

PROPERTY ECONOMICS



TAUPŌ RESIDENTIAL

DWELLING DEMAND

ADDENDUM REPORT

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Client: Taupō District Council



SCHEDULE

Code	Date	Information / Comments	Project Leader
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1. INTRODUCTION

As an addendum to the Proposed District Plan (PDP) Economic Assessment report by Property Economics, Taupō District Council (TDC) has engaged Property Economics to determine total District dwelling (housing) demand rather than utilising Stats NZ household projections as a proxy to dwelling demand.

Although in most cases, the number of households is assumed to be analogous with the number of new dwellings required, this is not the case of holiday home destinations such as Taupō. In order to maintain a stable housing market, TDC needs to provide sufficient capacity for housing growth not only for their growing local resident population, but also the demand for holiday homes. Together these are considered to provide a more appropriate estimate for total District dwelling demand over the short, medium and long term.

This supplementary paper addresses the housing supply and demand in context of whether there is sufficient zoned capacity to accommodate the projected growth, but does not assess in detail the current provision of residential zone land supply as TDC already has this information.

1.1. KEY RESEARCH OBJECTIVES

- **Taupō Demand:** Estimate projected dwelling demand from the most recent Statistics NZ population projections using the demographics and data from the Census.
- **Demand / Supply Differential:** Utilising the aforementioned analysis, assess the current level of dwelling supply including capacity for growth against future requirements (demand) over the next 30 years (till 2050)

1.2. INFORMATION & DATA SOURCES

Information has been obtained from a variety of data sources and publication Property Economics consider to be reputable and reliable, including:

- NZ Census of Population and Dwellings (2006, 2013, 2018) - Statistics NZ
- Household and Population Projections – Statistics NZ
- Taupō District 2050 – TDC

1.3. ACRONYMS APPLIED IN THIS REPORT

PDP – Proposed District Plan

TDC – Taupō District Council

SNZ – Statistics New Zealand

NPS UD – National Policy Statement on Urban Development 2020

HA – Hectares

SA2 – Statistical Area 2

2. POPULATION AND HOUSEHOLD GROWTH

Table 1 shows the population and household demand over the next 30 years (till 2050) from the June 2020 estimated population base as projected by Statistics NZ in their most recent update (2021).

Note that these projections are updated from the projections that were utilised in the PDP Economic Assessment which was compiled before these updated projections were released. As was addressed in a later draft to this report, the projection series used (which was an updated high projection) fell around the midpoint between the new 2021 Medium and High projections.

TABLE 1: STATS 2021 PROJECTED POPULATION AND HOUSEHOLD GROWTH TO 2050

Taupo	2020 Estimate	Projection	2023	2033	2043	2050	Net Growth (2020 - 2050)
Population	40,100	StatsNZ Medium	40,900	42,800	43,600	44,010	+ 3,910
		StatsNZ High	41,900	46,100	49,300	51,390	+ 11,290
Households	15,310	StatsNZ Medium	15,750	16,990	17,830	18,270	+ 2,960
		StatsNZ High	16,240	18,210	19,450	20,260	+ 4,950

Source: Property Economics, StatsNZ

3. OCCUPIED AND UNOCCUPIED DWELLINGS

According to the most recent NZ Census, Statistics New Zealand found that 32% of all dwellings in the Taupō District were unoccupied. Based on previous datasets, the Council has typically applied a 30% assumption when estimating total dwelling demand, which is the assumption that will be applied in this report.

Table 2 shows the projected dwelling demand based on StatsNZ 2021 population projections. This shows that over the next 30 years, Taupō is projected to require sufficient residential land supply to accommodate an additional 4,228 dwellings under the Medium Projection, and an additional 7,062 dwellings under the High projection.

Additionally, under the National Policy Statement (NPS), TDC are required to provide sufficient capacity that exceeds the projected demand by 20% over the short- medium term and 15% buffer over the long term. This capacity buffer requirement raises the required capacity over the next 30 years to 4,940 dwellings under the Medium projection, and 8,250 dwellings under the High growth scenario. This is shown in Table 2 following.

TABLE 2: DWELLING GROWTH TO 2050 BASED ON STATS NZ POPULATION PROJECTIONS

Taupo	2020 Estimate	Projection	2023	2033	2043	2050	Net Growth (2020 - 2050)
Total Dwellings (including unoccupied)	21,880	StatsNZ Medium	22,500	24,260	25,470	26,100	+ 4,220
		StatsNZ High	23,200	26,010	27,790	28,940	+ 7,060
		Net Growth Medium	+ 620	+ 2,380	+ 3,590	+ 4,220	
		Net Growth High	+ 1,320	+ 4,130	+ 5,910	+ 7,060	
NPS-UD Capacity Requirements		Medium + NPS	+ 750	+ 2,830	+ 4,210	+ 4,940	
		High + NPS	+ 1,590	+ 4,890	+ 6,940	+ 8,250	

