

# Housing and Business Market Indicators Quarterly Monitoring Report

**Quarter ending June 2018**

**Report 5: 10 October 2018**

# Contents

Summary

Introduction

Purpose and outline

Residential Indicators

Dwelling sales price and rent trends

1. Dwelling sale prices – Lower Hutt and wards (actual)
2. Change in house price index (SPAR) – dates
3. Dwelling rents – Lower Hutt and wards (actual)
4. Ratio of dwelling sales price to rents
5. Land value as a percentage of capital value

Supply and demand

6. Number of new dwelling consents
7. New dwelling consents compared to household growth

Housing Affordability

8. Share of first-time homebuyer households below the benchmark
9. Share of renting households below the benchmark

Price Efficiency

10. Housing price to cost ratio
11. Land concentration

Notes on indicators

## Summary

In-line with the context more broadly, increases in median sale house prices were slower, increasing by 1%, during the quarter to June compared to the end of the previous quarter. House prices increased by 7.8% between June 2017 and the end of June 2018.

The median cost of housing increased most strongly in the Central, Northern ward and Wainuiomata wards in the year to June 2018.

Mean weekly rent costs increase by 1.8% compared to the previous quarter and still an increase of 10% between June 2017 and 2018.

The cost of rental housing increased most strongly in the Central, Northern and Eastern wards in the year to June 2018.

## Introduction

The National Policy Statement on Urban Development Capacity (NPS-UDC) came into effect on 1 December 2016. The overarching purpose of the NPS-UDC is to ensure that local planning enables development by providing sufficient development capacity for housing and business over the next 10 to 30 years. The policy statement identifies Lower Hutt as a medium-growth area and therefore Council is required to monitor and report on housing and business market indicators under policy PB6 of the NPS-UDC. The indicator on housing price to cost ratio, under policy PB7, is also included in the report.

## Purpose and outline

The National Policy Statement on Urban Development Capacity (NPS-UDC) requires Council to monitor a number of indicators to assess the feasibility and affordability of development within the district. The purpose of this report is to fulfil the requirements of policy PB6. PB6 of the NPS-UDC specifically states that the quarterly assessment must assess:

- a. Prices and rents for housing, residential land and business land by location and type; and changes in these prices and rents over time.
- b. The number of resource consents and building consents granted for urban development relative to the growth in population; and
- c. Indicators of housing affordability.<sup>1</sup>

The policy encourages local authorities to publish the results of their monitoring.

The report currently includes residential indicators with commentary. Notes on the indicators are available in the final section of the report. Data sources are the MBIE Urban Development Capacity dashboard, Statistics New Zealand, and Hutt City Council data on consents and houses built.

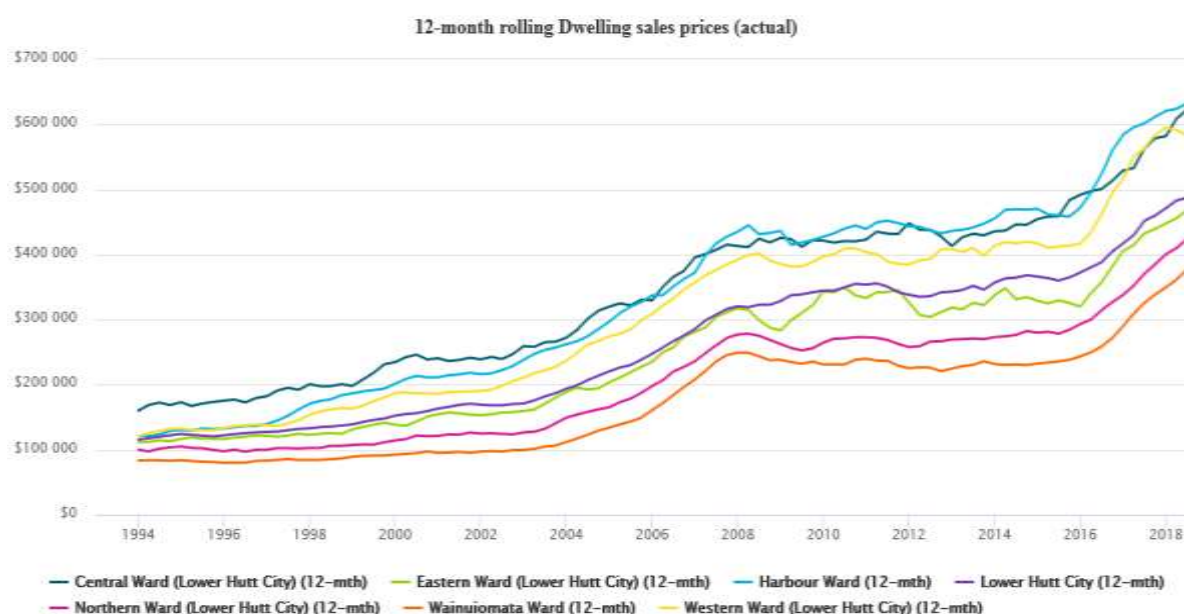
One challenge identified is gaining regular access to data on the availability/demand, and cost of business land in the city. The first report used data from research conducted by Bayleys, and Colliers. We do not have updates to this data. For monitoring purposes we need to be able to access the same data on cost, demand, etc. for business land on a regular basis.

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<sup>1</sup> MBIE, National Policy Statement on Urban Capacity Development.

