

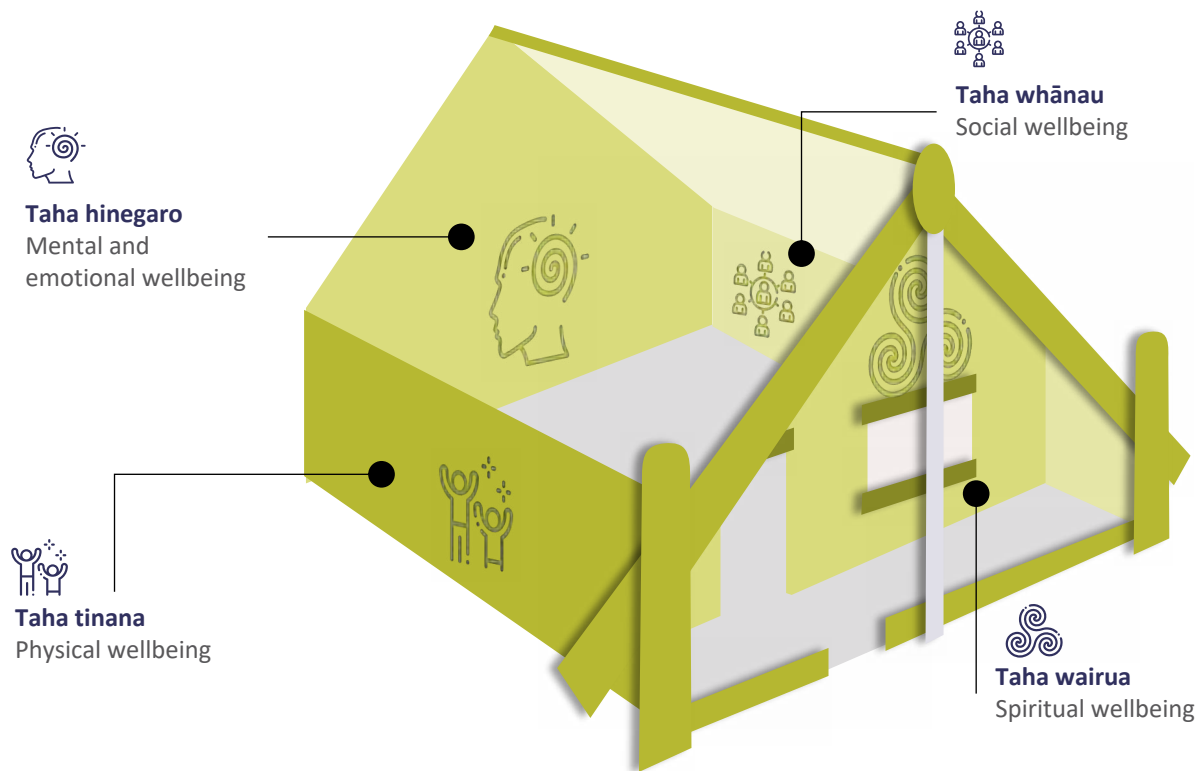


WAIRARAPA HOUSING NEEDS ASSESSMENT

NOVEMBER 2023

Kia mau ki te tokanga nui a noho
THERE'S NO PLACE LIKE HOME

WHARE TAPA WHĀ



Published November 2023 by Tū Mai Rā Investments.

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Citation: Tū Mai Rā Investments (2023). Wairarapa Housing Needs Assessment. Masterton, New Zealand.

IMAGE: Based on Whare Tapa Whā Model developed by Dr Mason Drurie.

GLOSSARY

EHSNG	Emergency Housing Special Needs Grant
HBA	Housing and Business Development Capacity Assessment
HUD	Ministry of Housing and Urban Development
MSD	Ministry of Social Development
LQ	Lower Quartile (25% of the results in a dataset sit below this point)
SA2	Statistical Area 2
TA	Territorial authority
YE	Year ending e.g. YE Jun 2023 is data for the year (12-months) ending 30 June 2023

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Summary

It is estimated that there will be 22,150 more people living in Wairarapa by 2052 and over 10,000 new homes required to house them¹. But not everyone's housing needs are the same. The data presented in this report indicates that:

Previous 'one size fits all' approaches to Māori housing have not worked. A focus on Māori-led local solutions will enable Māori and the Crown to better identify need at a local level and deliver fit for purpose housing solutions that take a 'by Māori for Māori' approach²



DEMAND

Affordability is an ongoing issue

Wairarapa renters & homeowners are paying increasingly larger proportions of household income towards housing.

There are limited options for renters

There is a gap between market rental and public housing that could be addressed though mixed typology & tenure options.

Demand for 1 & 2-bed homes is high

Wairarapa's ageing population & household composition indicates that this demand is set to increase.



SUPPLY

Land is available for development

There is estimated to be sufficient land available for housing to meet demand over the short to long-term.

Infrastructure is a challenge

Water supply remains an issue across Wairarapa and may be exacerbated by long-term climate change. Insufficient wastewater capacity has led to a moratorium on new development in Martinborough.

Masterton and Featherston could be prioritised for development

This would address existing demand and provide capacity for the future.



OPPORTUNITIES

Various local organisations are active in housing

A strong network of housing stakeholders could work together to address housing need.

Planning proposals unlock Māori land

The new Māori Purpose Zone in the proposed District Plan is less restrictive than existing zoning. If made operative, it would enable housing development to meet iwi aspirations.

Tū Mai Rā Investments is uniquely placed to address local housing need

This could give effect to intergenerational change for Wairarapa whānau through the provision of healthy, affordable homes with security of tenure.

1. Calculations based on StatsNZ subnational population estimates (TA, SA2), by age and sex, at 30 June 1996-2023. Projected population figures from Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023) and 50th percentile household projections from Sense Partners, Horowhenua and Wellington Region Population Forecasts, 2023.
2. HUD, MAIHI Ka Ora – the National Māori Housing Strategy (2022)

Representatives of Tū Mai Rā Investments met with a variety of housing stakeholders to gain more qualitative insight into local housing need. The information obtained from these meetings indicates that:

HOUSING STAKEHOLDERS MET :

- ▶ Age Concern
- ▶ Carterton District Council
- ▶ Masterton District Council
- ▶ MSD Palmerston North
- ▶ Ngāti Kahungunu ki Wairarapa
- ▶ Pathways
- ▶ Rangitāne o Wairarapa
- ▶ South Wairarapa District Council
- ▶ Te Hauora Runanga o Wairarapa
- ▶ Trust House
- ▶ Yellow Brick Road.



DEMAND

Affordability is an ongoing issue

Particularly in the \$500-700k price range and for retirement-age housing to purchase or rent.

1 in 3 residents will be 65 years+

This requires housing typologies & amenities to meet the needs of this cohort. This should be planned for now to avoid ongoing disconnects between housing demand and supply.

Wairarapa's five towns have different characteristics

Some towns are perceived as more desirable than others, driving up housing costs in some and lowering development feasibility in others.



SUPPLY

Infrastructure is a challenge

Some stakeholders identified that areas marked for development face challenges with wastewater management & flooding.

Short-term holiday rentals are prevalent

In South Wairarapa in particular, holiday rentals are impacting the availability of longer-term rental housing.

Community housing is problematic

Older community housing was said to be run-down, damp & not matched to tenants' needs. Ongoing asset management, and the financial means to complete it, were not always evident.



OPPORTUNITIES

Leadership across the housing sector is needed

Opportunities exist for a coordinated, well-led approach to housing across Wairarapa. This could bring together relevant stakeholders to work effectively to meet shared housing goals.

Wrap-around services are required

Particularly for public & community housing so that tenants feel safe & secure. Active tenancy management was also felt to be lacking.

More action is needed by housing stakeholders to lead and plan for growth

This needs to be at a more granular level than current planning to meet the specific needs of local communities, including those on low or fixed incomes who are increasingly likely to find themselves priced out of the housing market.

Introduction

The population of Wairarapa is growing. Warm, dry, affordable homes are required to meet the housing needs of all sectors of our communities. This Housing Needs Assessment outlines the context of housing in Wairarapa to understand the possible quantum, type, and location of housing supply and demand across the Masterton, Carterton, and South Wairarapa districts now and into the future.

Māori are disproportionately represented in all areas of housing need and homelessness, driven by the ongoing impacts of dispossession of land and subsequent displacement and disconnection from whānau, hapū and Iwi¹



- ▶ This Housing Needs Assessment establishes the current baseline of housing supply and demand across Wairarapa. It anticipates how housing need may change over time based on population growth, economic and regulatory drivers. It also identifies what other organisations and stakeholders are active in housing supply across Wairarapa to ensure a joined-up approach and avoid market saturation.
- ▶ Documenting housing need in Wairarapa provides a point in time understanding from which further monitoring of trends can be effectively completed to inform decision-making regarding the provision of housing, its timing for release to the market, and how well housing is meeting the needs of our communities.
- ▶ Tū Mai Rā Investments commissioned this Housing Needs Assessment to inform its residential development strategy and assist stakeholders in the housing sector. This is reflective of its organisational values of mahi tahi me te kōrero tahi (working together through honest communication) and kanohi ki te kanohi (being present with all people with whom we do business).



This Housing Needs Assessment was developed through a desktop review of reports and statistical information, alongside meeting notes provided by representatives of Tū Mai Rā Investments. It does not include economic forecasting or modelling and does not constitute in-depth market analysis. Rather, it is an initial step in documenting housing supply and demand factors across the Wairarapa sub-region.

