

Plan Change 14

Section 32: Part 1, Appendix 1

Christchurch City Council Updated Housing Capacity Assessment February 2023

DISCLAIMER:

Christchurch City Council has taken every care to ensure the correctness of all the information contained in this report. All information has been obtained by what are considered to be reliable sources, and Christchurch City Council has no reason to doubt its accuracy. It is however the responsibility of all parties acting on information contained in this report to make their own enquiries to verify correctness. This document has been prepared for the use of Christchurch City Council only. Copyright © 2023 by Christchurch City Council

1. Purpose of this assessment

The National Policy Statement on Urban Development 2020 requires tier 1 local authorities, every three years¹, to provide at least sufficient development capacity in their region or district to meet expected demand for housing: (a) in existing and new urban areas; (b) for both standalone and attached dwellings; and (c) in the short, medium and long term. Christchurch City Council and the Greater Christchurch Partnership has to date, prepared two Housing Capacity Assessments, the first in 2018 and second in 2021. This assessment is based upon the 2021 Greater Christchurch Housing Capacity Assessment (2021 GCHCA) but updated to take account of the additional housing capacity that may be achieved through the implementation of the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 and the National Policy Statement on Urban Development 2020. Additional capacity is directed to be achieved through the implementation of:

- Medium Density Residential Standards (MDRS) in most existing residential areas across the city, enabling the development of up to three residential units per site, where each building must not exceed 11 metres in height with some additional height enablement for slope roofs; and
- every residential zone to give effect to policy 3 (meaning policy 3 in clause 2.2 of the NPS-UD and set out in Schedule 3B of the Act); where for the Christchurch this requires the district plan enable:
 - in city centre zones, building heights and density of urban form to realise as much development capacity as possible, to maximise benefits of intensification:
 - building heights of at least 6 storeys within at least a walkable catchment of the edge of the city centre zone; and
 - within and adjacent to neighbourhood centre zones, local centre zones, and town centre zones (or equivalent), building heights and density of urban form commensurate with the level of commercial activities and community services.

In accordance with section 771 and Schedule 3B, Policy 4 in clause 2.2 of the NPS-UD), Council may make the MDRS and level of enablement under Policy 3 less enabling (amounting to less development capacity) to accommodate a qualifying matter in that area. This report considers the proposed qualifying matters under Plan Change 14, providing an estimate of the potential development capacity with which the spatial extent of each qualifying matter overlaps (including where there are significant overlaps of qualifying matter extents), noting that an overlap of a qualifying matter extent does not necessarily inhibit development capacity. For further information on the rationale and assessment of proposed qualifying matters, refer to Part 2 of the section 32 assessment for Plan Change 14.

This updated assessment again utilises the Christchurch City Council's in-house site development feasibility and growth models. Adjustments and changes to base assumptions have been made to take account of changing market conditions (i.e. building costs, land values and sale prices) and the more enabling site development standards for proposed PC14 when compared to the operative District Plan.

The report however does not provide a comprehensive and complete update of the 2021 Greater Christchurch Housing Capacity Assessment. An assessment of feasible greenfield capacity has been carried over from previous capacity assessments and adjusted down to 6,000 remaining dwelling capacity². Its purpose and focus is to provide updated information only in regard to Christchurch City and on the following matters:

- Recap on projected housing demand, with adjustments to local demand projections at the Statistical Area Unit 2 level.
- Updated plan enabled and feasible housing supply data as it relates to redevelopment opportunities.

¹ In time to inform the development of council long-term plans.

² Remaining greenfield capacity has not been updated as part of this report. It is however estimated that greenfield capacity has reduced by 1,000 dwellings per annum since 2021 based on historical take-up rates. Greenfield capacity has therefore been reduced from the 8,000 dwellings reported under the 2021 Greater Christchurch Housing Capacity Assessment to an estimated 6,000 dwellings.

- Updated housing sufficiency numbers, including as reported for detached and standalone typologies
- Recent and emerging findings and research in relation to the medium and long term housing market.

Whilst this updated assessment provides an overview of housing capacity numbers, figures presented within this assessment should be treated with some caution and recognised as a point-in-time and based on some assumptions about what will be built. The proposed PC14 enables a far wider range of housing typologies than have been tested with previous capacity assessments. Many dynamic factors influence housing demand and supply, specifically base assumptions and modelling parameters, and these will change significantly over the next thirty years. Any reported numbers must therefore be conveyed with the context and caveats that they are derived from.

The following sections begin with a summary of housing demand and supply (plan-enabled and feasible capacity), depicted as a spectrum to reflect the broad ranging context, modelling approaches and base assumptions that can underpin a housing sufficiency assessment. More detail as to the background and what underpins each point along this 'sufficiency spectrum' is explained in the preceding sections.

2. A spectrum for housing sufficiency (a summary of demand and supply)

The diagram below summarises the range of housing supply numbers calculated to determine housing sufficiency in terms of plan-enabled capacity and commercially feasible capacity, and a comparison against long term (30year housing demand projections). The enablement achieved through the recently legislated Medium Density Residential Standards and application of Policy 3 of the NPS-UD is significantly greater than reported under the 2021 Greater Christchurch Housing Capacity Assessment. As depicted in the table below, the capacity calculations are impacted by what are termed 'qualifying matters' under the Resource Management Act.

A qualifying matter exists (or is proposed through Plan Change 14) where there is a need to balance the heights, densities, and other standards of the MDRS against the need to manage those specific characteristics. A qualifying matter may allow the council to modify, or reduce, required building heights or density. Examples of existing qualifying matters include sites of cultural, historic, or ecological significance or requirements to avoid development in areas with natural hazards. Other qualifying matters, particularly where there is not an established policy basis for protection, requires a more detailed assessment of impact on development potential and justification. The sufficiency spectrum below consequentially differentiates between the different types of qualifying matters.

Diagram 2.1 – Spectrum of housing sufficiency based on notified version of Proposed Plan Change 14