## Residential Indicators

### Indicator 1 – Dwelling sales prices (actual)



There has been a slowdown in the housing market during the recent period, both in New Zealand and locally in Lower Hutt. House prices in the city increased slightly and are 1% higher at the end of June compared to the end of March. That compares to a 2.3% increase on the December 2017 to March 2018 figures. Prices increased by 12.1% between the end of March 2017 and the end of March 2018 – from \$429,813 to \$482,238. **7.8% up between June 2017 and June 2018.**

The slower price increases can also be seen at ward level in some respects with prices increasing more slowly in Central, Eastern, Northern, Wainuiomata, and Western, wards. In the Western ward prices decreased by 1.9% between the end of the March quarter and the end of June – from \$595,107 to \$583,250.

#### June 2017 – June 2018

Ward	June 2017	June 2018	% increase
Central	562,875	622,497	10.5%
Eastern	432,313	467,650	8%
Harbour	601,500	632,125	5.1%
Northern	370,424	423,625	14.3%
Wainuiomata	325,448	376,688	15.7%
Western	562,857	583,250	3.6%

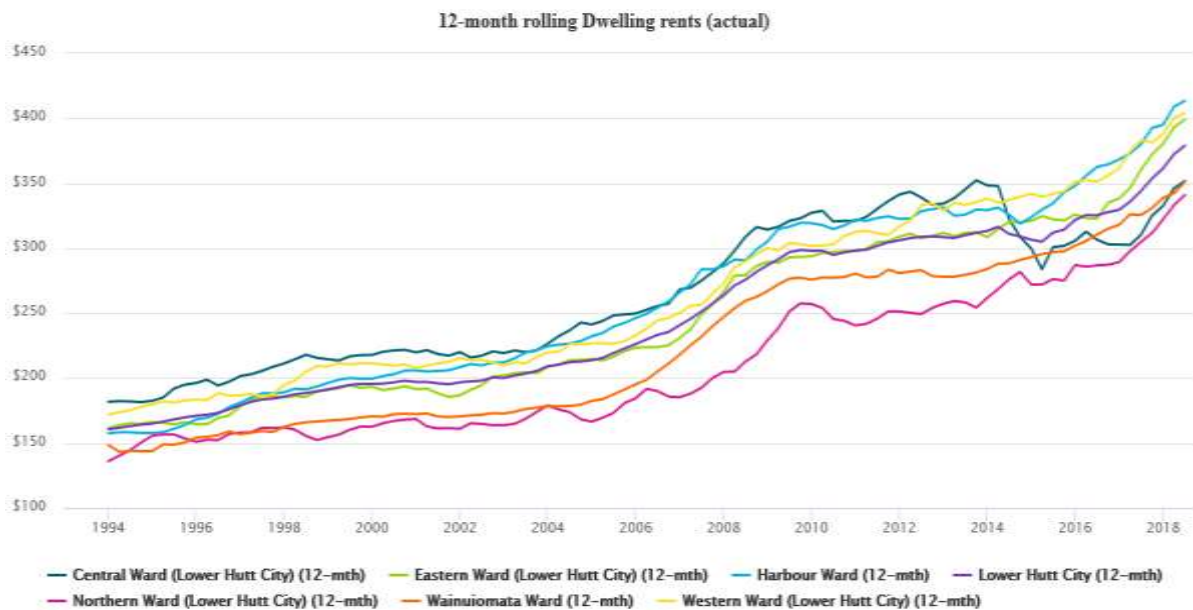
This is compared to the year from March 2017.

#### March 2017 – March 2018

Ward	March 2017	March 2018	% increase
Central	\$533,625	\$598,155	12%
Eastern	\$414,750	\$454,625	10%

<b>Harbour</b>	\$595,563	\$620,438	4%
<b>Northern</b>	\$352,111	\$409,313	16%
<b>Wainuiomata</b>	\$309,573	\$361,313	17%
<b>Western</b>	\$550,625	\$588,982	7%

### Indicator 2 – Dwelling rents (actual)



The increase in rents has slowed down. The mean weekly rent in the city at the end of the June quarter 2018 is \$379. This is an increase of 1.8% compared to the previous quarter but still a 10% increase between the end of June 2017 and the June 2018 – from \$344 to \$379.

Between June 2017 and 2018 the following percentage increases in rental costs occurred in the city's wards.

<b>Ward</b>	<b>Percentage increase</b>
Western	5.4%
Harbour	8.9%
Central	13.5%
Northern	11.8%
Eastern	10.8%
Wainuiomata	7.6%

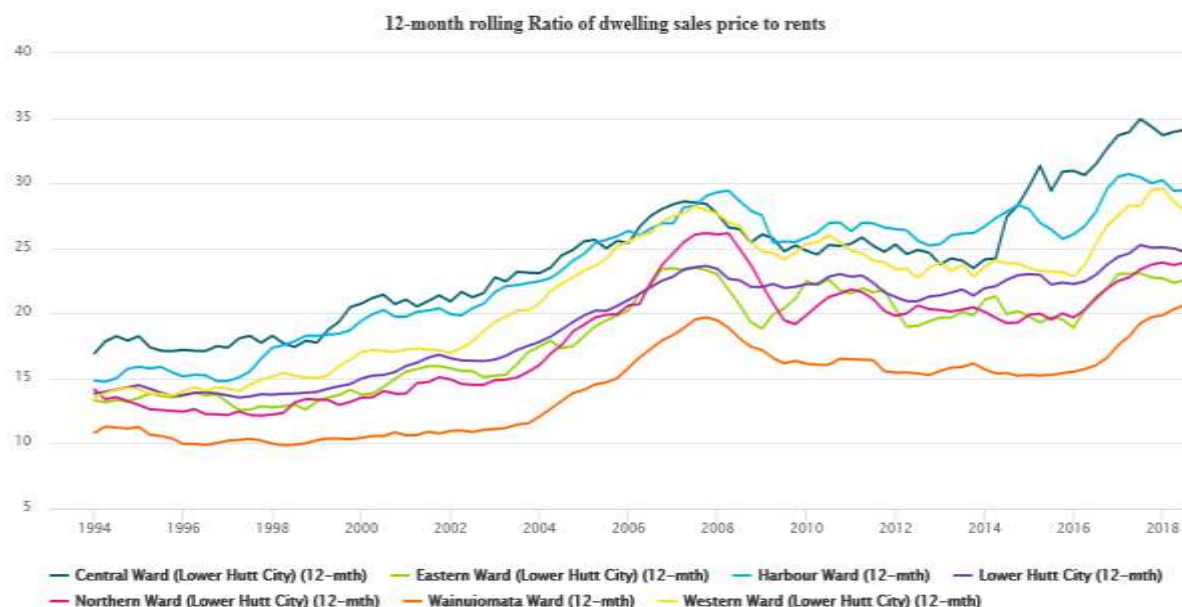
### Indicator 3 – Change in house price index (SPAR)