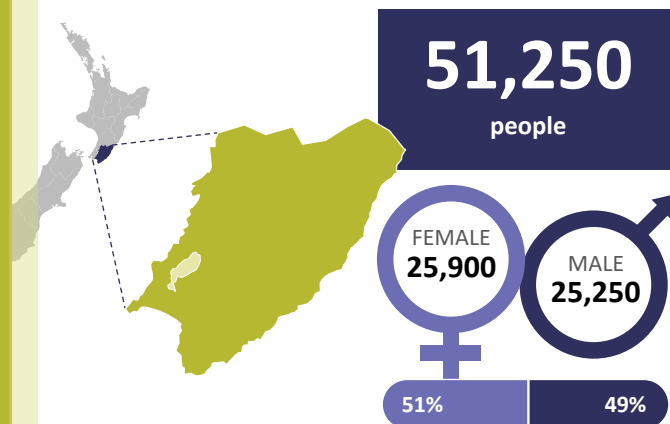
Report structure



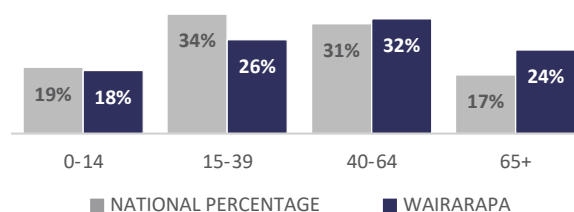
WAIRARAPA OVERVIEW

Our People

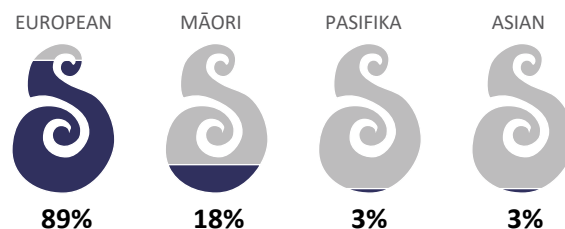
WAIRARAPA POPULATION, 2023¹



BY AGE BRACKET 2023¹



BY ETHNICITY 2018²



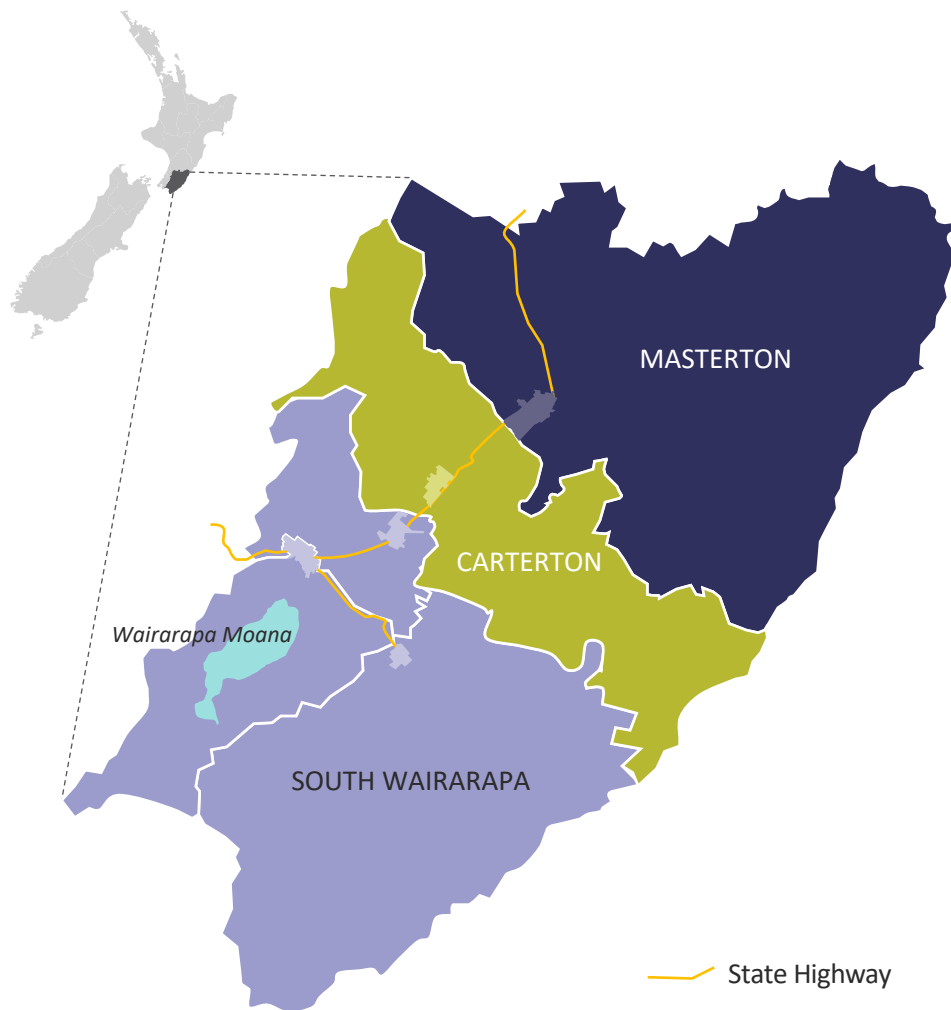
As at June 2023, it was estimated that:

- ▶ 51,250 people lived in Wairarapa.
- ▶ the population grew by 9% from 2018 to 2023 (4,440 people). 71% of this growth came from internal migration³.
- ▶ more older people lived in Wairarapa compared to the national figure, particularly in the 65 years and older age range.
- ▶ fewer younger people lived in Wairarapa, particularly in the 15 to 39-year age range.

This section provides an overview of Wairarapa's demographic and housing characteristics.

1. StatsNZ, Subnational population estimates (TA, SA2), by age and sex, at 30 June 1996-2023 (2023 boundaries).
2. StatsNZ, Dataset: Estimated resident population (ERP), subnational population by ethnic group, age, and sex, at 30 June 2018 (Ethnicity is a measure of cultural affiliation, as opposed to race, ancestry, nationality, or citizenship. Ethnicity is self-perceived and people can belong to more than one ethnic group).
3. Calculations based on StatsNZ Dataset: Subnational population component changes and median age (RC, TA), at 30 June 2018-2023.

Our Districts

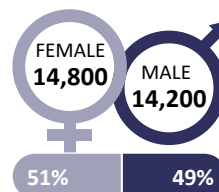


MASTERTON

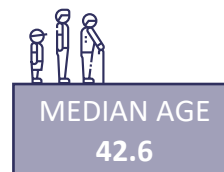
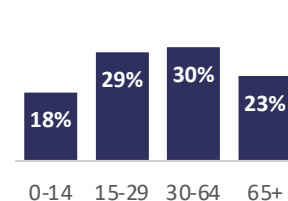
POPULATION 2023¹
29,100

POPULATION 2052²
42,100

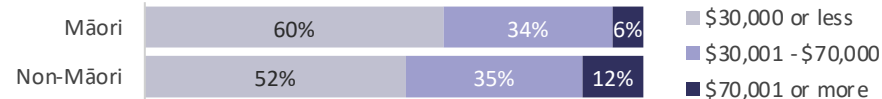
BY GENDER 2023¹



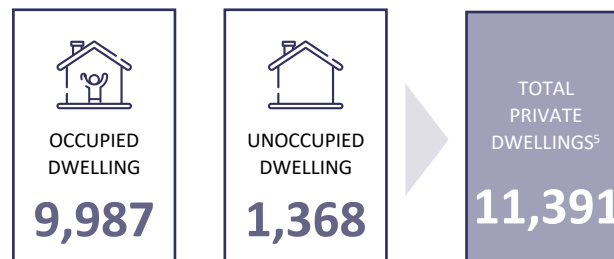
BY AGE 2023¹



TOTAL PERSONAL INCOME 2018³



DWELLING OCCUPANCY STATUS 2018⁴



CONSENTS 2023⁶



1. StatsNZ, Subnational population estimates (TA, SA2), by age and sex, at 30 June 1996-2023 (2023 boundaries).
2. Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).
3. StatsNZ, Total personal income and ethnic group by age group and sex, for the census usually resident population count aged 15 years and over, 2018 Census (TA)
4. StatsNZ, Occupied dwellings, unoccupied dwellings, and dwellings under construction, for private and non-private dwellings, 2018 Census.
5. Total includes dwellings under construction.
6. StatsNZ, Dataset: Building consents issued: June 2023. Includes apartments, retirement village units, townhouses, flats, and units.

Our Districts

CARTERTON

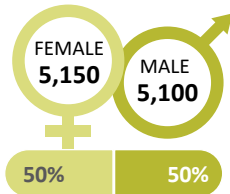
POPULATION 2023¹

10,250

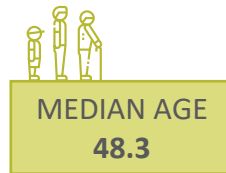
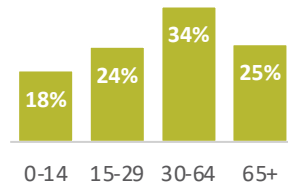
POPULATION 2052²

14,900

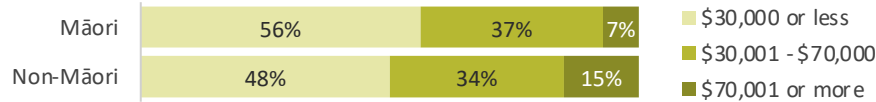
BY GENDER 2023¹



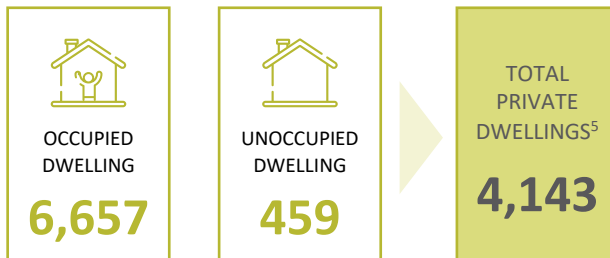
BY AGE 2023¹



TOTAL PERSONAL INCOME 2018³



DWELLING OCCUPANCY STATUS 2018⁴



CONSENTS 2023⁶



SOUTH WAIRARAPA

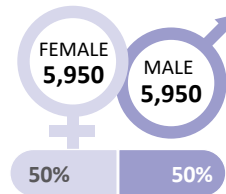
POPULATION 2023¹

11,900

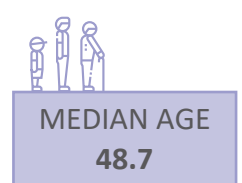
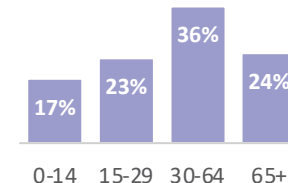
POPULATION 2052²