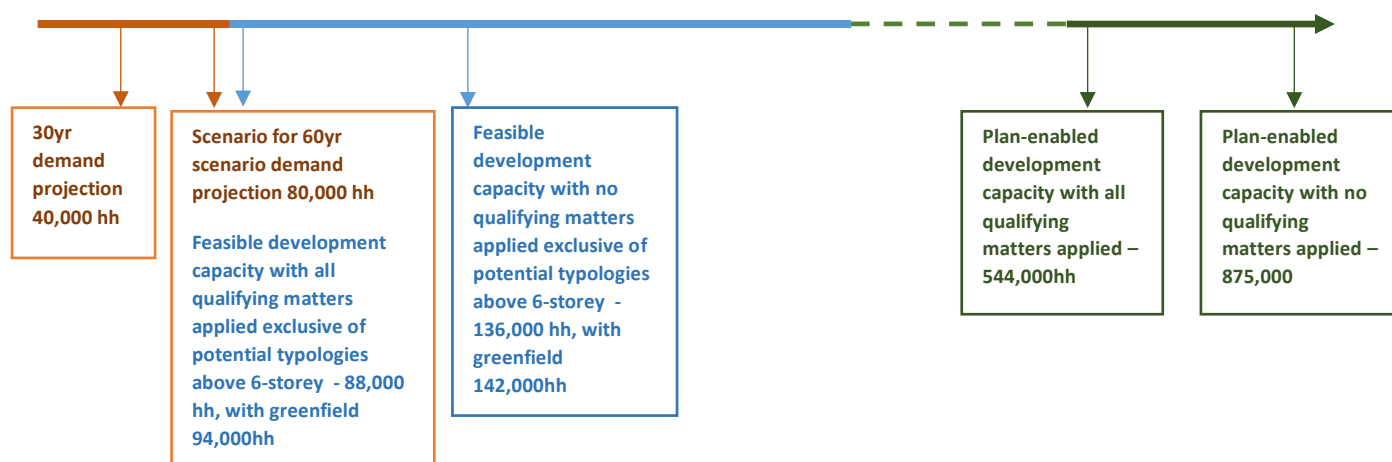


Table 2.1 Qualifying Matter extent test	Plan Enabled (mid-range estimate) (density as per table XY) Gross totals (does not account for existing dwellings)	Feasible (conservative) (density is model determined) Net totals (less existing dwellings)
Capacity not applying proposed qualifying matters	875,000	136,000 (+ 6,000 undeveloped greenfield ³ estimated at 6,000 dwellings)
Capacity not affected by the application of all qualifying matters (except for the proposed Sunlight Access QM deemed unlikely to reduce development potential.	544,000	88,000 (+ 6,000 undeveloped greenfield)
Number of feasible dwellings that is impacted by one or more qualifying matters that may reduce feasible capacity through assessment of the applied QM	331,000	48,000 (+ 6,000 undeveloped greenfield)

There are overlaps of Qualifying Matter extents. Some of the more significant overlapping extents are combined in table 2.2 and the overlap with capacity summed and reported:

Table 2.2 Qualifying Matter combination	Plan Enabled overlap (density as per table XY) Gross (does not account for existing dwellings)	Feasible overlap (density model determined) Net (totals less existing)
Coastal Hazard Medium and High Risk Management Areas ⁴ - New s771(a), s77K and s6(h) And Tsunami Management Area	73,000	9,400 (+ 6,000 undeveloped greenfield)

⁴ Combines Medium and High risk areas.

Coastal Hazard Medium and High Risk Management Areas ⁵ - New s77I(a), s77K and s6(h) And Tsunami Management Area And Low Public Transport Access	245,000	29,600 (+ 6,000 undeveloped greenfield)
Coastal Hazard Medium and High Risk Management Areas ⁶ - New s77I(a), s77K and s6(h) And Tsunami Management Area And Low Public Transport Access And Christchurch International Airport Noise Influence Area - s77I(e), s77K – Existing matter, new spatial extent	275,000	38,600 (+ 6,000 undeveloped greenfield)

It is noted that further housing capacity is provided through rural and rural-residential areas within Christchurch (estimated at 2,000+ additional household development capacity). This again depicts that the level of enablement across the city is significant and well exceeds project demand in both the 30yr long term period and when considered against a 50-60yr or one million population scenario.

3. Projected and expected housing demand

The 2021 GCHCA set out the short to long term expected housing demand (urban and rural), for both standalone and multi-unit housing types. Key demand trends for Greater Christchurch include:

- Projected growth of the resident population from 536,880 in 2021 to 705,600 in 2051, a 168,720 increase;
- Within this same period an increase of 77,100 households or 37% increase;
- A change in the demographic profile driven largely by an aging population resulting in strong growth in the number of 'couple only' and one person households.
- The Christchurch (only) resident population is projected to increase from 398,420 in 2021 to 472,780 by 2051, an increase of 74,360 people or 19%. The number of households is projected to increase by 35,194 or 23% (see below excerpt from 2021 GCHCA, Table 14).

⁵ Combines Medium and High risk areas.

⁶ Combines Medium and High risk areas.

Household Demand	Short 2021 - 2024	Medium 2021 - 2031	Long 2021 - 2051
Waimakariri	1,528	4,508	11,160
Christchurch	5,310	15,180	35,194
Selwyn	2,262	7,118	21,724
Total 3 TAs	9,100	26,806	68,078

The 2021 HCA also sets out the projected housing demand with a competitiveness margins required under the NPS-UD (see below excerpt from 2021 GCHCA, Table 18). The margins require an additional 20% supply above the base demand figures in the short (to 2024) and medium (to 2031) term, and 15% in the long term (from 2031 – 2051). Over the long term (2021-2051) and including the required competitiveness margins, sufficient capacity must be provided to meet an increased demand for some 41,200 households (i.e. 28,602 standalone household demand and 12,629 multi-unit demand).

Household Demand by Typology	Short 2021 - 2024		Medium 2021 - 2031		Long 2021 - 2051	
	Stand alone	Multi- unit	Stand alone	Multi- unit	Stand alone	Multi-unit
Waimakariri	1,568	265	4,476	934	10,896	2,163
Christchurch	4,429	1,943	12,666	5,549	28,602	12,629
Selwyn	2,612	102	8,166	375	24,050	1,288
Total 3 TAs	8,609	2,310	25,308	6,858	63,549	16,080

Livingstons and Associated Limited prepared a research report on housing demand and need to support the 2021 Greater Christchurch Housing Capacity Assessment⁷. The report states that demand is likely to be strongly focused on standalone dwellings with renters having a slightly higher propensity to live in multi-unit dwellings. Figures contained in the report (table 1.2, page 9) present a potential trend in household demand by tenure and dwelling typology for Christchurch City as follows:

⁷ Refer to [Housing-Demand-and-Need-in-Greater-Christchurch-prepared-by-Livingston-and-Associates-2021-Report.pdf](https://www.greaterchristchurch.org.nz/Housing-Demand-and-Need-in-Greater-Christchurch-prepared-by-Livingston-and-Associates-2021-Report.pdf) ([greaterchristchurch.org.nz](https://www.greaterchristchurch.org.nz))

	Owner occupiers				Renters			
	Standalone		Multi unit		Standalone		Multi unit	
	2- bdrm	3+ bdrm	2- bdrm	3+ bdrm	2- bdrm	3+ bdrm	2- bdrm	3+ bdrm
Chch City								
2021	12,730	74,200	8,140	3,800	12,760	26,840	15,260	3,250
2024	13,150	75,930	8,440	3,900	13,400	28,070	16,090	3,390
2031	13,930	78,360	9,130	4,070	14,810	30,500	17,980	3,680
2041	14,930	80,840	9,970	4,270	16,620	33,170	20,340	4,000
2051	15,590	82,470	10,460	4,390	17,930	35,390	22,070	4,280
21 to 51	2,860	8,270	2,320	590	5,170	8,550	6,810	1,030

Figures 16 and 17 being excerpts from the 2021 GCHCA, indicate where typology demand is likely to occur, with rental and multi-unit demand is largely occurring within Christchurch city as compared to the neighbouring districts.

