

The position in 2017

Since that 2112 report the housing market has changed significantly with:

- **Landlords selling up** to take advantage of current price increases and current risks associated with “P” (Methamphetamine) contamination.
- **The “Halo” effect** of Aucklanders moving to more “affordable” areas, contributing to a reported shortage of 3590 homes in Wellington
- **Significant increases in housing prices and rentals** in Wellington resulting in pressure on Kāpiti housing stock
- Median rent for a 3 bedroom house in September 2016 on the Kāpiti Coast was \$410 per week, up from \$370 per week in the same month in 2015 (Rent or buy report for January 2017 - Kāpiti Coast - from Interest.co.nz)
- The **pressure put on the stock of housing** for sale and for rental by the construction of the McKays to Peka Peka expressway and housing needs arising from the future construction of the Peka Peka to Otaki expressway and the Transmission Gully expressway.
 - Houses available for rent have steadily reduced over the years with Quinovic Property Management reporting that from the year 2000 till the start of the expressway construction, the pool of houses available in the Kāpiti district (Paekakariki to Otaki) remained constant at 140-160, however in Christmas 2015 it was 98 and by Christmas 2016 it had halved to 48.
- **Dramatic fall in properties for sale:**
 - Historically there has been between 1500 and 2000 properties for sale on the market in Kāpiti. It is now down to 200 listings for all companies.
 - Houses with rateable values of \$500,000 are selling at 50 percent higher. High end houses were being sold for up to 30 percent above rateable value.
 - At least 90 percent of all sales are to out-of-town buyers. Many are from the South Island - Canterbury and Christchurch in particular. There was a drift from Auckland, interest from people in the Hutt Valley continued, and there were some buyers from Manawatu. (Ceinwen Howard, Tavenier Howard & Co quoted on Radio New Zealand 27 January 2017)
- One income **families are in Kāpiti are being shut out** or forced to go into homes they cannot afford. (Janet Newman, Salvation Army, Kāpiti)
- There has been a **20% inflation in land prices** in Kāpiti in the past year. (Chris Dentice, Kapiti Valuations)
- Nationally, **home ownership rates** have fallen to 64% - the **lowest level in almost 60 years**. Nearly two thirds of the almost 430,000 new households formed between 1991 and 2015 are tenant households. (Homeless Baby Boomers - HOUSING POORER BABY BOOMERS IN THEIR RETIREMENT from the Salvation Army Social Policy and Parliamentary Unit December 2015)
- **Evidence of market failure:**
 - little recent construction of median density or one and two bedroom houses;
 - an increasing trend by builders to build larger houses to make maximum profit;
 - New Zealand homes are on average 6°C below World Health Organisation recommended minimum temperatures in winter;
 - 45% of all New Zealand homes exhibit mould;
 - New Zealand has the 2nd highest rate of asthma in the world and an excess winter mortality rate of 1600 people – more than other OECD countries.