16,400

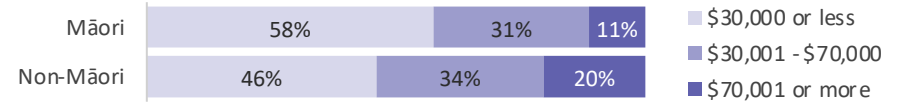
BY GENDER 2023¹



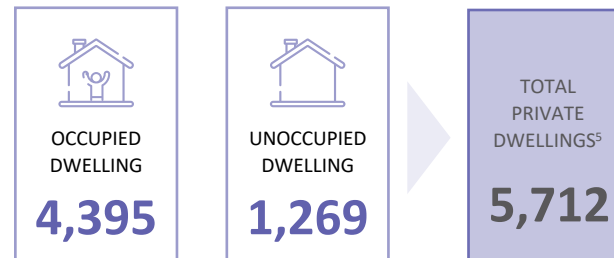
BY AGE 2023¹



TOTAL PERSONAL INCOME 2018³



DWELLING OCCUPANCY STATUS 2018⁴



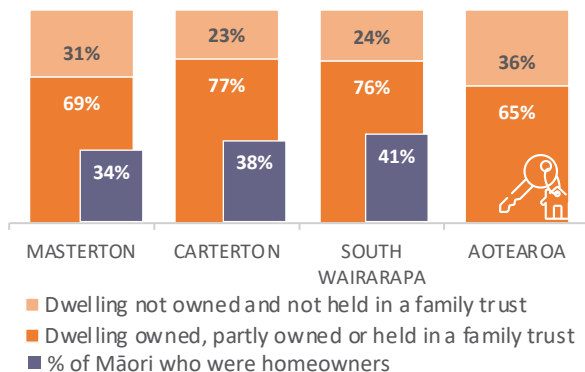
CONSENTS 2023⁶



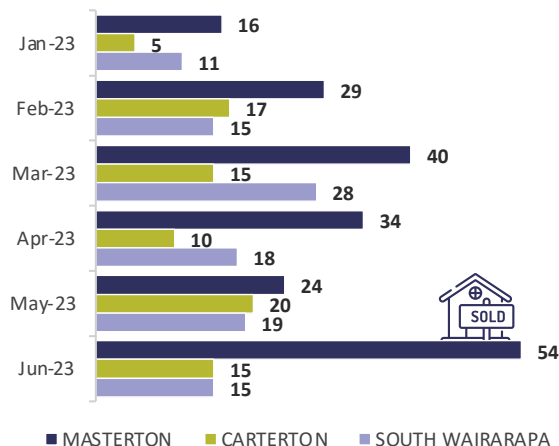
1. StatsNZ, Subnational population estimates (TA, SA2), by age and sex, at 30 June 1996-2023 (2023 boundaries).
2. Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).
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4. StatsNZ, Occupied dwellings, unoccupied dwellings, and dwellings under construction, for private and non-private dwellings, 2018 Census.
5. Total includes dwellings under construction.
6. StatsNZ, Dataset: Building consents issued: June 2023. Includes apartments, retirement village units, townhouses, flats, and units.

Our Housing: Private housing

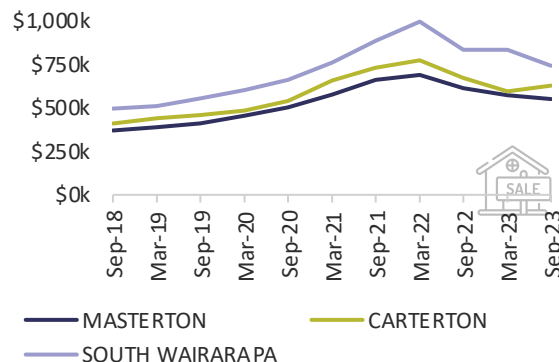
HOME OWNERSHIP 2018¹



HOUSES SOLD JAN-JUN 2023²

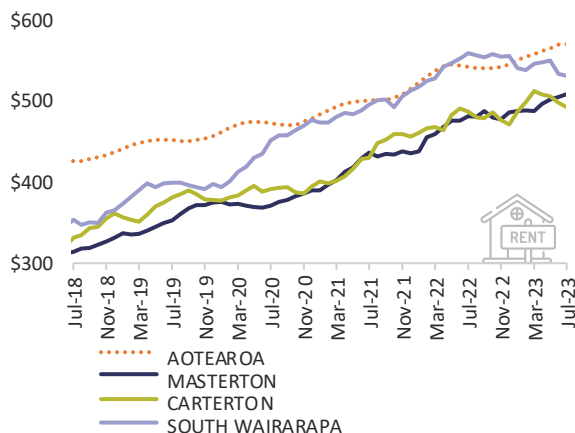


AVERAGE PROPERTY PRICE 2018-2023³

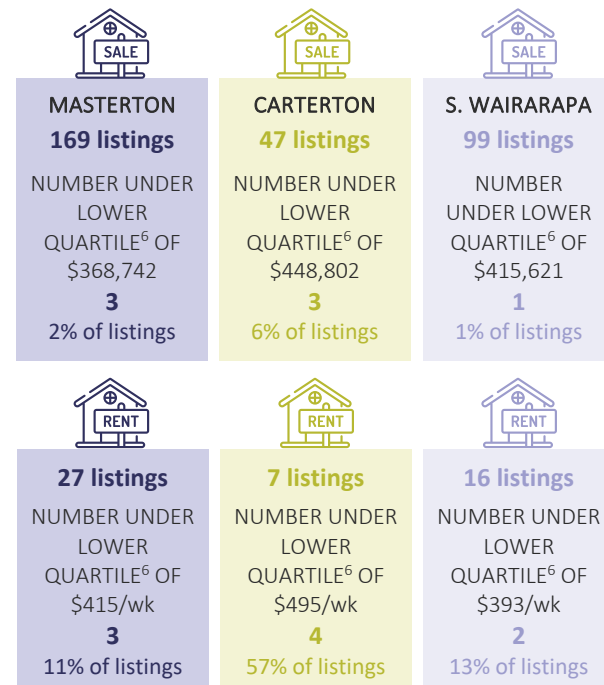


MEDIAN WEEKLY RENT (\$) 1 JULY 2018-2023⁴

6 month rolling average



CURRENT PROPERTY LISTINGS OCT 2023⁵

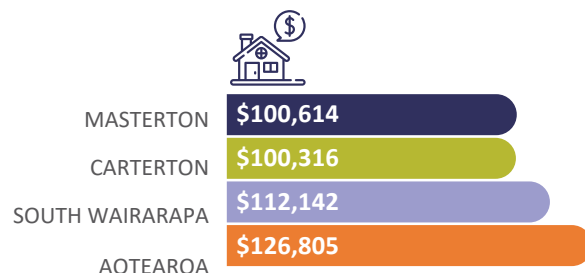


Home ownership rates in Wairarapa are slightly higher than the national average. For renters, median weekly rent has steadily increased across all three districts with few rental properties available.

1. StatsNZ, Place summaries, 2018. StatsNZ advise caution due to [data quality issues](#). Māori home ownership data sourced from HUD, Local Housing Statistics Dashboard, 2023. 'Dwelling not owned and not held in a family trust' includes households who were living in their home rent-free and households for which information on whether they were paying rent or not was not available, as well as households who were renting their home.
2. Davidson, K. (2023) *Sales and values from Corelogic*.
3. Quotable Value 2023. Accessed at <https://qv.co.nz/price-index/>, Oct 2023.
4. tenancy.govt.nz, rental bond data. Data unavailable for Carterton/South Wairarapa for several months (May-19, Apr-20, Sep-21, Jan & Sep-22).
5. TradeMe (accessed 18 October 2023).
6. Lower quartile (LQ) is the median of the lower half of the dataset. LQ house price sourced from Quotable Value, July 2023. LQ rent sourced from tenancy.govt.nz rental bond data, July 2023.

Our Housing: Affordability

AVERAGE HOUSEHOLD INCOME Q2 2023



RENT AFFORDABILITY (%) Q2 2023

The proportion of household income required to pay the rent



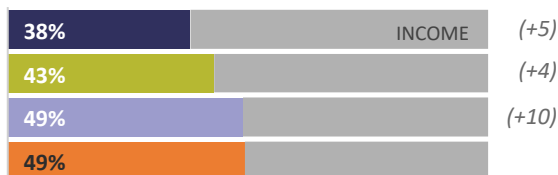
STRESSED RENTERS 2018¹

Households whose rent is equal to or more than 50% of income



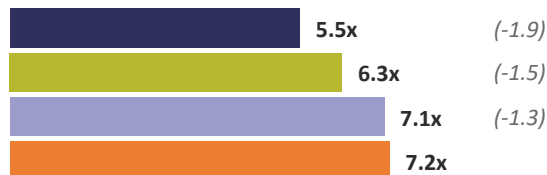
MORTGAGE SERVICING (%) Q2 2023

The share of household income required to service an 80% mortgage



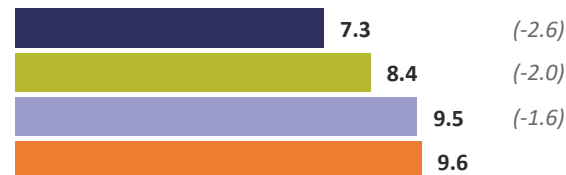
VALUE TO INCOME RATIO² Q2 2023

How many times higher average dwelling prices are than household income



YEARS TO SAVE DEPOSIT³ Q2 2023

The number of years it takes to save a 20% deposit



In 2018, the median personal income for Māori was \$24k compared to \$29k for the Wairarapa population⁴

Across Wairarapa, the proportion of household income required to pay rent or mortgages has increased over the last 12-month period by between 2% and 10%. The number of stressed renters, who pay more than half of their household income towards rent, is also high - particularly in Masterton.

Source: Corelogic, Housing Affordability Report, Aug 2023 unless otherwise stated.

Note: Numbers in brackets are the difference from the same period in 2022.

1. Source: HUD, Local Housing Statistics Dashboard, 2023 (based on StatsNZ Census data).
2. For this measure, Corelogic assumes a household can save 15% of their gross annual household income.
3. Corelogic utilises average gross household income from Infometrics and Corelogic's average property values to determine ratio.
4. StatsNZ, Total personal income and ethnic group by age group and sex, for the census usually resident population count aged 15 years and over, 2018 Census (RC, TA, SA2, DHB)

Our Housing: Public housing

HOUSING PROVIDERS IN WAIRARAPA

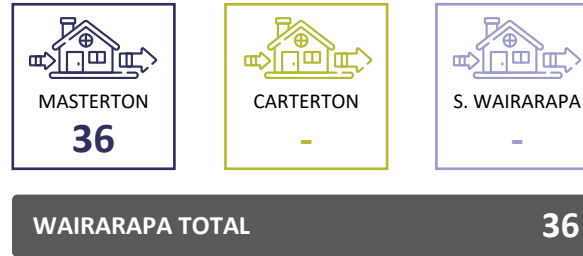
PUBLIC HOUSING PROVIDERS¹



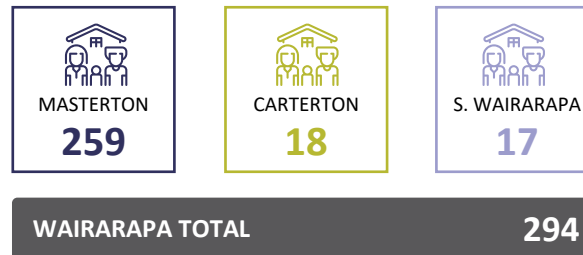
OTHER NON-PRIVATE HOUSING PROVIDERS



TRANSITIONAL HOUSING PLACES 2023^{2,3}



PUBLIC HOUSING TENANCIES JUNE 2023²

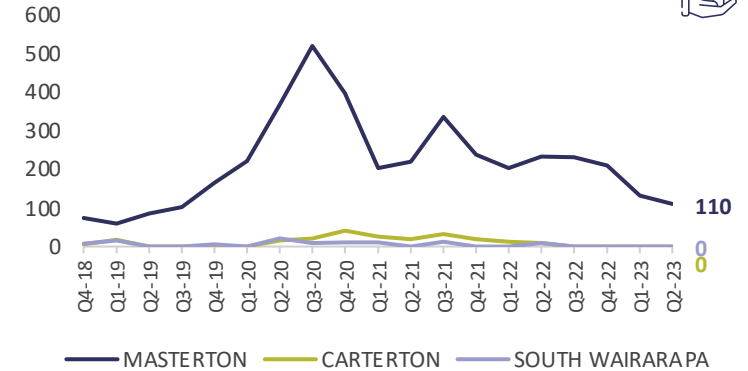


Increasing issues with housing affordability on the private market mean that some people need to utilise transitional, public, or community housing solutions. The majority of this type of non-private housing is located in Masterton.