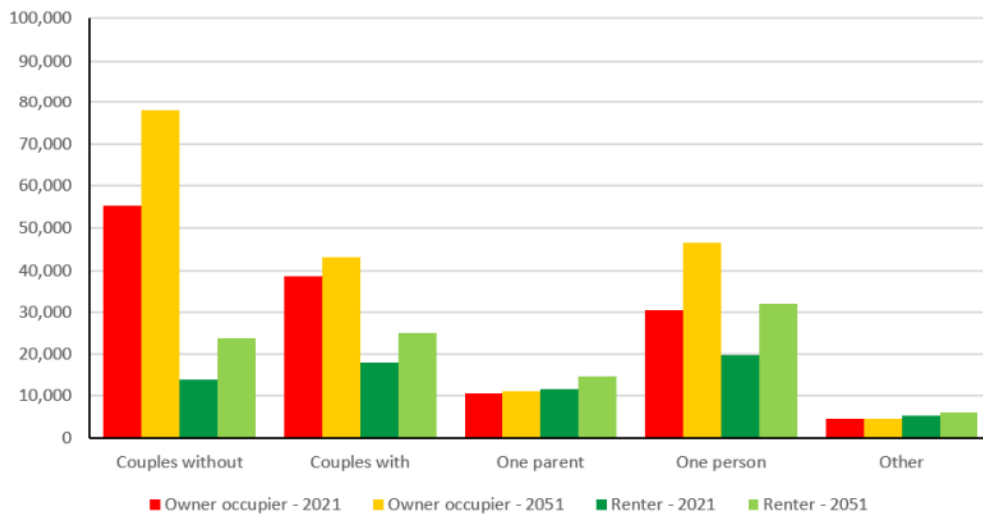


Figure 16: Change in Households by Tenure and Composition

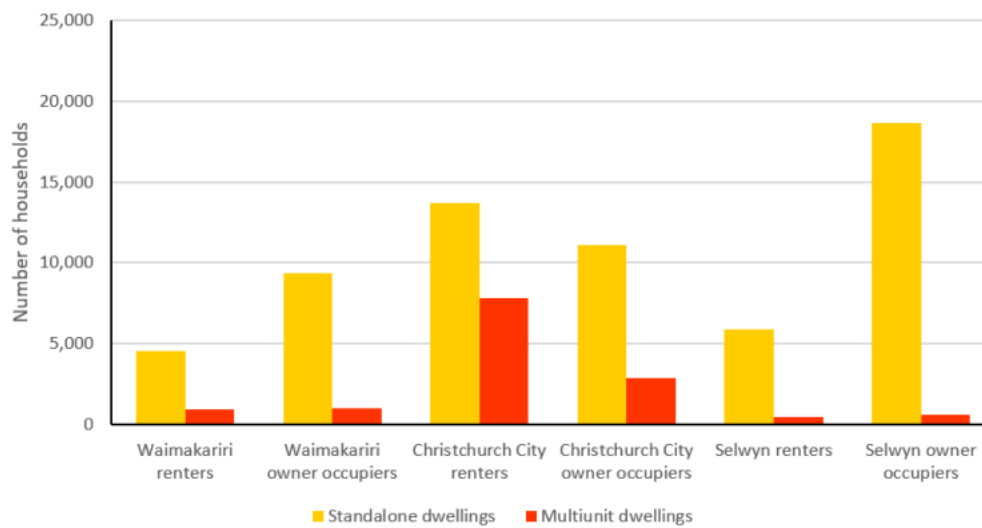


Figure 17: Demand by typology and tenure

Whilst over recent years Christchurch has experienced higher consenting rates than average, the historic trend for Christchurch has generally followed the medium StatsNZ projections. The proportion of growth occurring within Christchurch City in the context of the Greater Christchurch area is declining slightly, with housing demands increasingly been met in the Selwyn and Waimakariri townships. Approximately 12% of greater Christchurch's households currently live in Selwyn in 2021 and over the next 30 years 33% of the total growth in households is projected to occur in Selwyn District. The impact of the Canterbury Earthquakes and significant supply (zoning) of greenfield development over the past 20 years (particularly the last 12 years), has driven demand into greenfield areas, essentially generating a strong growth basis for StatsNZ projections (i.e. on-going strong growth rates for greenfield areas and townships particularly within Selwyn).

Post-earthquake many people made housing decisions based on necessity, as opposed to preference, and there is still some way to go to fully understand what "normal" demand looks like in 2023 and over the longer term. Supply plays a significant role in the housing market, housing affordability, and people's preferences, demand today is not necessarily reflective of the future demand. While new developments, particularly greenfield, continue to be enabled in the neighbouring districts, Christchurch City remains the focal point for economic activity in Greater Christchurch. Changes to socio-economic settings such as the reaffirmation of the City as the economic centre of Greater Christchurch and wider South Island, alongside changes to regulation and infrastructure investment to implement a more compact urban form across Greater Christchurch, has the potential to significantly shift housing preferences and demand. Such policy shifts include providing for greater intensification opportunities and improved commercial feasibility (financial settings) for medium and higher density developments; more directive management of new greenfield areas to avoid highly productive land (as required under the National Policy Statement for Highly Productive Land); and methods to reduce carbon emissions including greater investment in priority development areas, public transport and road pricing.

Further, as our population continues to age (as indicated by the StatsNZ population projections for the city), there is likely to be significantly more demand for smaller dwellings. Results from national and international studies indicate that residents give priority to the number of bedrooms when choosing a home. The number of bedrooms required depends on the size of the household, but this relationship may become more complex with an aging population, where level of income/wealth may be another influencing factor. Older retiring persons seeking to downsize, may still demand three bedrooms for lifestyle reasons. Research undertaken by the Christchurch City Council's Monitoring and Research team through the [Life in Christchurch series](#) is also highlighting younger people having, or more accepting of, a preference for housing typologies such as apartments and townhouses. More research is required regarding the relationship and trade-offs between the size of the dwelling and the typology, made by different household groups. Council's Life in Christchurch survey is again being undertaken (February 2023), with a focus on housing and neighbourhoods. Questions will cover similar topics to those included in the attached 2021 Housing Deep Dive (refer to Appendix 1 of this report) building on our understanding of the future and every changing housing market.

Changes to external (international) migration policy could also have a significant impact on housing demand. Global events and increasing numbers of climate refugees may see increased pressure for immigration policy to be relaxed, consequently increasing demand across the nation. Cities such as Ōtautahi Christchurch having significant surplus in plan-enabled capacity with supporting infrastructure and services, are well-placed to accommodate such potential growth peaks. Housing affordability under such circumstances will most certainly be another major draw factor, with multi-unit developments able to deliver more housing at affordable price points.

The factors above and the cities overarching objective to build in greater resilience to our urban form, provides grounds for higher housing bottom lines than required (i.e. 41,200 total households, 28,602 standalone households and 12,629 multi-unit demand). Specifically in regard to multi-unit demand to better ascertain what is underpinning projected standalone demand and whether this can equally be met

through certain multi-unit designs (i.e. to better address consumer preferences for example for adequate storage and open space). The issue may be that the development sector is not delivering the kind of medium density/multi-unit homes that people want to live in and consequently people are holding onto their larger homes for much longer instead of downsizing. Changing housing preferences and therefore shifting demand towards more multi-unit development, may be partly a matter of better design and greater variety within the market such to better compete with standalone larger dwellings.

The Council are also awaiting the 2023 Census data to providing a clearer picture around internal migration and the role it may have to play in housing demand in Ōtautahi Christchurch. While COVID-19 has had significant implications for external migration over the past two years, the impacts of internal (domestic) migration are not well understood.

In conclusion, this housing capacity assessment and the assumptions contained within it, including StatsNZ projections, are only a point in time and consequentially some caution placed on reaching a fixed view on demand, particularly over the longer term. Building greater resilience to levels of market uncertainty particularly over the longer term, justifies for Ōtautahi Christchurch an approach to provide for sufficient housing development capacity well beyond the required Housing Bottom Lines⁸, specifically in terms of the supply of two-bedroom homes. Further work is currently being undertaken by the Greater Christchurch Partnership (specifically the three District Councils) to investigate alternative long term demand scenarios for different housing types (i.e. 2-bed, 3-bed standalone and multi-unit demand). The alternative scenarios will test changes in projections based on different parameters, such as projecting forward more recent (positive) demand trends for multi-unit housing and 2-bed units.