The Sales Price Appraisal Ratio (SPAR) provides an index of percentage change in dwelling sales prices relative to a common base year of 1993. For example a SPAR index of 5 indicates that prices are five times higher in 2018 than in 1993.

At the end of June 2018 prices in the city are 4.873 times higher than they were in 1993. At the end of the previous quarter prices in the city were 4.780 times higher than in 1993. Prices at ward level

have also increased with prices in Harbour ward 5.222 times higher than 1993, Eastern ward 5.313 higher than 1993, and Western 5.027 higher.

#### Indicator 4 – Ratio of dwelling sales price to rents



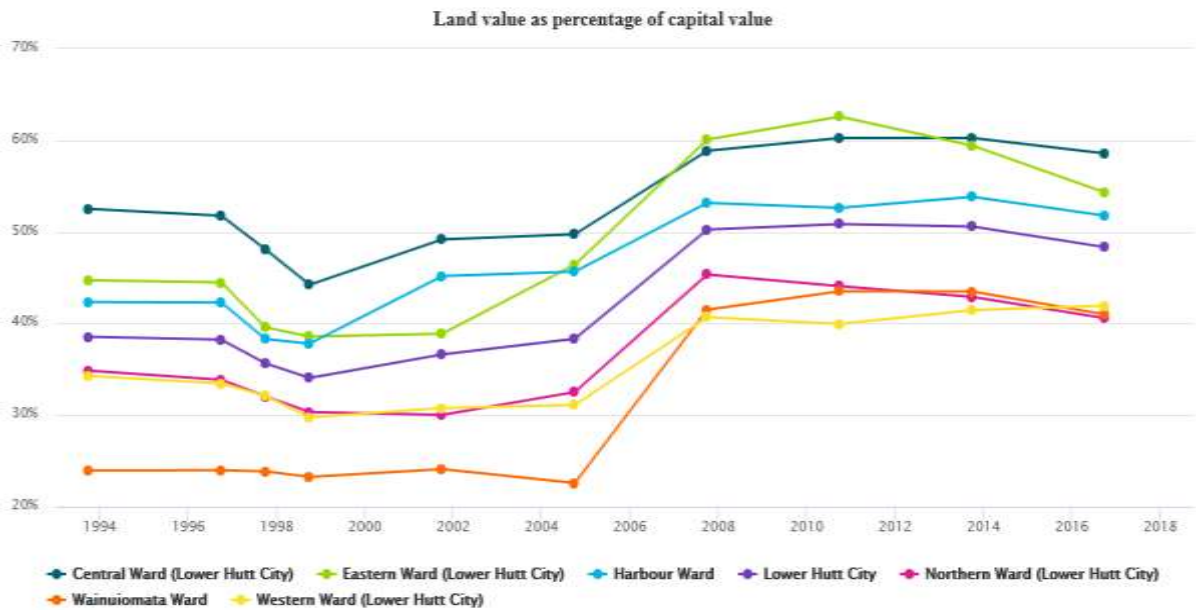
This ratio of house prices to rents provides an insight into the relationship between owning and renting and indicates changes in the ease or difficulty of moving from renting to home ownership. A higher house price/rent ratio reflects a larger gap between renting and buying.

The price to rent ratio for Lower Hutt in the June quarter is 24.721. This is down from the 24.987 at the end of the March and the 25.068 in December and means a median priced house is 24.721 times the mean annual rent paid. Rents and prices have increased by 1.8% and 1% respectively during the last quarter. The ratio was 25.256 in June 2017. At ward level:

Ward	Percentage increase
Central	34.103
Eastern	22.555
Western	27.926
Harbour	29.465
Wainuiomata	20.627
Northern	23.904

The gap between renting and buying is smallest in the Wainuiomata ward but has continued to increase – from 18.233 in March 2017 and 19.229 in June 2017 to 20.317 in March 2018 and 20.627 in June 2018. In March 2015 the index was 15.220.

## Indicator 5 – Land value as a percentage of capital value



This indicator shows residential land values as a percentage of capital value. In September 2004 land value was 38.3% of the capital value while in September 2016 it had reached 48.4% of the capital value of a the house. At city level, land value as a percentage of the capital value remained relatively stable, at just over 50%, between 2007 and 2013 before decreasing in the period to 2016. The picture at ward level is a little different with more fluctuation. In the Eastern ward in 2007, land value was 60% of the capital value of properties. This increased to 62.6% in 2010 before falling back to 54% in 2016. Land value as percentage of the properties decreased in Northern ward has fallen from 45.3% in 2007 to 40.6% in 2016.