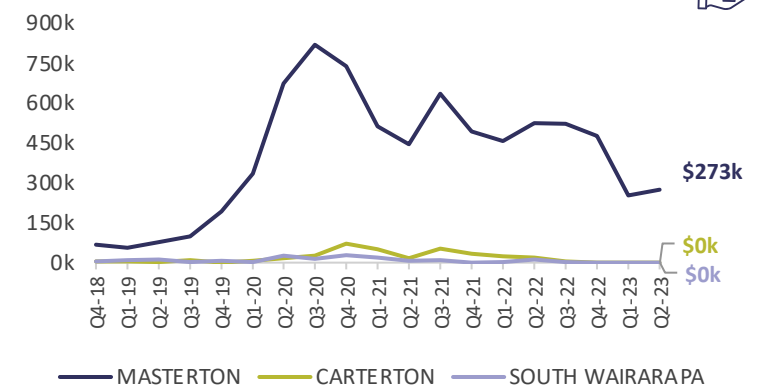
1. Public Housing includes Kāinga Ora and Community Housing Providers (CHPs) such as Trust House Ltd.
2. HUD, Public Housing Regional Factsheets, Wellington Region (2018-2023).
3. Transitional housing is temporary accommodation for individuals and whānau who don't have anywhere to live and urgently need a place to stay. People pay rent of up to 25% of their income, in line with income-related rents for public housing and Emergency Housing Special Needs Grants. The rest of the costs are paid by HUD.
4. EHSNG = Emergency Housing Special Needs Grant (issued by MSD).

EMERGENCY HOUSING SPECIAL NEEDS GRANTS (EHSNG)^{2,4}

NUMBER OF EHSNG GRANTED 2018-23



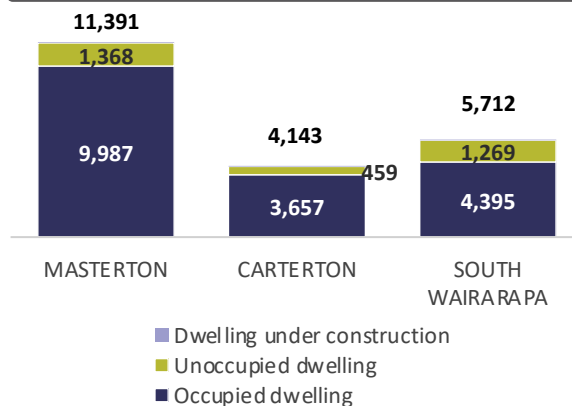
AMOUNT OF EHSNG GRANTED 2018-23 (\$k)



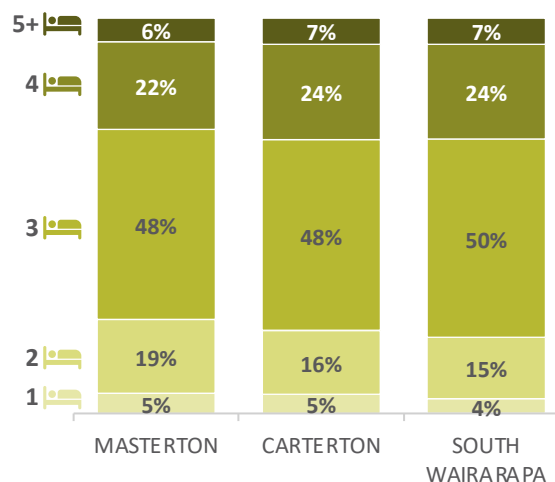
HOUSING SUPPLY

TOTAL PRIVATE DWELLINGS 2018¹

21,246 (incl. 111 under construction)



NUMBER OF BEDROOMS 2018²



Various initiatives have been completed or are currently underway relevant to housing supply (or capacity) across Wairarapa. These include:

- ▶ the Future Development Strategy for Wairarapa–Wellington–Horowhenua
- ▶ the Wairarapa Combined District Plan Review
- ▶ the Housing and Business Development Capacity Assessment for Wairarapa
- ▶ potential changes in central government policy settings due to the 2023 general election.

It is interesting to note from the chart opposite that in 2018, the number of unoccupied dwellings as a proportion of total housing stock was high in South Wairarapa. This is possibly due to the use of some dwellings as short-term holiday accommodation that may have been unoccupied on Census night.

This section outlines these supply considerations

1. Source: StatsNZ, Place summaries, 2018.
2. StatsNZ, Dataset: Number of bedrooms by occupied dwelling type for occupied private dwellings, 2006, 2013, and 2018 Censuses (RC, TA, SA2, DHB).
3. Calculations based on Sense Partners Horowhenua and Wellington Region Population Forecasts data, 2023.
4. StatsNZ, Dataset: Subnational household projections, by household type, 2018(base)-2043.

Planning for Growth

Future Development Strategy (FDS) Wairarapa–Wellington–Horowhenua

The FDS provides a plan to deliver well-functioning urban environments over the next 30 years. It identifies where housing and business development will be located, alongside the infrastructure needed to service such development.

The FDS builds on and replaces the Wellington Regional Growth Framework (WRGF). It is draft only and was open for public consultation on 9 October 2023.

Areas for growth identified in the FDS will be reflected in the zoning of the relevant District Plans to enable development.

FDS priorities for Wairarapa include:

- ▶ Intensification within Featherston, Carterton and Masterton
- ▶ A priority development area in Featherston
- ▶ Greenfield development areas in Carterton (Carterton East) and Masterton (Chamberlain Road and Cashmere Oaks).

PRIORITISED DEVELOPMENT IN THE WAIRARAPA¹



Wairarapa Combined District Plan

The Wairarapa Combined District Plan (WCDP) is currently under review. The proposed WCDP seeks to introduce a new Māori Purpose Zone to remove constraints on the use and development of Māori land and achieve outcomes sought by tangata whenua.

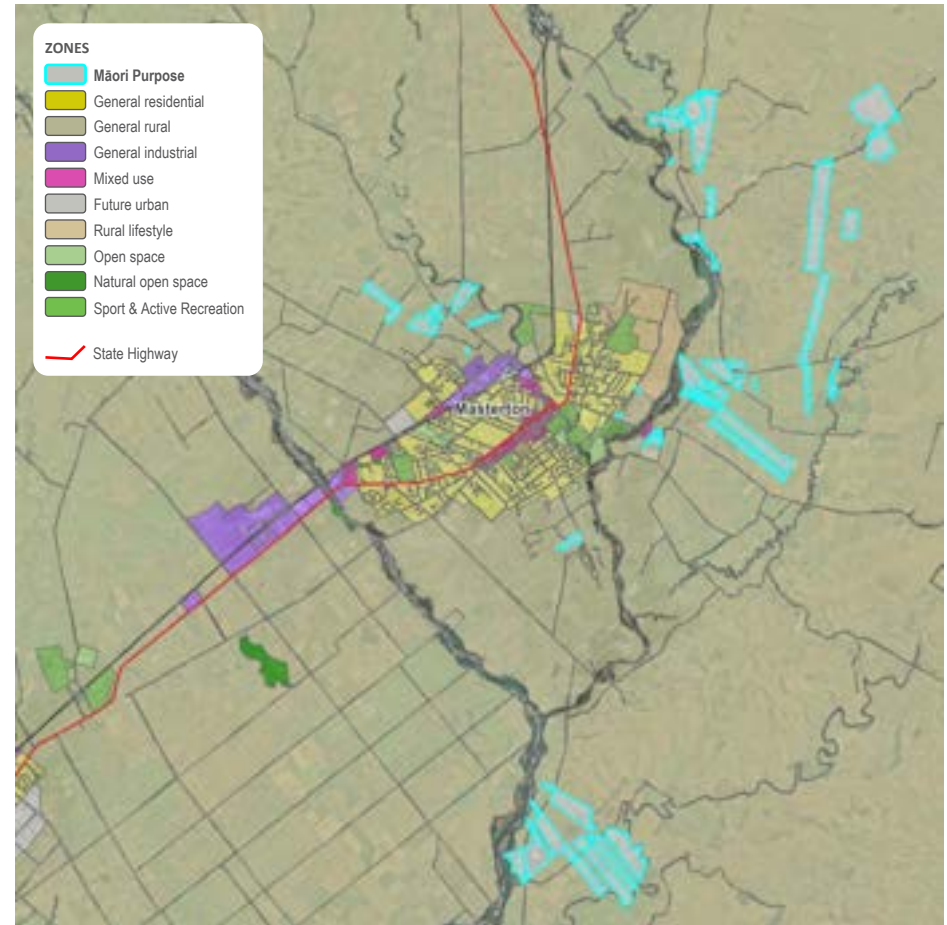
This Māori Purpose Zone is proposed to be applied to land containing marae or urupā, and to all Māori Freehold Land and Māori Customary Land under the Te Ture Whenua Māori Act 1993¹. This will unlock the development potential of this land through:

- ▶ Permitted activity status (no resource consent required) for buildings and residential activities, subject to compliance with standards in the WCDP; and
- ▶ No minimum lot sizes for subdivision in the Māori Purpose Zone.

Tū Mai Rā Investments may wish to check whether its land is included in the proposed Māori Purpose Zone. If not, it may consider making a submission to request this through the District Plan review consultation process currently underway.

It should be noted that the proposed WCDP is draft only and will not be operative until 2025 at the earliest. Until that time, the current WCDP (which does not include a Māori Purpose Zone) is applicable. Notwithstanding, once operative, the Māori Purpose Zone if it stays in its current format is likely to unlock housing and business development potential from 2025 onward.

PROPOSED WCDP MĀORI PURPOSE ZONE²



1. Section 32 Evaluation Topic Report, Māori Purpose Zone, October 2023.

2. Proposed Wairarapa Combined District Plan Map Viewer, October 2023.

Estimated Realisable Residential Development Capacity in Wairarapa

Housing capacity assessment

The Wellington Regional Leadership Committee issued a Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua ('HBA 2023') in September 2023. Key findings of this report include:

There is estimated to be sufficient housing capacity (land zoned for residential use) to meet demand over the short, medium, and long-term periods in Wairarapa.