4. Housing Supply – plan-enabled and feasible capacity ranges

The following sections provide an updated assessment of housing supply, from the perspective of what is theoretically enabled under the District Plan (referred to as plan-enabled capacity) and secondly what is deemed commercially feasible under current market conditions (at the time of assessment ~early 2022). Plan-enabled capacity estimates what could be built within the allowances (rules) of the proposed District Plan based on a set of density assumption for each zone. For this estimate it is assumed that current dwellings and structures are removed and replaced by new dwellings that maximise the potential of the relevant zone.

Past housing capacity assessments have also considered what is ‘reasonably expected to be realised’ (herewith referred to as “expected”), which modifies the plan-enabled capacity by applying historic land development or take-up rates (i.e. household per hectare averages). This type of assessment provides a level of ground-truthing to the plan-enabled capacity, and because it is based on what development is actually occurring, provides a higher degree of certainty (relative to plan-enabled) for residential density yield once a site, block and neighbourhood is fully redeveloped or developed.

The feasibility assessment assesses the commercial viability of development capacity from the developer’s perspective by modelling development costs, site opportunities and potential sales prices. This approach can potentially identify those areas where the plan-enabled/expected capacity overstates the development potential. Conversely it may also identify development opportunities that produce higher dwelling yields that estimated by the expected assessment (i.e. there is the potential for higher density than has historically been the case). Lastly, feasibility can be checked against the take-up rates that inform the expected calculation. This can show that development is occurring in areas that are not modelled as commercially feasible for

⁸ Refer to Christchurch District Plan Strategic Objective 3.3.4 of “...i. short-medium term: 18,300 dwellings between 2021-2031; and ii. Long term: 23,000 dwellings between 2031 and 2051; and iii. 30 year total: 41,300 dwellings between 2021 and 2051.”

development but may in reality be built. Reasons being, a developer may have costs lower than the modelled costs, a developer has different profit goals, or the sales price of developed land and dwellings is higher than anticipated. This is consistent with NPS-UD 3.26.

4.1 Plan-enabled capacity

Plan-enabled is outlined in the NPS-UD (in section 3.4) and further defined under section 30(5) of the RMA as meaning:

- "the capacity of land for urban development, based on –*
- (a) the zoning, objectives, policies, rules, and overlays that apply to the land under the relevant proposed and operative regional policy statements, regional plans, and district plans; and*
 - (b) the capacity required to meet –*
 - (i) the expected short and medium term requirements; and*
 - (ii) the long term requirements; and*
 - (c) the provision of adequate development infrastructure to support the development of the land."*

The NPS-UD further describes how capacity is to be reported within different timeframes as follows. For the purpose of this updated assessment however, only the medium and long term timeframe is to be assessed, as short term capacity not an issue for Ōtautahi Christchurch.

Short	Land that is zoned (either permitted, controlled, or restricted discretionary) in an Operative District Plan.
Medium	Land that is zoned (either permitted, controlled, or restricted discretionary) in an Operative or Proposed District Plan.
Long	Land that is zoned (either permitted, controlled, or restricted discretionary) in an Operative or Proposed District Plan or land identified as Future Urban in an FDS.

The table 4.1.1 provides the plan-enabled capacity for Ōtautahi Christchurch with the new zoning framework under proposed Plan Change 14 as agreed for notification by the Council on 17 March 2023. This assessment is an interim calculation. A further update (in mid-2024) will be required following a decision on PC14 and confirmation of zone boundary extents and any provisions impacting density and yield.

The plan-enabled capacity numbers are dependent (as with any modelling) upon the assumptions and spatial extent of the application of the assumptions. In this case, the dwelling yield totals reported below are based upon draft zone boundary extents for PC14 as March 2023 (calculated at a residential block level), together with a range of household yields (i.e. houses per hectare) based on the typologies provided within each specific zone. The assessment of plan-enabled capacity is substantive in terms of quantum, such not to consider there a need for any further rationalisation of the plan-enabled evaluation. Three scenarios are provided under table 3.1 below, one being a conservative estimate (see yellow highlights) adopting lower end yields, a mid-range (see green highlights) and a high range (see red highlights) which adopts near to maximum site and block development yields.

Scenario	Dwelling Yield (gross)
Conservative	552,000
Mid	875,000
High	1,225,000

Table 4.1.2 sets out the density assumptions that have been used to estimate plan-enabled capacity for each of the scenarios. It is used only for those zones which enable residential development as a permitted, controlled or restricted discretionary activity. The cells in the table marked with a * are considered a density achievable within the proposed provisions of the zone. The colour coding of the cell denotes the point at which the zone was tested for each of the three scenarios. If only one cell in a row is coloured the zone was tested only at that density. It is noted that some other commercial zones also provide for residential development above the ground floor but this has not been included within this assessment.

Table 4.1.2 – Base yield assumptions for plan-enabled capacity for PC14 proposed zones, Density household per hectare													
Zone Group	Zone Type	15	30	45	50	80	90	100	120	150	200	250	300
Commercial	Local centre		*	*	*	*	*	*					
Commercial	Neighbourhood centre		*	*	*	*							
Mixed Use	Central City Mixed Use				*	*	*	*	*	*	*	*	*
Mixed Use	Central City Mixed Use Zone (South Frame)				*	*	*	*	*	*	*	*	*
Mixed Use	City centre				*	*	*	*	*	*	*	*	*
Mixed Use	Future Urban	*	*		*	*	*	*	*	*	*	*	*
Mixed Use	Mixed use							*	*	*	*	*	*
Mixed Use	Town centre					*	*	*	*	*	*	*	*
Residential	High density residential				*	*	*	*	*	*	*	*	*
Residential	Large lot residential	*											
Residential	Residential Suburban	*	*		*								
Residential	Residential Suburban	*											
Residential	Medium density residential		*		*	*	*	*	*	*	*	*	*
Residential	Medium Density Residential Hills Precinct	*	*	*									
Residential	Residential Large Lot	*											
Residential	Residential Small Settlement	*											

The NPS-UD (clause 3.26 (2)(c)) also requires consideration of what is reasonably expected to be realised or 'expected capacity', where the information regarding past developments trends can be used to modify (essentially ground-truth) the plan-enabled capacity. The conservative estimates are more representative of current development yields, as depicted in Table 3.3 below which summarises observed site and block yields based on building and resource consent applications over the last ten years for the current operative District Plan. Typology modelling was undertaken to consider how the MDRS could increase density compared to the operative medium density zones and this has been used to inform mid and high density outcomes.