Source: Property Economics, StatsNZ

4. DWELLING SUPPLY AND DEMAND

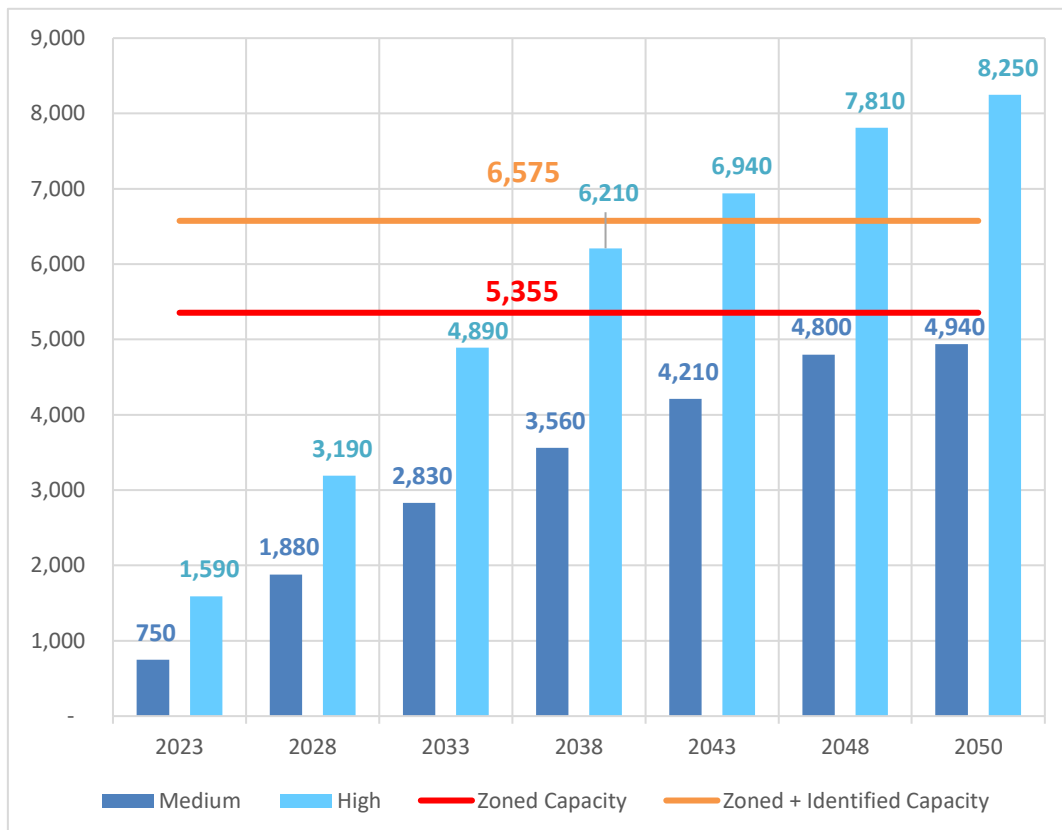
In comparison to potential growth (demand) for the entire District, Appendix 1 breaks down the residential supply in the Taupō District including both zoned and 'identified' capacity.

In summary, there is a total of 5,355 zoned vacant or developable lots in the Taupō District, the vast majority of which are in the northern half of the lake. The identified Plan Change areas add 1,220 dwellings to this capacity which if they are included, brings the total capacity to 6,575 dwellings.

Figure 1 shows a comparison of the existing zoned and identified dwelling supply against the projected dwelling demand under both the Medium and High projection series. The existing zoned dwelling supply provides sufficient capacity to cover the projected dwelling demand including the NPS buffer beyond the 30-year time period (till 2050).

Under the High projection however, additional capacity will be required to meet sufficiency requirements before 2038. If Taupō's population does reach 51,000 residents by 2050 (as is projected under the High projection) and the 30% unoccupied dwelling assumption holds true, then TDC will need to supply capacity for an additional 1,675 homes in order to meet their NPS buffer requirements.

FIGURE 1: COMPARISON OF PROJECTED DWELLING DEMAND (INCLUDING NPS BUFFER) AND SUPPLY



Source: Property Economics, StatsNZ

APPENDIX 1: DISTRICT RESIDENTIAL SUPPLY BREAKDOWN

Northern End of the Lake		Southern End of the Lake	
EUL	1,900	Kuratau/Omori	180
WEL	496	Mohi	50
Brentwood	120	Turang	400
Lakeside Brentwood	350	Whareroa	160
Vineyard on Huka falls	36	Undeveloped half charges	275
Acacia Bay	150	Total Southern End	1,065
Kinloch	334	Unzoned	
7 Oaks	162	Five Mile Bay site A and C	440
Undeveloped half charges	742	Nukuhau Private Plan Change	780
Total Northern End	4,290	Total Unzoned	1,220