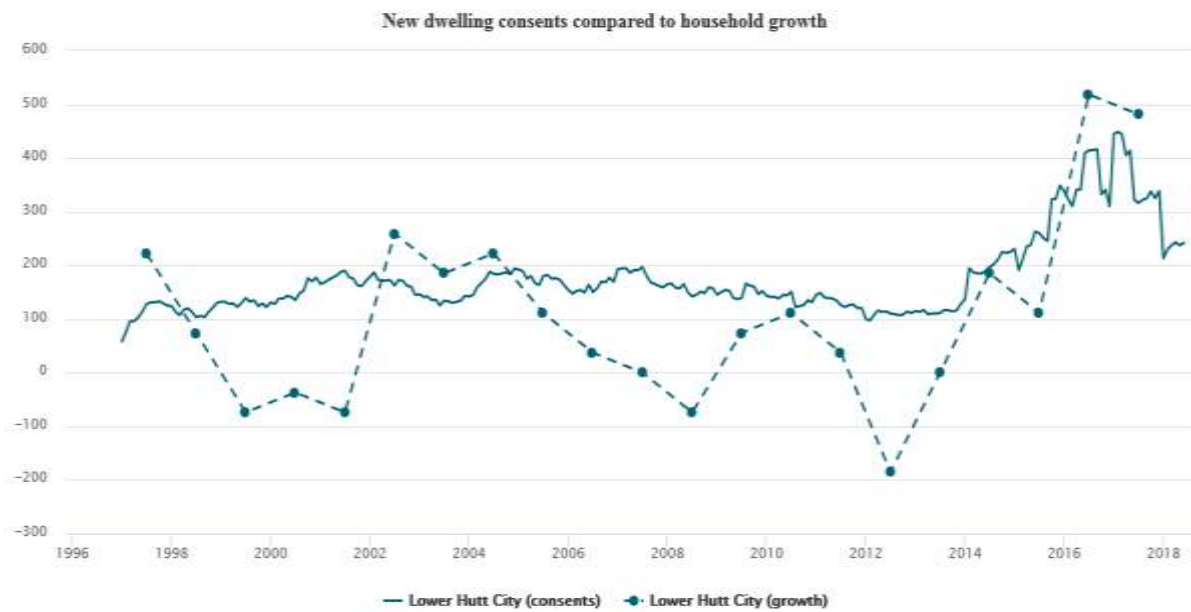
As demand in the area has increased, the land value in Wainuiomata increased from 22.6 % of properties in 2004 to 41.5% in 2007 and then to 43.5% in 2010 and 2013, before falling to 41% in 2016.

## Supply and demand

### Indicator 6 – Number of new dwellings consents and code compliance certificates for Lower Hutt

In the year between 1 July 2017 and 30 June 2018 there were 415 building consents for new dwellings. 466 code of compliance certificates were issued for new dwellings. The 466 includes the 200 new apartment units at the Bob Scott Retirement Village in Petone.

## Indicator 7 – New dwelling consents by household growth



A period of falling household growth between 2010 and 2012 has been followed by relatively consistent increase in the period to June 2016. Household growth has not been updated on the dashboard. Although consent numbers increased overall from late 2013 to early 2017 the indicator shows that household growth continues to grow more strongly than consent for new dwellings. The number of consents remained strong in 2017-2018 year but has still been decreasing overall. There are increases to be seen in the first five months of 2018. There remains a mismatch between demand and supply and is likely to be a factor in the increases in house prices and rent costs.

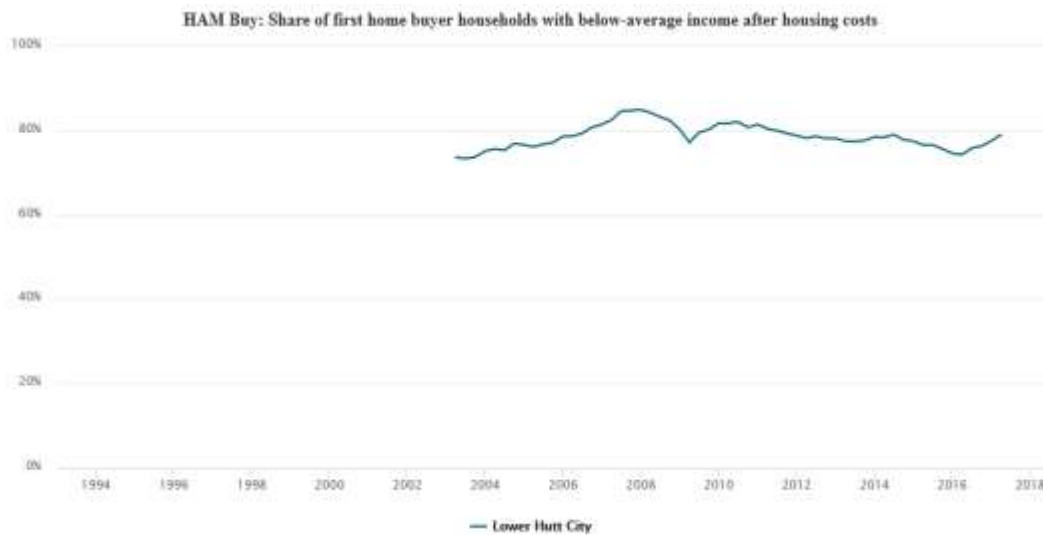
## Housing Affordability Trends (unchanged from published data)

The affordability indicators are from the MBIE dashboard and calculate what a household's residual income would be after housing costs if they were to buy a modest first home in the area in which they live or their income after housing costs for households in rented dwellings. Both indicators currently have data from March 2003 to the end of March 2017.