Table 4.1.3: Christchurch residential density theoretical and observed yields based on Operative District Plan Zones

Zone / Overlay	Theoretical (HH/Ha)	Recent average consented yields (HH/Ha)	Reasoning and observations
Zones			
Residential Suburban	25-30	15.9	Theoretical - 400m ² minimum lot size – DPR 14.4.1.3 RD1. Residential average density analysis undertaken which across the city range between 7-25hh/ha.
Residential Suburban Density Transition	70	50	Theoretical - Potential from RSDT and RMD modelling. Theoretical increased to 70hh/ha recognising the potential for multi-unit development enabled in the zone. Average consented yields over the last five years for multi-unit developments average 50hh/ha. Typical typology - one/two storey townhouse, 70 to 80 square meters, single carpark.
Residential Medium Density	100	60	Theoretical - Potential from RSDT and RMD modelling. Average consented yields over the last five years for multi-unit developments average 60-70hh/ha. Typical typology - two/three storey townhouse, 70 to 105 square meters, single carpark.
Residential New Neighbourhood	15	15-18	Rules require a minimum yield of 15hh/ha with most greenfield developments in recent years yielding above the minimum.
Residential Central City and Mixed Use Zones	150 and above	100-120	Theoretical - 200m ² minimum lot size – DPR 14.6.2.11, however comprehensive development possible. There is a wide range in density outcomes driven by typology and whether on-site parking is provided. All observed development typologies are achieving high density outcomes. Typical typology = two/three storey townhouse, 70 to 105 square meters one/no parking
Residential Hills	17	9.6	Theoretical - 585m ² minimum lot size – DPR 14.7.1.3 RD1
Residential Large Lot	7	2.8	Theoretical - 1350m ² minimum lot size – DPR 14.9.1.3 RD2
Residential Banks Peninsula	25	11.9	Theoretical - 400m ² minimum lot size – DPR 14.8.2.1 a. i.
Residential Small Settlement	10	6.6	Theoretical - 1000m ² minimum lot size – DPR 14.10.2.1 a. i.

4.2 Commercially feasible capacity

The feasible capacity assessment is based on the MBIE/MfE Feasibility Tool developed for the implementation of the NPS and made available to Territorial Authorities for their use. Feasible is defined in the NPS-UD as the following:

Timeframe	Includes
Short	Commercially viable to a developer based on the current relationship between costs and revenue.
Medium	Commercially viable to a developer based on the current relationship between costs and revenue.
Long	Commercially viable to a developer based on the current relationship between costs and revenue, or any reasonable adjustment to that relationship.

The approach to modelling commercial feasibility is based on a number of assumptions that can be altered to produce different results. The Land Development Model uses the MBIE/MfE Feasibility Tool as its base. This outlines a range of costs to be considered in calculating the commercial viability of a development of land to a subdivided section. This calculation determines whether the section sales price is sufficient to cover the cost of development. Costs were undertaken by Harrison Grierson on behalf of the partnership and these are outlined in the supporting documents. Land values and sales prices were sourced from QV and developers. Land Development was applied to greenfields within the district that are undeveloped, with the assumption that greenfield currently underway are feasible. The value of each land holding within a typical greenfield can vary dependent on the size of the lot and the proximity to existing urbanised areas. A standardised land value (at square metre) for each greenfield is generally not consistent across the various land parcels in each greenfield. For example, a land parcel with an existing house is generally worth more per square metre than a land parcel without a dwelling. Smaller land parcels also trend towards a higher square metre value than larger land parcels.

The MfE Building Development Model is the basis for establishing the feature, attribute and value inputs into a GIS-based redevelopment model that has been used to assess feasible capacity for the existing urban area. Essentially, the GIS-based model replicates the process of the Building Development Model for each potential development site within Christchurch, taking into account the rules of the District Plan, the underlying value of the land and improvements, existing development and development costs (provided by a quantity surveyor), and then applying a series of test development typologies appropriate for the zone and based on likely development outcomes under the proposed zone rules. The outcomes of typology testing are then compared to determine the most feasible development typology and then calculate the dwelling yield derived from this typology. The parameters for development are:

- Redevelopment sites are the existing cadastral boundaries of sites within the residential zoned areas.
- Where there is more than one feasible development typology per site, the typology with the highest profit is selected to determine the housing yield.
- Development typologies assessed are based on likely development outcomes.
- Minimum subdivision size for each zone applies (only where it places a limit on development).
- Demolition costs are based on the existing building(s) footprint in each site. These are estimated from building footprint data which is based on aerial photography approximations. A standard square meter

cost has been applied and therefore the approach does not take into account building or site specific attributes that may increase the cost of demolition.

- Each redevelopment site is assumed to be cleared (i.e. no existing structures are retained). A separate assessment identifies and tests the feasibility of infill sites where the existing dwelling is retained (e.g. backyard development).
- The Technical Category of the land determines the foundation cost to apply.

The caveats and contextual considerations are as follows:

1. The modelled results provide a range of possible scenario outcomes. They are not however the exhaustive output of all possible outcomes. Other scenarios, using different model inputs may be considered and therefore the context of each scenario (the parameters of the model run) should be understood and carefully considered.
2. For the purposes of establishing a base assessment approach, the MBIE/MfE guidance recommends an approach where a commercial viable development is one that achieves a 20% profit margin using the residual valuation approach to feasibility assessment.
3. Estimating a price for finished dwellings across a wide range of potential sizes and typology is fraught with opportunity for error resulting in over or understating dwelling prices. Sales data provides a useful starting point but does not contain the resolution of detail, particularly around quality of build. Dwelling size is recorded in sales data but again this is only an indicative measure that does not account for shared space or how a dwelling may be set-out (e.g. to determine the number of bedrooms). Furthermore, the new dwelling typologies possible with the MDRS and more enabling provisions are yet to be tested widely in the Christchurch market.
4. Build costs have been standardised and applied to all developments, with some variation for different typologies. In reality, the square metre build costs will vary within typologies as well as between typologies. For example, all other factors being equal, the relationship between wall area and roof area is such that an apartment block on a regular shaped square site will be a lower cost to construct than a similarly sized apartment block on an irregular shaped or thinner, rectangular shaped site. As modelled, the feasibility assessment cannot take site shape into account, only site size. To do so would require a more complex spatial model and further work to estimate a wider range of estimated costs to match a much wider variety development typologies to match different sites.
5. Building costs used in the feasibility model for this update are based on those from Quarter 2 2022. It is acknowledged that since 2021 the costs of some construction materials has increased significantly and therefore the feasibility of some developments may have changed.
6. The skills, attributes and capacity of the developer are also a significant factor in development. The model does not differentiate across different scales of development companies or account for different types of construction techniques or processes that a developer may be able to bring to a project. Some developers may be able to reduce or minimise certain costs where economies of scale may be realised or some functions are undertaken in-house, in so doing helping to reduce fees or professional costs. Other developers may be in the position to minimise borrowing costs or minimise the additional cost of capital that must be applied to various components of development through, for example, the minimisation of contingencies through project management and cost controls. Ultimately, these factors may translate into a reduced profit margin expectation at project outset, i.e. a particular project may be feasible for one developer, but not for another.
7. The demand methodology relies upon Stats NZ unconstrained population projections where externalities such as planning interventions, capital works improvements, Government policy, unforeseen global and social change and future technologies are unable to be factored into the 30 year projections.
8. The model is largely a financial tool that uses some spatial attributes of sites to determine the value of some model inputs. It is a two dimensional assessment that does not account fully for the effects of three dimensional development constraints. These include, for example, the effects of slope across a development site or between development sites. The impact of slope is particularly significant for

development sites in the Residential Hills and Residential Banks Peninsula zones. Consequently, the feasible capacity results for the Port Hills and Lyttelton Harbour study area divisions should be considered to have a significant margin of error. The effect of recession planes has been estimated using a simplified spatial modelling approach.

9. The analysis has not been able to consider likely improvements to commercial feasibility achieved through site amalgamation. This assessment has also not assessed the commercial viability of minor residential units and older persons housing units, which are enabled in most Christchurch residential zones.
10. The assessment has not considered the feasibility of non-commercial, not-for-profit development where there may be a no or a low margin expectation.

For redevelopment in Christchurch, a townhouse typology of two storey, two/three bedroom, multi-unit homes is currently the most common development outcome for medium density zones, and is also currently a typical development in the central city (albeit at a higher density) (see Table 4.1.3 above). It has been observed (through consents) that density outcomes do tend to increase where larger and/or amalgamated sites are developed, however the development typology outcomes are broadly the same.