- ▶ In Masterton, an additional 6,193 dwellings will be needed over the next 30 years. Current District Plan zoning provides for 11,000 – 11,500 dwellings. This is almost double the capacity that is estimated to be needed.

- ▶ This information was not provided for Carterton and South Wairarapa.

Infrastructure capacity particularly in relation to water supply remains an ongoing challenge for all three districts, posing long-term constraints on development.

The HBA identifies realisable development capacity for all residential, future urban, and greenfield zones within the Wairarapa Combined District Plan.

The figures on this page¹ represent realisable residential development capacity across Wairarapa based on residential, future urban, and greenfield zones and associated development controls in the Wairarapa Combined District Plan.

This realisable development capacity indicates the number of dwellings that are likely to be realised (built) in the short-medium term.

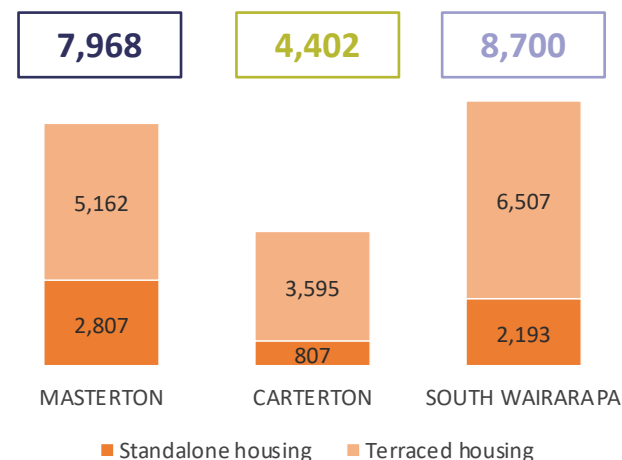
It should be noted that this information is based on assumptions and is indicative only. It does, however, provide a useful ballpark figure of the number of new dwellings likely to be added to local housing supply to enable an estimate of whether sufficient housing capacity exists to meet possible demand.

THEORETICAL CAPACITY²



WAIRARAPA THEORETICAL CAPACITY 43,920

REALISABLE CAPACITY

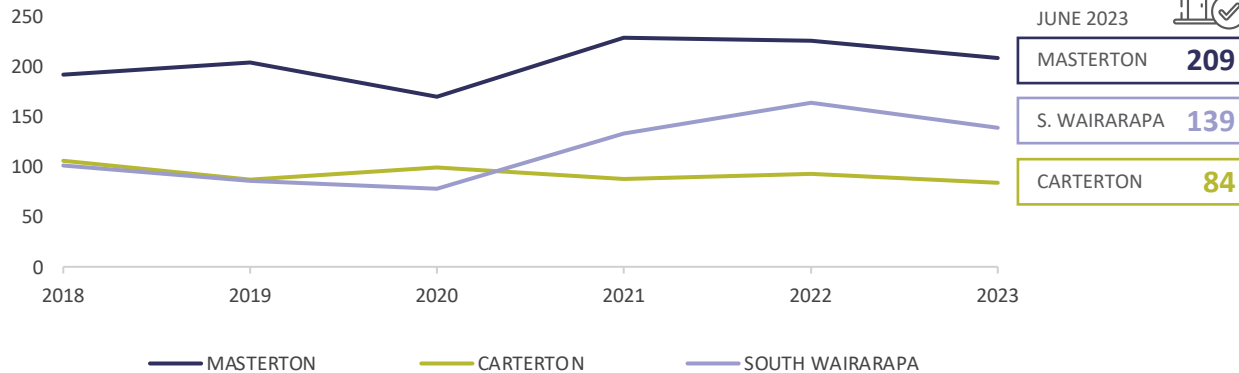


TOTAL REALISABLE CAPACITY³ 21,070

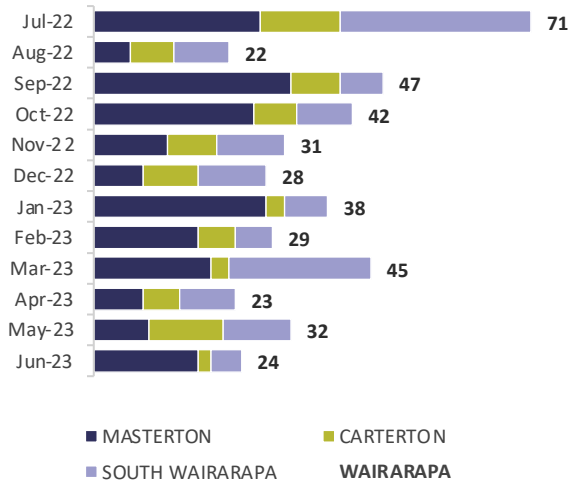
1. Chapters 8-10, Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).
2. Total that could be built based on District Plan settings.
3. Total estimate of housing likely to be built in the short-medium term.

New Dwellings Consented

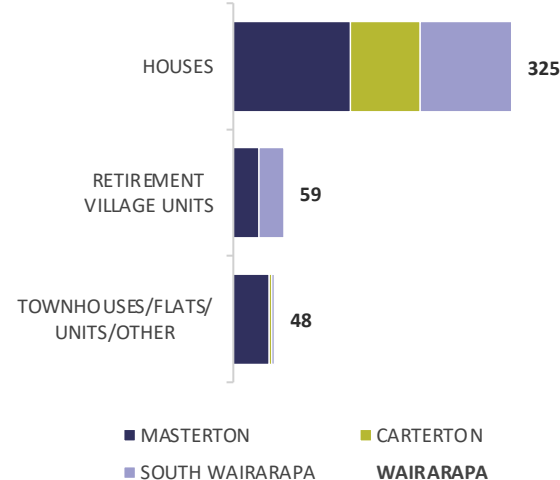
NEW DWELLINGS CONSENTED 2018-2023¹



CONSENTED BY MONTH JULY 2022-JUNE 2023¹



CONSENTED BY TYPE JULY 2022-JUNE 2023²



The number of new dwellings consented has started to slow across Wairarapa, with 241 in the first 6 months of the year ending June 2023 and 191 in the second. Overall, the total for the year was 11% less than in 2022. The most common dwelling type consented was stand-alone houses.

1. StatsNZ, Dataset: Building consents issued: June 2023. Includes apartments, retirement village units, townhouses, flats, and units.

2. StatsNZ, Dataset: New dwellings consented by statistical area 2 June 2023.

Public and Community Housing

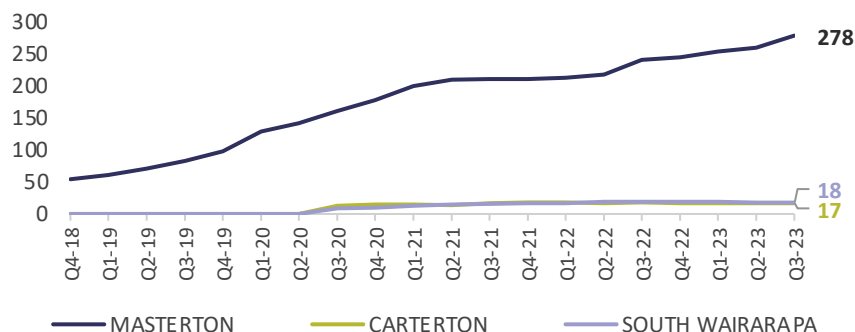
Public housing is owned or leased by Kāinga Ora and registered Community Housing Providers (CHPs) that can be tenanted by people who are eligible for public housing (HUD, 2023).

Over the last four years the supply of public housing tenancies has tripled in Masterton. This will assist to meet increasing need.



Anecdotally, demand for public and community housing exists in Featherston, but not in Greytown and Martinborough (or this need is hidden).¹

PUBLIC HOUSING TENANCIES IN WAIRARAPA Q4 2018 – Q3 2023²



WAIRARAPA TOTAL, Q3 2023: 313

CURRENT KĀINGA ORA PUBLIC HOUSING PROJECTS IN WAIRARAPA³

	LOCATION	NUMBER OF HOMES	1	2	3	4	5
MASTERTON	Market St	6			6		
	George St	12		4	8		
	High St	8		8			
	Iorns St	18	8	6	4		
	Michael St	3		2	1		
SOUTH WAIRARAPA	Featherston	11	2	9			
	Greytown	4			3		1
TOTAL		62	10	29	22		1



Kim's Way night refuge for the homeless on track to open early 2024⁴. This includes 13 places with a wheelchair-friendly ramp and an accessible bathroom.

1. Anecdotal information from Ministry of Social Development, 2023.
2. HUD, Public Housing Regional Factsheets, Wellington Region (2018-2023) and HUD, Government Housing Dashboard (2023).
3. <https://kaingaora.govt.nz/assets/Developments-and-Programmes/Wellington-developments/Factsheets/Wairarapa-update-factsheet-August-2023.pdf>.
4. Wairarapa Times Age, 14 Oct 2023.

HOUSING DEMAND

TOTAL NUMBER OF HOUSEHOLDS 2023

WAIRARAPA

22,410



MASTERTON

12,605

CARTERTON

4,473

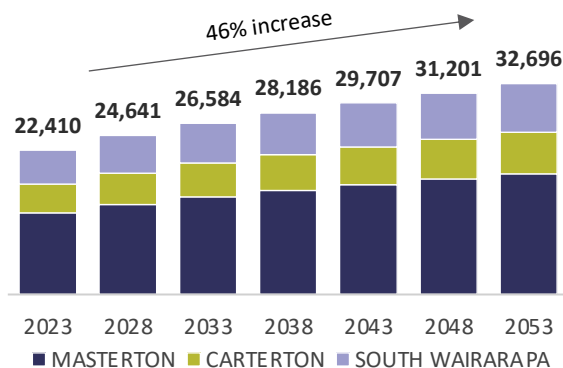
SOUTH WAIRARAPA

5,332

Population growth will increase the amount of new housing required across Wairarapa. Between 2022 – 2052, the population of Masterton district is likely to grow by 13,200 people, with Carterton and South Wairarapa districts expecting population growth of 4,600 each over the same period.

These additional people will need to be housed in warm, dry, affordable homes. It is anticipated that this will require a 46% increase in the number of households to 2053, the majority located in Masterton.

TOTAL NUMBER OF HOUSEHOLDS 2023-2053



This section outlines housing demand trends for Wairarapa up to 2053. Forecasting is not an exact science; however, these projections provide a useful planning tool to provide a better chance of having the right housing in the right place at the right time.