The percentage of first time home buyers with below average income after housing costs increased from 74.1% in March 2016 to 78.8% in March 2017. 83% of households in Porirua had below average incomes after paying their housing costs while in Wellington and Upper Hutt the percentages were 63% and 77% respectively.

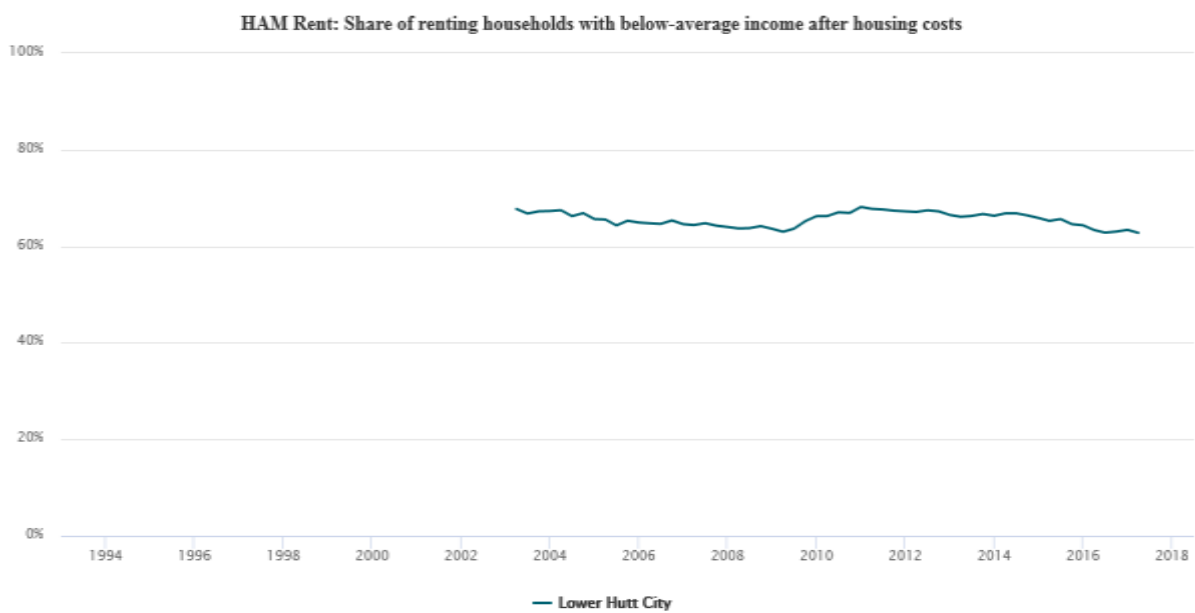
## Indicator 8 – Share of first home buyer households with below-average income after housing costs





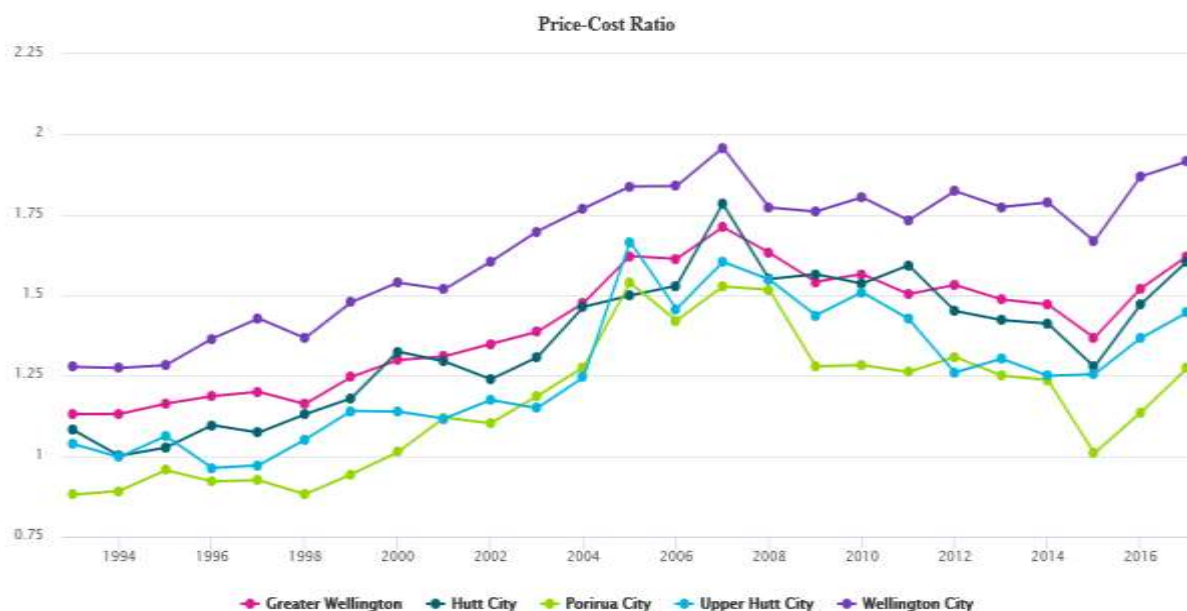
62.7% of households that rented accommodation had below average incomes after paying their housing costs. This has dropped slightly from 63.3% in March 2016. 44% of households in Wellington City and 62.6% of those in Upper Hutt had below average incomes after paying their housing costs. 68.4% of households in Porirua had below average incomes after housing costs are considered.