Sales price tends to be generally consistent between developments in the same area and has seen significant growth in recent years. For the Central City, developers are increasingly building projects with fewer car parks than the number of homes or in some cases no car parks. This has increased the overall densities being achieved, even where townhouse typologies are being used in the Central City. Developers are investing more widely across the Central City, including within the Central City Mixed Use zones achieving similar development outcomes as for the Residential Central City zone.

The modelled feasible capacity for Christchurch has maximised feasibility within the development potential enabled by the plan. This does not in itself lead to built outcomes. Other scenarios where model inputs are reflective of real world development outcomes, will produce a lower level of overall feasibility. It is possible that upon full redevelopment of urban areas, the actual realised density will fall between the reported feasible and expected calculations.

Three feasibility scenarios are reported based on the different applications of filters for building age and for the site land to capital value ratio. The premise being that sites with high improvement values relative to land values and/or sites with more recent dwelling are less likely to be redeveloped in the short to medium term than when compared to sites with older dwellings and/or lower value dwellings compared to land value. The land to value ratio is based on the rating valuations from August 2019, the most current available at the point of the updated assessment. The parameters for the three scenarios:

- Unfiltered – assesses whether profit is possible across all residential sites and does not directly take into account building age or land to value ratios, other than where reflected as a change to a development cost (e.g. land purchase price).
- 60% Land to Value Ratio – assessed commercial yield (20% profit), when adopting 60% land to value ratio and removing all sites with dwellings newer than 1990 from analysis.
- 80% Land to Value Ratio – assessed commercial yield (20% profit), when adopting 80% land to value ratio and removing all sites with dwellings newer than 1990 from analysis.

4.3 Impact of qualifying matters on housing capacity

The Act requires the evaluation of the impact a qualifying matter (herewith referred to as ‘impact evaluation’) may have on development capacity. The relevant sections of the Act are summarised below:

Section	Application	Capacity loss requirement
77J(3)(b)	Any new qualifying matter for residential development	<i>assess the impact that limiting development capacity, building height, or density (as relevant) will have on the provision of development capacity</i>
77K(1)(d)	Existing (Plan) qualifying matters for residential development	<i>describe in general terms for a typical site in those areas identified under paragraph (a) the level of development that would be prevented by accommodating the qualifying matter, in comparison with the level of development that would have been permitted by the MDRS and policy 3</i>
77P(3)(b)	Any new qualifying matter for non-residential development (e.g. commercial)	<i>assess the impact that limiting development capacity, building height, or density (as relevant) will have on the provision of development capacity</i>
77Q(1)(d)	Existing (Plan) qualifying matters for non-residential development (e.g. commercial)	<i>describe in general terms for typical sites in those areas identified under paragraph (a) the level of development that would be prevented by accommodating the qualifying matter, in comparison with the level of development that would have been enabled by policy 3</i>

Under Proposed Plan Change 14 a number of qualifying matters are proposed. Table 4.3.1 sets out the full range of qualifying matters proposed under Plan Change 14 and reflected in the spectrum of housing sufficiency as reported in section 2 of this report. A more detailed explanation of the range of qualifying matters proposed is set out in Part 2 of the Section 32 Assessment for Proposed Plan Change 14 (it is not repeated here). Key points from this assessment as it relates to this report are:

- Some sites overlap more than one qualifying matter.
- A qualifying matter does not necessarily mean lost capacity and a development may still be possible.
- A qualifying matter overlap may trigger a greater consent need to address the impact of the specific matter(s).
- Overlaps may be partial and may impact a non-buildable part of a site (e.g. driveway).

Table 4.3.1 – Evaluated (plan-enabled) development and feasible dwelling capacity overlap with proposed qualifying matter extents			
Modelling approach	Yield calculated as per table 4.1.2 for conservative settings. Future Urban Zone calculated at 15HHpHa and 80HHpHa (reported in brackets). Yield based on intersection of QM extent with applicable zone. Impact on intersected zone will depend on the detail of the QM. Yields have been rounded.	Site by site assessment reporting the most feasible development – filtered for realisation based on dwelling age and land to value ratio (LVR) as at August 2019 (RV data). Yield is based on the intersection of the site with the QM extent. Impact in intersected site will depend on the detail of the QM.	Sub-totals below are provided for plan-enabled only, grouping some similar types of qualifying matters. Qualifying matter overlap areas are as a proportion of total plan-enabled capacity estimated at ~875,000 dwellings
Qualifying Matter Name	Assessed ‘Plan Enabled’ capacity for sites or part of sites within the QM extent (reported as Dwellings Gross)⁹	Assessed ‘feasible’ capacity for sites or portion of sites that are within the QM extent¹⁰ (reported as Dwellings Net gain of existing dwellings)¹¹	
Sites of Ecological Significance s77l(a),s77K – Existing	500	<100	Existing qualifying matters (excluding trees) – 37,940

⁹ Assesses overlap of QM extent on urban block. Actual capacity loss may be subject to site specific considerations or avoided with use of a resource consent to mitigate adverse effects or demonstrate that they are avoided (in particular for sites with a partial overlap with a QM extent). Dwelling totals based a narrow set of potential development outcomes. Total yield may increase or decrease if different development typologies are tested.

¹⁰ Estimated feasible development for sites where QM extent intersects site and potentially impacts on capacity. Sites where the QM extent overlap is partial or insignificant can be feasible for development (e.g. overlap is with access driveway or within required street/boundary setback; i.e. not affecting buildable area). Feasible dwelling totals are from all the development typologies tested for feasibility (with the most feasible determining the measured yield).

¹¹ Feasible capacity estimates are reported as net totals of existing development except where the capacity is from infill development outcomes where the original dwelling is retained on site (i.e. the total is a mix of gross and net depending on the development outcome).

Outstanding Natural features and Landscapes s77I(a),s77K – Existing	550	<100	overlap (plan-enabled) development capacity.
Wāhi Tapu / Wāhi Taonga s77I(a),s77K – Existing	140	No feasibility assessment undertaken	
Heritage items and settings s77I(a) – Existing, Removed and New	3150	570	
High Flood Hazard Management Area s77I(a),s77K – Existing	6860 (7410 FUZ at 80HHpHa)	1050	
Flood ponding management area ¹² - s77I(a), s77K – Existing	8130 (11840 FUZ at 80HHpHa)	300	
Slope Instability High Hazard Management Areas - s77I(a), s77K – Existing	7050	1370	
Waterbody Setbacks - s77I(a), s77K – Existing	18,470(20,390 including Future Urban Zone at 80HHpHa)	2280	
Building height for properties adjoining Riccarton Bush	1220	300 (<100 two storey limit)	
Significant and Heritage trees - s77I(a),s77K, s77I(j) – Existing and new	680	180	Significant and Heritage trees - 680 impacted (plan-enabled) development capacity
Coastal Hazard Medium and High Risk Management Areas ¹³ - New s77I(a), s77K and s6(h) (includes high erosion extents)	25,400	3,900	Proposed new coastal hazard management areas have significant overlap of spatial extents – combined extent is

¹² The estimate excludes areas currently zoned Residential New Neighbourhood (i.e. greenfield) but does includes some large areas just to south of QE2 drive which are zoned Residential Suburban under the operative plan but still show as undeveloped and/or are now open space, for example Buller Stream.

¹³ Combines Medium and High risk areas.