Population Growth Forecasts

POPULATION 2023¹

WAIRARAPA

51,250

MASTERTON

29,100

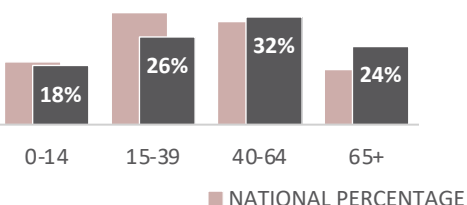
CARTERTON

10,250

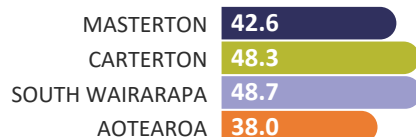
SOUTH WAIRARAPA

11,900

POPULATION BY AGE 2023¹



MEDIAN AGE 2023¹



PROJECTED POPULATION 2052²

WAIRARAPA

Change 2023

73,400 ▲ 43%

MASTERTON

42,100 ▲ 46%

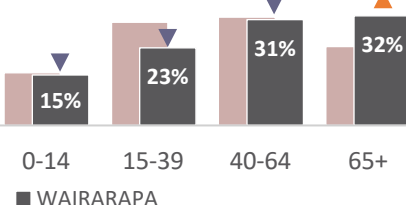
CARTERTON

14,900 ▲ 45%

SOUTH WAIRARAPA

16,400 ▲ 38%

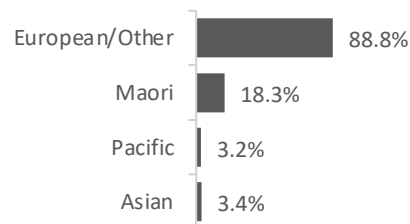
POPULATION BY AGE 2048⁵



MEDIAN AGE 2048⁵



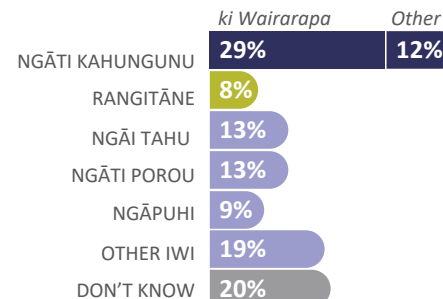
POPULATION BY ETHNICITY 2018³



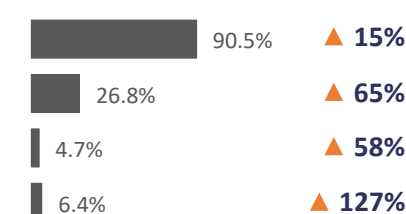
WAIRARAPA MĀORI 2018

8,580

IWI AFFILIATION ESTIMATES 2018⁴



POPULATION BY ETHNICITY 2043³



WAIRARAPA MĀORI 2043

14,170 ▲ 65%



Between 2018 and 2043, Māori, Asian, and Pacific ethnic populations will grow in all regions and territorial authorities.

StatsNZ, 2023

1. StatsNZ, Subnational population estimates (TA, SA2), by age and sex, at 30 June 1996-2023.
2. Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).
3. StatsNZ, Dataset: Subnational ethnic population projections, by age and sex, 2018(base)-2043.
4. StatsNZ, 2018 iwi affiliation estimated counts. (StatsNZ classify this data as moderate quality and shouldn't be used for small populations of less than 100. Iwi included here have more than 100).
5. StatsNZ, Projected population age structure and components of change, 1996-2048 (2018-base) update, medium projection and National population projections, by age and sex, 2022(base)-2073 (50th percentile).

Wairarapa Households

PROJECTED HOUSEHOLDS 2053¹

WAIRARAPA

Change 2023

32,696 ▲ 46%

MASTERTON

18,737 ▲ 49%

CARTERTON

6,459 ▲ 44%

SOUTH WAIRARAPA

7,500 ▲ 41%

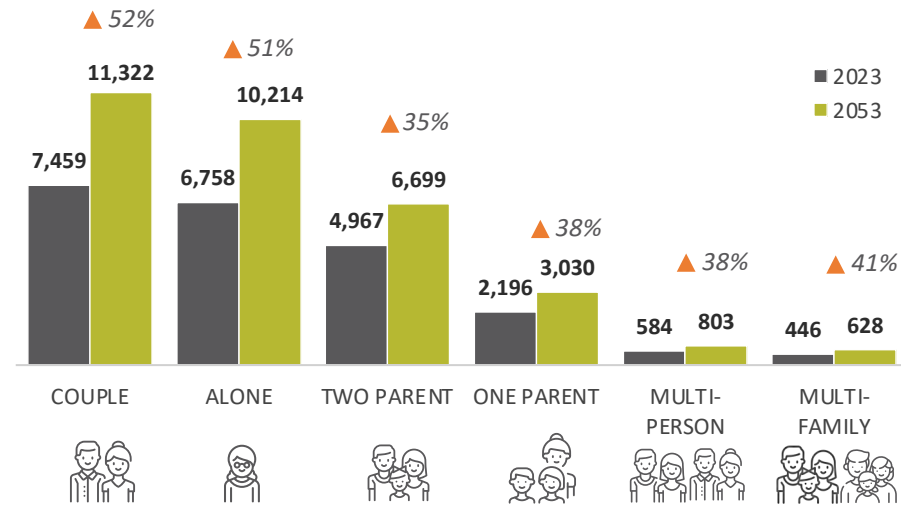
AVERAGE HOUSEHOLD SIZE

	2018 ²	2053 ¹
MASTERTON	2.3	2.3

	2018 ²	2053 ¹
CARTERTON	2.3	2.2

	2018 ²	2053 ¹
SOUTH WAIRARAPA	2.2	2.1

HOUSEHOLD COMPOSITION 2023 & 2053¹



PREVALENCE OF PEOPLE ALONE OR COUPLE HOUSEHOLDS 2023 & 2053³

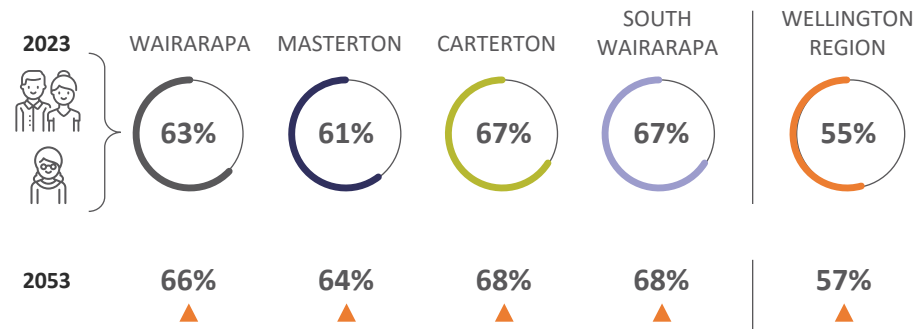


IMAGE: Adobe Stock

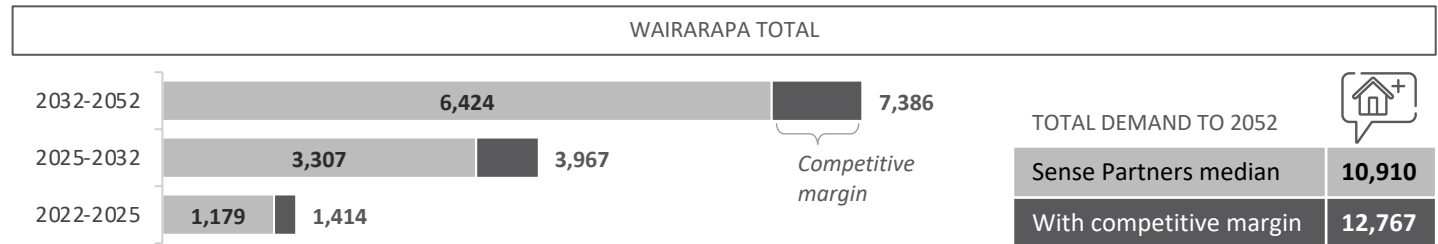
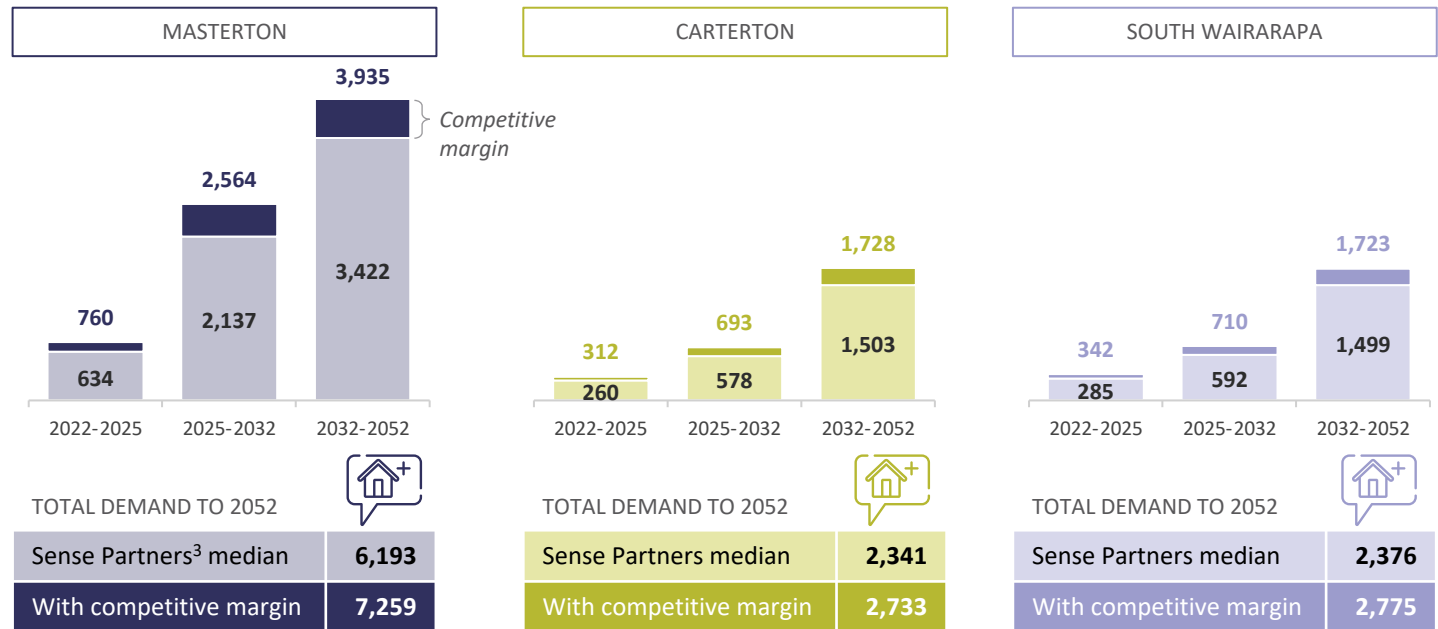
The number of households in Wairarapa is projected to increase by 46% or over 10,000 additional households in the next 30 years. This equates to an average of 343 households per year.