**Indicator 9 – Share of renting households with below average income after housing costs**



## Price Efficiency (data unchanged from last report)

### Indicator 10 – Housing price to cost ratio – Lower Hutt, region and neighbouring cities



Price-cost ratios show the extent to which house prices are driven by construction costs versus the cost of land (infrastructure-serviced sections). The price-cost ratio measures the relative contribution to house prices of:

- construction costs and purchase costs such as real estate agency fees
- land (infrastructure-serviced sections)

The indicator provides a general indication of how responsive land markets are to demand, relative to construction activity. If the cost of land is a significant and/or increasing share of house prices this indicates a shortage of sections and development opportunities relative to demand.

In Lower Hutt the price-cost ratio was just over 1 in 1993, indicating low-growth and a market where houses were selling for just over the construction costs of replacing them. The ratio increased to 1.530 in 2006, and reached its highest level at 1.784 in 2007 before the financial crisis. From 2006 until 2011 the indicator was over 1.5 – indicating that the costs of sections are over one-third of the price of a house. After 2011 the ratio decreased, reaching 1.269 in 2015 and increasing to 1.472 by 2016. This indicates that during this period – with a ratio of between 1 and 1.5 – that the supply of land for development was relatively responsive to demand. The ratio reached 1.606 in 2017 indicating that the supply of sections is not keeping up with the demand and that the price of land is increasing house prices. With increased population growth, demand, and house price increases it is worth seeing if this pattern continues and consider whether further land can be released.

The price cost ratio across the region has been increasing from 2014. At a regional level the price cost ratio is currently 1.622.

## Land concentration

The data for this indicator shows how much undeveloped residential land is available in the city, along with an index of land concentration control of land that is zoned as residential. The largest owners of undeveloped land in Lower Hutt are shown in the appendix attached.

Urban area	Valuation Date	Total Residential (ha)	Undeveloped Residential (ha)	Undeveloped Residential (%)	Land concentration index	Population_2017	People density (per ha)
Wellington Zone (city)	2017	3,543	178	5%	286	211,800	59.8
Porirua Zone	2016	1,768	240	14%	1,225	55,900	31.6
<b>Lower Hutt Zone</b>	<b>2016</b>	<b>3,249</b>	<b>291</b>	<b>9%</b>	<b>643</b>	<b>104,100</b>	<b>32</b>
Upper Hutt Zone	2016	1,475	180	12%	1,476	40,800	27.7
Kapiti	2015	1,773	139	8%	539	42,300	23.9

Ownership of land is more concentrated in Lower Hutt compared to Wellington but ownership is more concentrated in Upper Hutt and Porirua.

Council owns 36.9 hectares (ha) or 12% of the undeveloped residential land in the city while Housing New Zealand (HNZ) owns 55.5 ha or 19% of this land.

## Appendix 1

Rank	Area (ha)	Title count	Controlling Entity	Market share
1	55.5	89	("HOUSING NEW ZEALAND LIMITED", "HER MAJESTY THE QUEEN")	19.10%
2	36.9	34	("THE LOWER HUTT CITY COUNCIL", "HUTT CITY COUNCIL", "THE HUTT CITY COUNCIL", "THE MAYORS COUNCILLORS AND CITIZENS OF THE CITY OF LOWER HUTT", "LOWER HUTT CITY COUNCIL", "THE HUTT COUNTY COUNCIL")	12.70%
3	14.1	1	KELSON HEIGHTS LIMITED	4.90%
4	13.5	1	MOUNT CRAWFORD ESTATE LIMITED	4.60%
5	12.9	1	BEN ALFRED CLENDON, DEBORAH JEAN BOSWELL, EWAN KEITH CLENDON, FIONA MARGARET CLENDON, HUGH KIRBY TAYLOR, JOHN ARTHUR SHERIDAN, MICHAEL JAMES SHERIDAN, RODERICK NEILL GILLESPIE, SHEILA VAUGHAN FITNESS	4.40%
6	10.6	6	JOHN WALSH, MARY JOSEPHINE WALSH	3.60%
7	8.4	3	MANX DEVELOPMENTS LIMITED	2.90%
8	8.3	3	DENE MARKLAND WATERS	2.80%
9	7.4	1	JOHN LAWRENCE HAVLER	2.50%
10	4.8	2	YUJIN ZHOU	1.60%
11	4.1	1	THE MASONIC VILLAGES TRUST	1.40%
12	2.9	1	SUMMERSET VILLAGES (LOWER HUTT) LIMITED	1.00%
13	2.6	2	LILLIAN YOUNG PAK	0.90%
14	2.4	1	SECRET WORLD LIMITED	0.80%
15	2.4	1	LINDA MARIE EDWARDS, WILLIAM ANTHONY EDWARDS	0.80%
16	2.4	3	DIANE JORDAN, MICHAEL GERARD CURTIS, NEVILLE JORDAN	0.80%
17	2	1	CHARLENE ANN PETERS, KAREN PRIYANKA PETERS, STRACO TRUSTEES LIMITED	0.70%
18	2	1	HOLMES FAMILY PROPERTIES LIMITED	0.70%
19	1.9	1	GUY EDWARD STAFFORD	0.70%
20	1.9	5	F.L.Y BUILDING LIMITED	0.60%
21	1.9	1	RODERICK MARK WALSH	0.60%
22	1.7	1	YU'S DEVELOPMENT LIMITED	0.60%
23	1.6	1	DAVID JOHN BELL, SUSAN ELLEN FURNISS, WAYNE MUNRO FURNISS	0.60%
24	1.6	1	FITZHERBERT DEVELOPMENTS LIMITED	0.60%
25	1.5	4	("MATTHEW PETER RYAN", "EASTBOURNE LIFESTYLE LIMITED")	0.50%