Tsunami affected areas	73,100	9,500	73,300 overlap (plan-enabled) development capacity
Residential Heritage Areas New s77I(a), s77K and s6(f)	6,410 ¹⁴	1,500	Proposed new heritage areas and heritage interface areas but excluding New Regent Street Interface as minor – 7,760 overlap (plan-enabled) development capacity
Residential Heritage Interface Areas - New s77I(a), s77K and S6(f)	580	<150	
Lyttelton Commercial Centre Interface Area - New s77I(a), s77K and s6(f)	Not applicable	Not applicable	
New Regent Street Interface - New s77I(a), s77K and s6(f)	<100	<100	
Arts Centre Interface - New s77I(a), s77K and s6(f)	330	<100	
Cathedral Square Interface - New s77I(a), s77K and s6(f)	340	<100	
Lyttelton Port Influences Overlay - s77I(e), s77K- Existing	160	<100	Nationally Significant Infrastructure - new and proposed matters – 3,960 overlap (plan-enabled) development capacity
NZ Rail Network building setback - s77I(e), s77K – Existing	520	<100	
Electricity Transmission and Distribution Corridors - s77I(e), s77K – Existing	3,120 (3,310 FUZ at 80HHpHa) ¹⁵	400	
Radio Communications Pathways - s77I(e), s77K – new	160	Not assessed as requires a site specific assessment for design	

¹⁴ Based on full site redevelopment potential. The proposed rules do allow for a minor dwelling unit which could reduce this total.

¹⁵ Includes some sites zoned for residential activity that are currently in use as electricity supply infrastructure.

		approach to address partial height restrictions on only a few sites.	
Christchurch International Airport Noise Influence Area - s77I(e), s77K – Existing matter, new spatial extent	29,860 (3,010 FUZ at 80HHpHa)	9000	Airport Noise Influence Area - 29,860 impacted (plan-enabled) development capacity
Residential Character Areas - s77I(j) – existing but amended matter and new spatial extents	13,700 (10,700 dwellings ¹⁶ less other enablement)	2,900	Residential Character Areas (note significant overlap with Residential Heritage Areas) – 10,700 impacted (plan-enabled) development capacity
Victoria Street building height - s77I(j)	257,050sqm	<100	Victoria Street Height - 257,059sqm
Vacuum sewer wastewater constraint - s77I(j) - new	20,400 34,340 including Prestons	2,840	Prestons reported separately as this is a recently developed (and developing) greenfield area therefore unlikely to realise plan-enabled capacity for decades.
Sunlight access	Less than 5% change.	<5%	Impact is more on design and layout of the development rather impacting density and yield of units on a site.
City Spine Transport Corridor setback	Less than 100 dwellings	<100	For MDRS for most sites 50% of the site will remain developable. The reduction in capacity will be more for the greater enablement

¹⁶ Total is net of additional dwellings that may be provided for within the proposed Character Area rules. The proposed rules do also allow for a minor dwelling unit, which could reduce this total further.

			in the HRZ, and then only for some sites.
Low Public Transport Accessibility Area (with hills precinct applied)	188,970	26,400	This number is based on hills precinct applying which sets a minimum subdivision allotment size of 650m ² which equates to a maximum yield of 46hh/ha, and has been filtered by dwelling age and LVR
Low Public Transport Accessibility Area (no hills precinct applied)	216,280	34,100 (for reference: unfiltered yield is 70,800)	This number is based on hills precinct applying MDRS and yield of 80hh/ha, and has been filtered by dwelling age and LVR (with unfiltered in brackets). Actual capacity will likely be significantly less than reported as the feasibility model has not taken account of site geotechnical constraints.
Industrial Interface	8300	1150	Plan-enabled and feasible development to two storey maximum not affected by this Qualifying Matter.
North Halswell ODP Connections	No appreciable impact on development density		

Table of Contents

How to use this document.....	23
Sources used for local housing demand insights.....	23
Sources used for housing demand insights from other areas	23
Additional Sources.....	Error! Bookmark not defined.
Overview	24
What did we investigate?.....	24
What has mattered most in the past?	25
What has demand looked like in other cities?	25
Trade-offs and Housing Decisions	26
Future Housing Preferences and Considerations	27
What has housing demand looked like previously?	29
Safety	29
Services, Activities and Facilities	30
Transport and Accessibility	31
Local Environment.....	32
Affordability	33
Property Features.....	34
What does housing demand look like in other cities?.....	36
Safety	36
Services, Activities and Facilities	36
Transport and Accessibility	37
Local Environment.....	37
Affordability	38
Property Features.....	38
Housing Choice Trade-Offs.....	40
What does housing demand look like in the future?	42
Safety	42
Services, Activities and Facilities	42
Transport and Accessibility	42
Local Environment.....	43
Affordability	43
Property Features.....	43
Future Developments and an Aging Population.....	45

1. Overview

The purpose of this document is to provide a summary on the past and present scope of housing in Ōtautahi-Christchurch, as well as consider what housing in the city may look like in the future. This summary is based on the opinions of respondents across various surveys including Christchurch City Council *Life in Christchurch* surveys, whether they are factually correct or not. This document is broken into three parts: What has housing demand looked like previously? What does housing demand look like currently? What will housing demand look like in the future? Sources used for local housing demand insights include:

- Life in Christchurch 2017 - Central City Survey
- Life in Christchurch 2018 - Central City Survey
- Life in Christchurch 2019 - Central City Survey
- Life in Christchurch 2021 – Central City Survey
- Life in Christchurch 2020 – Central City Survey
- Life in Christchurch 2020 – Neighbourhoods and Communities
- Life in Christchurch 2021 – Transport and Housing
- Life in Christchurch 2022 – Central City Survey

Sources and used for housing demand insights from other areas include:

- The Housing We'd Choose (Grattan Institute, 2011) - Melbourne & Sydney
- The Housing We'd Choose (Departments of Housing & Planning in Western Australia, 2013) - Perth & Peel
- The Housing We'd Choose (Research First, 2015) – Auckland
- QV House Price Index (Quotable Value Limited, <https://www.qv.co.nz/price-index/> accessed April 2022)

1. Overview

In 2018, the population of Greater Christchurch (i.e., Christchurch City, Waimakariri and Selwyn) was 508,400. This is expected to increase by 12% by 2028 to reach a population of 568,300, and by the year 2038, there is expected to be 614,300 individuals living in Greater Christchurch (Stats NZ, Population Projections – medium projection scenario). To accommodate for this increase in population, city planners and developers need to ensure the appropriate infrastructure is in place. Specifically, access to adequate housing is a key element that needs to be considered as the population grows.

To address an increase in the demand for housing, cities may expand outwards by developing greenfield land (urban sprawl), and/or upwards by increasing the density of housing within current residential areas (urban intensification). Different housing types are typically developed in greenfield and intensification areas. Greenfield developments tend to allow for more dispersed housing, such as detached single-story or multi-story single unit dwellings. In contrast, urban intensification tends to result in an increase in compact dwellings, such as apartments or multi-unit complexes. The current residential landscape of Greater Christchurch reflects a common preference for detached housing, with new developments in Selwyn, Waimakariri, and on the fringes of Christchurch City.