1. Sense Partners, Horowhenua and Wellington Region Population Forecasts (50th percentile), 2023.
2. StatsNZ, Dataset: Subnational household projections, by household type, 2018(base)-2043.
3. Calculations based on Sense Partners Horowhenua and Wellington Region Population Forecasts data, 2023.

Forecast Housing Demand to Accommodate Population Growth

The HBA 2023 estimates that the following number of dwellings will be needed in our towns across the timeframes indicated. This information is useful to target development to avoid an under or over-supply of housing.

ESTIMATED DWELLING DEMAND (INCLUDING COMPETITIVE MARGIN¹) FOR WAIRARAPA DISTRICTS, 2022-2052²

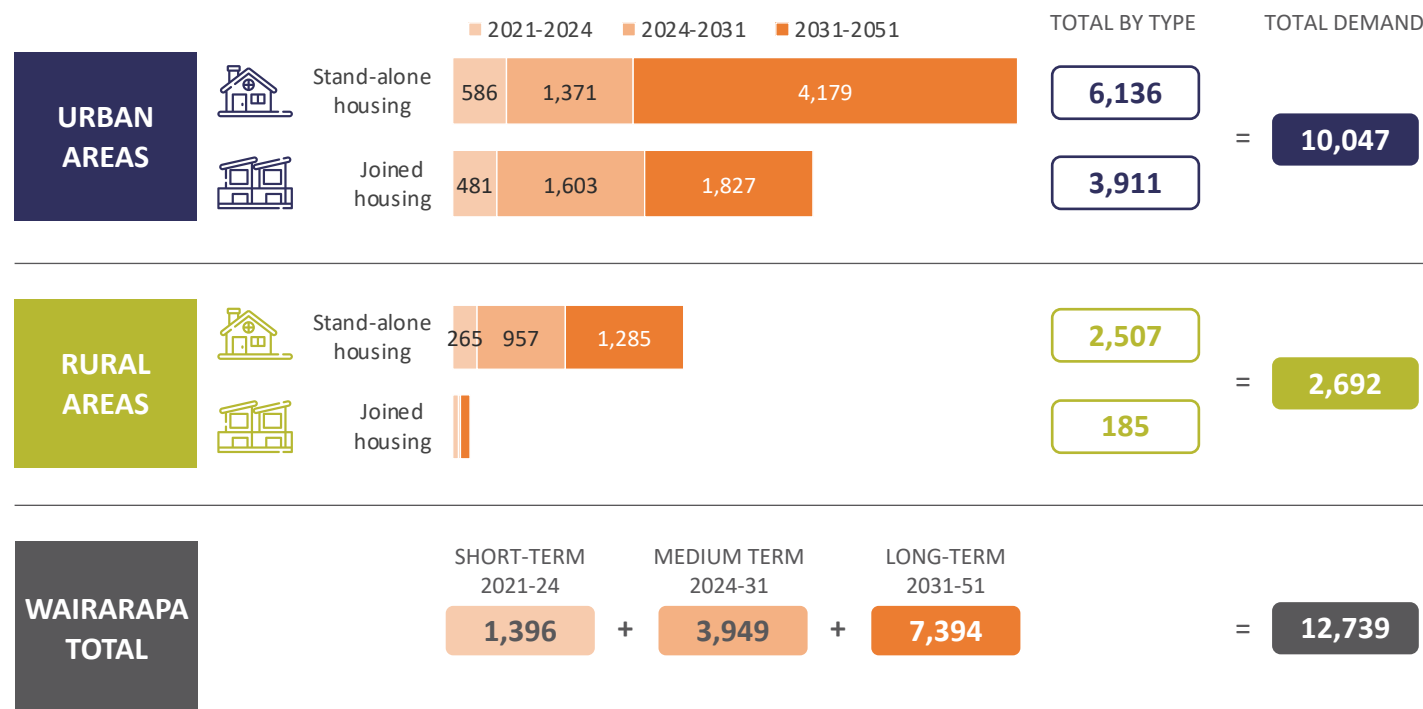


1. A competitiveness margin is a margin of development capacity, over and above the expected demand, that is required in order to support choice and competitiveness in housing markets. The competitive margin for the short and medium terms is 20%; and for the long term is 15%.
2. Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).
3. Sense Partners = Economic consultancy who completed population forecasts to inform the Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).

The HBA 2023 also provides estimates of the type of dwellings that may be needed; including stand-alone and joined (attached) housing. Note that this information is available by town in Appendix 1 of this report.

If estimated demand for joined (attached) housing is less than the volume anticipated in the HBA 2023, there would be less capacity available overall.

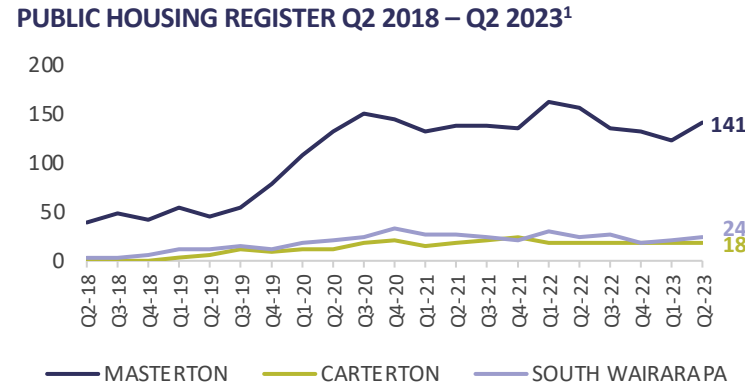
DEMAND FOR ADDITIONAL DWELLINGS (WITH COMPETITIVE MARGIN¹) IN WAIRARAPA BY HOUSING AREA AND TYPOLOGY, 2021-2051²



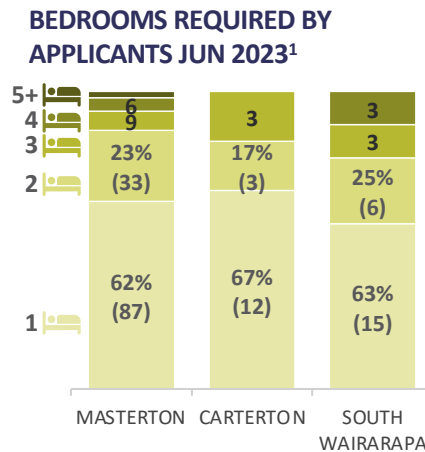
1. A competitiveness margin is a margin of development capacity, over and above the expected demand, that is required in order to support choice and competitiveness in housing markets. The competitive margin for the short and medium terms is 20%; and for the long term is 15%.
2. Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).

Public and Community Housing

The public housing register indicates the number of people on the waitlist for public and community housing in Wairarapa. This has increased rapidly in Masterton since 2018, while remaining more stable in Carterton and South Wairarapa.



WAIRARAPA TOTAL, Q2 2023: 183



APPLICANTS BY PRIORITY Q2 2023^{1,2}

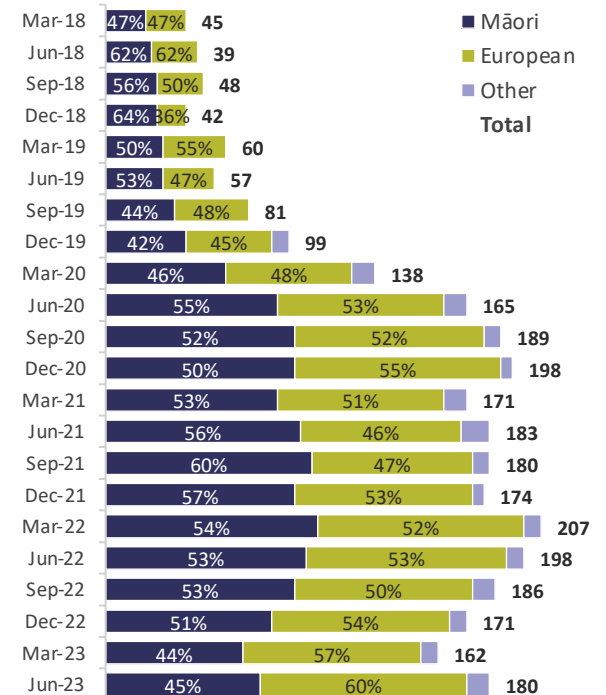
PRIORITY A

174
95%

PRIORITY B

6
5%

PUBLIC HOUSING REGISTER APPLICANTS BY ETHNICITY³



1. MSD, housing-register-june-2023.xlsx.

2. Priority A refers to applicants who are considered 'at risk' and includes households with a severe and persistent housing need that must be addressed immediately. 95% of applicants in Q2 2023 were Priority A. Priority B refers to applicants who have a serious housing need and includes households with a significant and persistent need. Only 6 applicants at June 2023 were Priority B.

3. MSD, OIA response 25 Oct 2023. Ethnicity data is self-identified and multiple ethnicities may be chosen by an individual. As a result, the total number of ethnic responses can be greater than 100%. This data has had random rounding to base three applied to all counts to protect confidentiality. Some data was suppressed when numbers were small e.g. Other data from Mar-18 to Sep-19.

SUMMARY

The Housing and Business Development Capacity Assessment for Wairarapa (HBS 2023) indicates that overall, there should be sufficient housing capacity available in Wairarapa to meet estimated demand over the next 30-year period. However, the assumptions underpinning the HBA 2023 will be tested over time and may require refinement. For example:

- ▶ Infill residential development may not occur at assumed rates.
- ▶ Not all land considered available for housing may have infrastructure in place, and this may not occur in step with housing demand.
- ▶ If estimated demand for joined (attached) housing is less than the volume anticipated, there would be less capacity available overall.

In short, housing capacity may not eventuate as predicted and should be monitored to identify any emerging misalignment between estimates and the situation on the ground.

In addition, more granular insight is needed to better understand the situation for some sectors of our communities.

This section summarises the key findings from this report.



