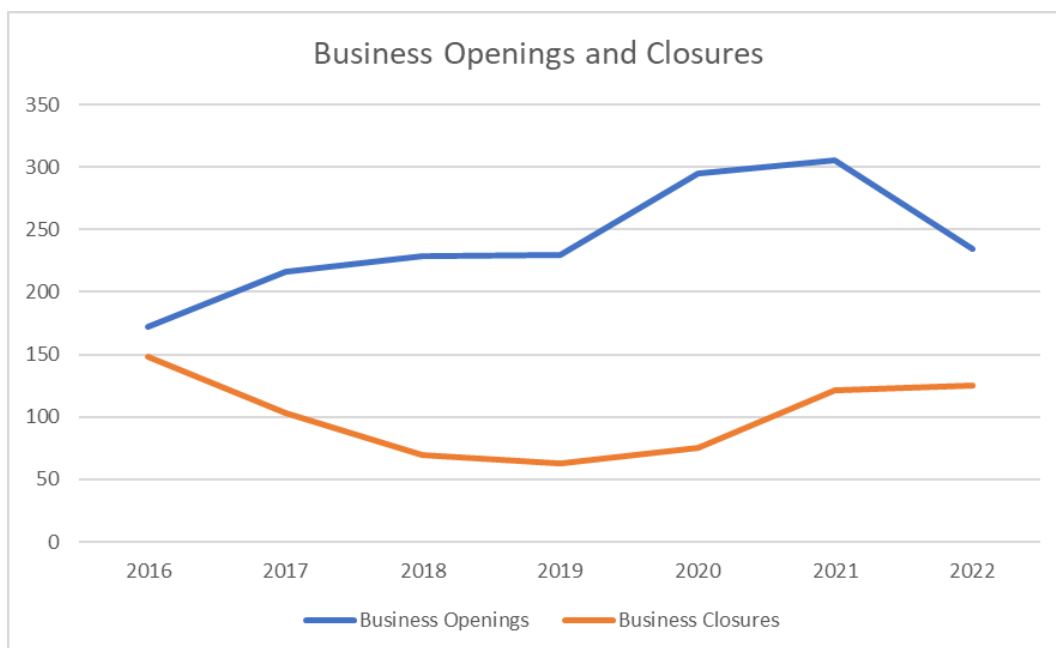
### Business

Figure 12 shows the number of businesses opening and closing across the Manawatū District over each month. Likely due to the Covid-19 pandemic and a range of other factors business openings and closures has seen significant fluctuations over the past year, with some stabilisation within the Oct-Dec 2022 quarter.



**Figure 12: Number of businesses opening and closing per month** (Source: Dot Loves Data)

Figure 13 shows the number of business opening and closing across the Manawatū District per year over the last 6 years. There was a decrease of 71 between 2021 and 2022 of business openings. However, for business closures there has been an increase between 2020 and 2021, followed by a steady into 2022.



**Figure 13: Number of businesses opening and closing per year** (Source: Dot Loves Data)

Figure 14 shows the annual self-employment rate for the Manawatū District. The self-employment rate has remained within a 1.2% bracket, with very slight variation and an overall downward trend. However, this change has shown to be marginal over time.



Figure 14: Self-employment rate (Source: Infometrics)

Future iterations of this quarterly report may include data on vacant lots showing growth potential in the Manawatū District.