

The cold winds of home ownership

Housing affordability, especially in Auckland, is getting plenty of attention. Builders bemoan land shortages and consent issues for driving up costs, while some locals are voting with their feet and buying further afield.

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The unaffordability of Auckland housing is behind the flight of homebuyers to other areas.

TWO ISSUES DOMINATE New Zealand's housing affordability discussions - the severe unaffordability in Auckland for many people due to lack of development and the changing face of housing in Christchurch following the earthquakes.

Auckland the most problematic

In other towns and cities, prices generally remain more affordable and stable, but there are areas that are attracting cashed-up Aucklanders whose buying power is starting to spread the affordability problem.

By several measures, houses in Auckland are too expensive for many of the city's residents. They have been for the last few years, and the situation is getting worse.

Auckland Council and central government have attempted to put measures in place to address the problem. These include the Auckland Housing Accord's Special Housing Areas that allow fast-tracked development at nominated sites and the ability to access KiwiSaver for first-home deposits.

Indicators highlight issue

Current affordability statistics and indicators suggest things aren't getting better:

- Auckland's median house price rose a record 26% to \$755,000 in a single year to July 2015, based on Real Estate Institute of New Zealand data.
- In July 2015, economic research and analysis company Infometrics showed the median house price in Auckland is equivalent to 11.3 years of average income,