26	1.4	1	ELAINE RUTH CLARK, PETER SINCLAIR CLARK, ROGER JOHN ROBERT ELMES	0.50%
27	1.4	13	PARKWAY RISE LIMITED	0.50%
28	1.3	1	AVALON PROJECTS LIMITED	0.40%
29	1.3	1	MARK DAVID IRELAND	0.40%
30	1.3	4	TRANSPower NEW ZEALAND LIMITED	0.40%
31	1.1	1	ELIZABETH ANNE DUFFY, MALCOLM RANGI SAM, NORMAN KEITH EVANS, TE RUHI MONI LUCY TE MOANA	0.40%
32	1.1	2	T&T LEIGHTON AVENUE DEVELOPMENT LIMITED	0.40%
33	1.1	1	LOUISA MARY REMPALA, SHANE JULIAN REMPALA	0.40%
34	1.1	4	MANOR PARK PROPERTY DEVELOPMENT LIMITED	0.40%
35	1.1	4	TIROHANGA NOMINEES LIMITED	0.40%
36	1	1	IAN NIGEL STIRLING, MARIE WATERSON, RICHARD JOHN NEIL WATERSON	0.40%
37	1	25	WISE ST PROPERTIES LIMITED	0.30%
38	0.9	1	ADHIKAR INVESTMENTS LIMITED	0.30%
39	0.9	1	LATCHMAN SAMI, VINAY KUMAR SAMI	0.30%
40	0.9	2	PARIS DEVELOPMENTS LIMITED	0.30%
41	0.8	1	GIBSON SHEAT TRUSTEES LIMITED, JULIA ANNE LEWIS, TIMOTHY JOHN LEWIS	0.30%
42	0.8	1	CHARLES RONALD HOY THOMPSON, SANDRA MICHELLE LESLEY THOMPSON	0.30%
43	0.8	1	TE PUNA WAI ORA DEVELOPMENTS LIMITED	0.30%
44	0.7	1	DAVID JOHN CAREY PARKER, GILLIAN MARY BAILLIE	0.30%
45	0.7	1	MATTHEW FRANCIS MCPADDEN	0.20%
46	0.7	5	ANIELLO LA VIA, ROSALIA LA VIA, WAKEFIELDS CORPORATE TRUSTEE LIMITED	0.20%
47	0.7	1	COLIN JAMES ROBERTSON, INDEPENDENT TRUST COMPANY (2015) LIMITED	0.20%
48	0.6	4	ESTHER MARY LEWIS, SETH JONATHAN LEWIS	0.20%
49	0.6	1	JOHN ROBERT MACFARLANE, PAMELA LOUISA MACFARLANE	0.20%
50	0.6	1	ANTHONY JOHN HRSTICH	0.20%
51	0.6	1	JOHN DEAN GRAY, MIRIA O'REGAN	0.20%

52	0.6	1	FARRAND BRUCE TURNER, SIMONE ELLEN TURNER	0.20%
53	0.6	1	MAXINE DAWN ALFREDA FISHER-RAXWORTHY	0.20%
54	0.6	2	THE EASTBOURNE BOROUGH COUNCIL	0.20%
55	0.6	1	ARL TRUSTEES 2010 LIMITED, GAMBITSIS CROMBIE TRUSTEE NO. 3 LIMITED, GEOFFREY RAYMOND FAWCET	0.20%
56	0.5	9	THE WISE GROUP CORPORATION LIMITED	0.20%
57	0.5	3	THE KAKARIKI TRUSTEE COMPANY LIMITED	0.20%
58	0.5	1	WILLIAM MCKENZIE PONDER	0.20%
59	0.5	1	BRYAN EDWARD ROSE, LINDA JEAN ROSE	0.20%
60	0.5	2	THE GOVERNMENT OF THE UNITED STATES OF AMERICA	0.20%
61	0.5	1	PROPERTY ADVANTAGE LIMITED	0.20%
62	0.4	1	IAN CHESTER MILLS	0.20%
63	0.4	1	PAMELA MAY NEWSOME	0.20%
64	0.4	1	ANNE-MARIE JOY LEENDERS, STANLEY AARON LEENDERS	0.20%
65	0.4	2	SANDRA MAY MEHRTENS	0.10%
66	0.4	3	JESSE THOMAS WOOD	0.10%
67	0.4	1	NELSON HOLDITCH, SASKIA HOLDITCH	0.10%
68	0.4	1	AMANDA JEAN ROSE-HALL, BENJAMIN JAMES HALL	0.10%
69	0.4	2	GRANT HECTOR ROBERTS, LOIS ANNE SANDLE, PETER VINCENT ROBERTS	0.10%
70	0.4	1	WILFRED ARTHUR RIEDEL BEARMAN	0.10%
71	0.4	1	DJKL DEVELOPMENTS LIMITED	0.10%
72	0.4	2	THE GOVERNMENT OF THE UNITED STATES OF AMERICA	0.10%
73	0.4	11	YANHUA LI	0.10%
74	0.4	5	HON KEUNG YAU	0.10%
75	0.4	1	PAULA MARIE DEVITT, THOMAS ROY ELLIOT	0.10%
76	0.4	3	MARK DESMOND TURNER, MICHAEL HOLDEN WILDE, SARAH ELIZABETH WILDE	0.10%
77	0.3	1	KEVIN HOSIE, TINA CATHERINE MADGWICK	0.10%