Sufficiency of Residential Capacity

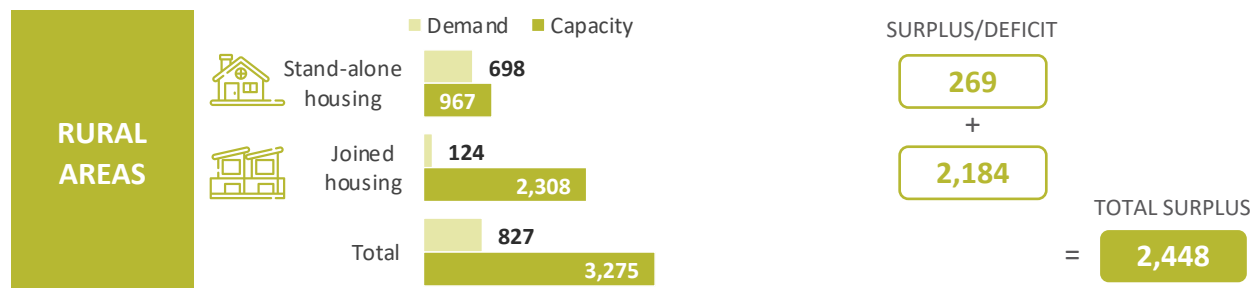
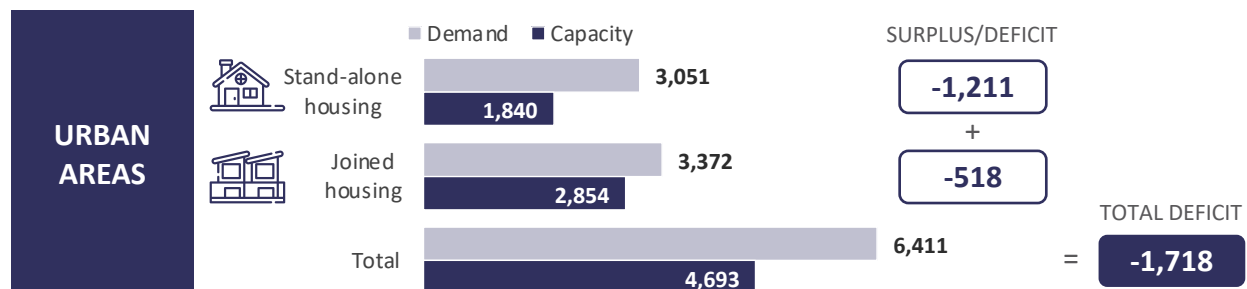
What the data tells us

Overall, housing demand and capacity across Wairarapa is reasonably aligned, meaning that there should be enough houses available to meet demand over the next 30-year period. However, there are some exceptions:

- ▶ There is likely to be a deficit of stand-alone and joined housing in the Masterton urban area as indicated opposite.
- ▶ There is likely to be a deficit of stand-alone housing in the Carterton urban and rural areas (refer to Appendix 2). However, this is offset by joined housing capacity meaning that overall, sufficient housing capacity is likely to be available.
- ▶ There is likely to be a deficit of stand-alone housing in the Featherston and Martinborough urban areas (refer to Appendix 2). However, this is offset by joined housing capacity meaning that overall, sufficient housing capacity is likely to be available.

Note that these figures are estimates only. The HBA 2023 will be reviewed on a regular basis to update assumptions as needed.

DEMAND VS CAPACITY IN MASTERTON BY HOUSING AREA AND TYPOLOGY



What the data doesn't tell us

Anecdotally, whānau across Wairarapa indicate that housing affordability (both for owners and renters) is an ongoing issue. Further qualitative research into the lived experiences of whānau will provide greater insight into housing demand and enable direct responses. While data is useful, it is very general and does not accurately capture the housing need of all sectors of our local communities.

Key Findings



KEY FINDINGS



Over 70% of the Wairarapa housing stock in 2018 comprised 3 and 4-bedroom homes. There will be demand for more 1 and 2-bedroom homes due to an expected increase in the number of couples and people living alone.



Wairarapa has an ageing population. The over 65-years age group is expected to grow from 23% in 2022 to 32% in 2048 (almost 1 in 3). The needs of this cohort will need to be met through the provision of warm, dry, accessible housing.



There is likely to be a deficit of housing in the Masterton urban area over the next 30 years, particularly stand-alone housing. Featherston is also identified as a priority development area.



The Māori Purpose Zone in the proposed Wairarapa Combined District Plan (WCDP) would unlock the development potential of land included in this zone, including for residential activity and mixed-use development.



IMPLICATIONS FOR TŪ MAI RĀ INVESTMENTS



Consideration of a range of residential typologies for development, including 1 and 2-bedroom homes.



Potential for kaumatua housing to be integrated into residential development to provide warm, safe and accessible homes close to whānau.



Development in Masterton and Featherston could be prioritised to meet anticipated demand.



If and when the proposed WCDP becomes operative (estimated from 2025), land within the Māori Purpose Zone would become more feasible for residential development.



Residential zoning implies, but may not mean, infrastructure is in place to service future development. SWDC has stopped new connections to the Martinborough wastewater system for 2-3 years due to a lack of system capacity. Water supply is an issue across all three districts.



Some areas of Masterton have high deprivation levels, reducing opportunities for home ownership and putting pressure on renters. While some public and community housing is available in Masterton, this may not be the first-choice solution for everyone.



While some Wairarapa councils have completed housing studies, a combined Housing Action Plan for Wairarapa would provide leadership and a coordinated approach to housing in the region. Councils, developers, public housing providers, and investors could all be involved to ensure a joined-up approach.



Whānau voices are not specifically represented in the quantitative information available. This is problematic given that the Wairarapa Māori population is estimated to grow by 65% over the next 20-years.

Infrastructure planning should form part of early feasibility studies to avoid an unexpected lack of infrastructure capacity.



Explore a range of tenure options (build-to-rent, rent-to-own, shared ownership etc) to plug the gap between public housing and market rental or purchase.



Leverage relationships to lead or contribute to a combined Wairarapa Housing Action Plan.



Further investigation of the specific housing needs of local whānau would be beneficial. This could be achieved via hui, survey, or other qualitative research methods.



Whānau Māori are over-represented on the Wairarapa public housing register. In the four years from June 2019 to June 2023, over half the applicants on the housing register identified as Māori; despite Māori being only one-fifth of the population. Māori incomes are also lower across Wairarapa. This highlights the need for affordable housing solutions for whānau.



References

Data, information and reports are referenced throughout this report through the use of either in-text citations or footnotes. The documents we used are listed here.

Amore, K. Dr., et al. (2021) *Severe housing deprivation in Aotearoa New Zealand, 2018 – June 2021 update*. University of Otago.

Carterton District Council (2019) *Wairarapa Positive Ageing Strategy, 2019*

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Te Tūāpapa Kura Kāinga | HUD (2020) *Homelessness Action Plan Phase One 2020-2023*

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Te Tūāpapa Kura Kāinga | HUD (2023) *Public Housing* Available at: <https://www.hud.govt.nz/funding-and-support/partnering-for-new-housing-opportunities/>

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Wairarapa District Councils (2023) *Proposed Wairarapa Combined District Plan Section 32 Evaluation Topic Report – Māori Purpose Zone*

Wairarapa District Councils (2023) *Māori Purpose Zone map*. Proposed Wairarapa Combined District Plan Map Viewer.





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Wellington Regional Leadership Committee (2023) *Draft Future Development Strategy Consultation Overview Document*

Wellington Regional Leadership Committee (2023) *Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua, September 2023*.

Appendix 1: Township Breakdown

DEMAND FOR ADDITIONAL DWELLINGS (WITH COMPETITIVE MARGIN) BY TOWN, HOUSING AREA, AND TYPOLOGY, 2021-2051











		MASTERTON ¹				CARTERTON ²				SOUTH WAIRARAPA ³			
URBAN ⁴		2021-2024	2024-2031	2031-2051	Total	2021-2024	2024-2031	2031-2051	Total	2021-2024	2024-2031	2031-2051	Total
	Stand-alone housing	441	1,087	1,523	3,051	50	45	1,180	1,275	95	239	1,476	1,810
	Joined housing	220	1,325	1,827	3,372	165	127	0	292	96	151	0	247
RURAL ⁵													
	Stand-alone housing	81	126	491	698	87	517	547	1,151	97	314	247	658
	Joined housing	7	16	101	124	7	1	0	8	50	1	2	53
Total		749	2,554	3,942	7,245	309	690	1,727	2,726	338	705	1,725	2,768

URBAN		FEATHERSTON				GREYTOWN				MARTINBOROUGH			
Stand-alone housing		9	0	874	883	49	13	0	62	37	226	602	865
Joined housing		58	151	0	209	13	0	0	13	25	0	0	25

- Chapter 8, Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).
- Chapter 9, Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).
- Chapter 10, Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).
- Masterton urban areas include SA2 areas Lansdowne East, Lansdowne West, McJorow Park, Cameron and Soldiers Park, Masterton Central, Douglas Park, Ngaumutawa, Kuripuni, Solway North, Solway South. Carterton urban areas include SA2 areas Carterton North and Carterton South.
- Masterton rural areas include SA2 areas Upper Plain, Opaki, Homebush -Te Ore Ore, Whareama, Kopuaranga. Carterton rural areas include SA2 areas Mount Holdsworth, Kokotau, Gladstone (Carterton District) . South Wairarapa rural areas include SA2 areas Tauherenikau, Aorangi Forest, Kahutara.

Appendix 2: Sufficiency of Residential Capacity

DEMAND (WITH COMPETITIVE MARGIN) FOR HOUSING TYPE AGAINST REALISABLE DEVELOPMENT CAPACITY

URBAN ³		CARTERTON ¹			SOUTH WAIRARAPA ²				FEATHERSTON - URBAN		
		Demand	Capacity	+/-	Demand	Capacity	+/-		Demand	Capacity	+/-
	Stand-alone housing	1,151	595	-556	1,810	1,807	-3		883	393	-490
	Joined housing	8	2,221	2,213	247	4,886	4,639		209	1,124	915
Total		1,159	2,816	1,657	2,057	6,693	4,636	Total	1,089	1,517	428
RURAL ⁴									GREYTOWN - URBAN		
	Stand-alone housing	1,275	212	-1,063	658	386	-272		62	775	713
	Joined housing	292	1,374	1,082	53	1,621	1,568		13	2,161	2,148
Total		1,567	1,586	19	715	2,007	1,292	Total	75	2,936	2,861
									MARTINBOROUGH - URBAN		
									865	639	-226
									25	1,601	1,576
								Total	890	2,240	1,350

1. Chapter 9, Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).

2. Chapter 10, Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).

1. Chapter 9, Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).

2. Chapter 10, Housing and Business Development Capacity Assessment for Wairarapa, Wellington and Horowhenua (Sept, 2023).

3. Carterton urban areas include SA2 areas Carterton North and Carterton South. South Wairarapa urban area counts are calculated from Featherston, Greytown and Martinborough figures.

4. Carterton rural areas include SA2 areas Mount Holdsworth, Kokotau, Gladstone (Carterton District). South Wairarapa rural areas include SA2 areas Tauherenikau, Aorangi Forest, Kahutara.