78	0.3	1	GASR DEVELOPMENT LIMITED	0.10%
79	0.3	1	JULIE ANNE BURTON, PAUL GREGORY LOGAN, ROY DOUGLAS BURTON	0.10%
80	0.3	1	ALLAN JOHN PERKINSON, AMANDA JANE PERKINSON, GLENN FRANCIS PERKINSON	0.10%
81	0.3	1	GROUND SUPPORT (WGTN NO.7) LIMITED	0.10%
82	0.3	1	SUN'S DEVELOPMENT (WGTN) LIMITED	0.10%
83	0.3	2	SEAN ROBERT SHANNON	0.10%
84	0.3	1	BARRY FRANCIS HARE, BRUCE TREVOR JOSEPH PARSONS, MARY HARE	0.10%
85	0.3	1	KAYNE DAVID MCDONALD, STACEY KAREN MCDONALD	0.10%
86	0.3	3	JOHN WALSH, KILKELLY DEVELOPMENTS LIMITED, MARY JOSEPHINE WALSH	0.10%
87	0.3	4	HERITAGE HEALTH GROUP LIMITED	0.10%
88	0.3	1	URBAN PLUS LIMITED	0.10%
89	0.3	1	GOLDSMITH AT MAUNGARAKI RESIDENTS' ASSOCIATION INCORPORATED	0.10%
90	0.3	1	ALAN LESLIE STANLEY, SALLY ANN STANLEY	0.10%
91	0.3	1	DARREN JAMES FERREL, DEBORAH JACQUELINE FERREL, JOHN GLENN HIGHFIELD, NAOMI JACQUELINE HIGHFIELD	0.10%
92	0.3	1	ANDREW DOUGLAS HARRISON, DANNYL ROSS CECIL HARRISON	0.10%
93	0.3	3	CAMPBELL JOHN CRETNEY, ROSALIE KATHLEEN CRETNEY	0.10%
94	0.3	1	ARNOLDUS MAURITHIUS NOLAN, DAVID WILLIAM BUTLER	0.10%
95	0.3	1	JUDITH MAUD FEAKIN, PETER JAMES FEAKIN, WL TRUSTEES LIMITED	0.10%

96	0.3	1	CHRISTOPHER PATRICK HOWARD, MARIA JANE HOWARD	0.10%
97	0.3	1	THOMAS ARTHUR ORR	0.10%
98	0.2	1	SHARED ADVENTURES LIMITED	0.10%
99	0.2	1	COLIN VLIETSTRA, KARINA LESLEY VLIETSTRA	0.10%
100	0.2	3	D.M.A.C HOMES LIMITED	0.10%



## Notes on indicators

### **Indicator 1: Dwelling sales prices (actual)**

This indicator shows the median prices of residential dwellings sold in each quarter. This median price series is not adjusted for size and quality of dwellings. Prices are presented in nominal terms; they have not been adjusted for general price inflation.

### **Indicator 2: Dwelling rents (actual)**

This indicator reflects nominal mean rents as reported in new rental bonds lodged with MBIE. The mean used is a geometric mean. The reason for using this mean is that rents cluster around round numbers, and tend to plateau for months at a time (spiking up by say \$10 or \$10 at a time). This makes analysis of time series difficult and using the geometric mean is a way of removing this clustering effect.

### **Indicator 3: Dwelling Sales price (SPAR Index)**

The Sales Price Appraisal Ratio (SPAR) provides an index of percentage change in dwelling sales prices relative to a common base year. It is constructed by comparing the sales price of each dwelling sold in a period with its valuation estimate. It adjusts for the composition and quality of the dwellings sold over each period. Data is sourced from CoreLogic.

### **Indicator 5: Ratio of dwelling sales price to rents**

This ratio augments the price and rent indicators by providing about the relationship between owning and renting dwellings over time. It indicates changes in the ease of moving from renting to home ownership, and shows trends in investor yields.

### **Indicator 5: Land value as percentage of capital value**

This indicator shows the share of house values that are accounted for by land prices at each valuation period. A higher ratio indicates that land is more valuable relative to the buildings that occupy it.

### **Indicator 6: New dwelling consents and dwellings built**

This indicator shows the number of new dwelling consents in the city and number of code compliance certificates issued for completed dwellings.

### **Indicator 7: New dwelling consents compared to household growth**

This indicator approximates the demand for, and supply of, new dwellings. It measures changes in demand and how responsive supply is. The number of new dwelling building consents is lagged by six months (presented as a 12 month rolling average), to account for the time taken from consenting to completion. It is not adjusted for non-completions, or for demolitions. It is used as a proxy for supply.

### **Indicator 8: HAM Buy – share of first home buyer households below the benchmark**

The Housing Affordability Measure (HAM) measures trends in housing affordability for the first home buyer household. For potential home-owning households, HAM Buy calculates what their residual income would be after housing costs if they were to buy a modest first home in the area in which they currently live. Affordability is affected by dwelling prices, mortgage interest rates and the incomes of rental households.

### **Indicator 9: HAM rent – share of renting households below the benchmark**

The Housing Affordability Measure (HAM) measures trends in housing affordability for renting household. For renting households, HAM Buy calculates what their residual income would be after housing costs. Households are classified as being either above or below a 2013 National Affordability Benchmark; after paying for housing costs a single person would not have \$662 left per week. This is set as the median affordability for all households, both homeowners and renters, nation-wide, in June 2013. A higher number on the chart indicates a lower level of affordability.

### **Indicator 10: Price-cost ratio**

The indicator includes data on sale prices for stand-alone houses, proxy construction costs by housing type to construct a square metre cost for each house sale, a construction cost buffer to take account of construction costs that are unaccounted for in the data e.g. building on hills etc., and a percentage for agent fees and related costs. House prices are compared to construction costs to estimate how much of the remaining price is driven by the cost of land (infrastructure-serviced sections) and whether this proportion is changing over time. Table 23 and p.134 – National Policy Statement on Urban Development Capacity: Guide on Evidence and Monitoring