However, with a growing population and rising housing costs, there may need to be more consideration given to compact and affordable housing options. In this context, it is important to examine what features matter most to individuals when choosing a place to live in order to accommodate these in the future. Furthermore, as part of the housing decision, many homebuyers are forced to make trade-offs between these feature preferences. For example, an individual might have a preference for 'Location A' over 'Location B', but choose to live in Location B because the houses are more affordable. Therefore, it is also important to consider the trade-offs that individuals might make when choosing where to live. Lastly, with a shift occurring towards an aging population in Greater Christchurch, it is important to consider how the unique housing needs of an older population will be met.

1.1 What did we investigate?

The Christchurch City Council *Life in Christchurch* surveys have been conducted annually since 2016 and provide an insight into Christchurch residents' feelings of living in the city. The topics include transport, housing, neighbourhoods and communities, and Central City. While each topic is typically conducted as a separate survey, not all are repeated each year, and not all questions are repeated each year. To determine what matters most to people living in Christchurch, past *Life in Christchurch* results were also examined. While all surveys tended to contain some questions around housing and neighbourhood preferences, the *Transport and Housing (2021)* survey gave insights into housing preferences and priorities of those living in Christchurch. Throughout these surveys, specific housing attributes were coded into broader categories (e.g., away from industrial areas was coded into a broader 'Local Environment' category). Items of each category were prioritized as part of the *Life in Christchurch* surveys, and a level of importance of each category was determined (for example, neighbourhood safety features were of high importance for Christchurch respondents when choosing where to live).

The *Housing We'd Choose* surveys examine housing preferences, priorities, trade-offs and decisions of residents living in other major cities. The first was conducted in 2011 and examined these features for residents living in Sydney and Melbourne. Subsequent *Housing We'd Choose* studies have examined housing-related factors for those living in Auckland in NZ, and Perth and Peel in Australia. Given Christchurch is expanding as these other cities already have, the *Housing We'd Choose* studies provide insight into the similarities and differences in housing decision factors within larger cities.

More recently, the *Life in Christchurch Central City (2021)* survey asked Christchurch residents who were living in the Central City about housing-related factors. These most recent preferences and priorities are good indicators of the future demand of housing in Christchurch. Although most housing-related questions were asked to those living in the Central City, the housing preferences will likely be similar for most residents residing in Greater Christchurch. In addition to this, the *Life in Christchurch Housing and Transport (2021)* survey asked residents about their future housing preferences and needs. This provides insight into how housing needs and preferences change with age, as well as what is important for future housing developments.

1.2 What has mattered most in the past?

When planning new residential developments it is important to consider how prospective buyers value different housing attributes. As mentioned above, the preferences of Christchurch residents were examined and compared to those that emerged in other major cities (Auckland, Perth and Peel, and Sydney and Melbourne). When examining past results (*Life in Christchurch 2017-2021* surveys) the six broad categories that emerged were (1) Safety, (2) Services, Activities and Facilities, (3) Transport and Accessibility, (4) Local Environment, (5) Affordability, and (6) Property Features. The key findings were:

- Safety is considered the highest priority for individuals when choosing a neighbourhood to live in. Specifically, 79% said this feature was important, and it was most frequently reported a top priority.
- Services, activities and facilities are important for individuals when choosing where to live, however not all households value all services (i.e., proximity to school zones was the lowest priority for homebuyers overall, however, this would likely be higher for households with school aged children).
- Generally, transport and accessibility were not of a high priority (49%). However, transport-related features, such as convenient transport options, were more important for individuals under 35 years old (52%), and particularly important for those older than 65 years (56%).
- The local environment was important for respondents, with the character of the neighbourhood being the third highest priority overall and attractive streetscapes, trees, and garden being ranked fourth.
- Surprisingly, although most respondents struggle to afford their housing costs, affordability was not a high priority for respondents when choosing where to live. Less than a third rated areas where there are affordable homes (28%), and value for money (23%) as important when choosing where to live.
- The importance of features relating to the property were asked separately to the importance of neighbourhood features (mentioned above). The location of the property was the most important property feature, while housing type (i.e., apartment, stand-alone detached, etc.) was the second most important. This suggests that although there is a preference for detached housing, individuals may choose the less preferred option of apartment or attached housing if it is in their preferred location.

1.3 What has demand looked like in other cities?

As the population of Greater Christchurch grows, it will face similar challenges to those faced by other developed cities. Simply put, a greater population puts more pressure on existing infrastructure, which may in turn affect housing developments. By examining the housing preferences, priorities and decisions (trade-offs) of residents in other developed cities, we gain insight into what we may expect for housing in Greater Christchurch as the population grows. The key findings of the *Housing We'd Choose* studies were as follows:

- Services, activities and facilities were not of great importance to Aucklanders, with less than half of respondents reporting each item in this category as important. However, access to sports clubs and areas of worship were more important for households with children (22% and 21% respectively).

- Proximity to shopping facilities were particularly important for Australian respondents (in both the Perth and Peel, Sydney and Melbourne studies) in contrast to the *Life in Christchurch* studies, in which proximity to shopping facilities were not a high priority.
- In general, transport and accessibility were a low priority for Aucklanders. Access to public transport was however a priority for respondents aged over 65 years old (50%), compared to 38% of all respondents. Respondents of the Perth and Peel, and Sydney and Melbourne studies rated transport features as very important; this was more the case for older individuals also.
- As with the previous *Life in Christchurch* studies, the local environment was fairly important for Aucklanders. Respondents rated safety in their local environment (i.e., away from busy roads and unpolluted areas) very highly. Interestingly, the character of a neighbourhood was more important for respondents aged over 65 years old. For Perth and Peel respondents, location was the second attribute considered when choosing where to live after affordability. Specific items within this category were also considered important, with the presence of trees and an attractive neighbourhood both being rated as important by 77% of the respondents.
- In contrast to the previous *Life in Christchurch* surveys, respondents of the Perth and Peel study placed large importance on affordability when choosing where to live, with affordability being the first consideration when choosing where to live.
- Consistent with previous *Life in Christchurch* Studies, safety was a priority for respondents of all the *Housing We'd Choose* studies when choosing where to live. 87% of Auckland respondents said it was a very important feature, and Perth and Peel respondents said it was the most important feature. Safety was particularly important for Auckland households with children. Respondents from Sydney and Melbourne rated safety for people and property as the second most important feature (out of a list of 57 items).
- The features of a property were important for Aucklanders with preferences for stand-alone dwellings (53%). In general, property features were more important than both transport and proximity to facilities. Interestingly, for the Perth and Peel respondents, a stand-alone dwelling was not of great importance when choosing where to live. In line with the *Life in Christchurch* findings, the property features that were prioritized across the *Housing We'd Choose* studies were natural light and heating. Other important features were security and the number of bedrooms. For Sydney and Melbourne respondents, households with children placed more importance on property features.

1..4 Trade-offs and Housing Decisions

When choosing housing, individuals tend to make trade-offs between their housing preferences. The *Housing We'd Choose* studies gave insight into the types of trade-offs that are made. The key findings regarding trade-offs were:

- Auckland respondents valued large living spaces (i.e., number of bedrooms) and were willing to choose a less preferred housing type when the dwelling size was larger. In other words, they were more likely to choose a large apartment over a small detached house.
- Auckland respondents were also willing to choose a non-preferred location when the house was larger.
- However, Auckland respondents would make a trade-off between dwelling size and cost, such that when the property was more expensive, they were less likely to choose the larger dwelling.
- Perth and Peel respondents made trade-offs between location and housing type, whereby respondents were more likely to choose a non-preferred house type (e.g., apartment) when it was located in the preferred neighbourhood.

- Perth and Peel respondents also made trade-offs between dwelling size and location. In other words, respondents were more likely to choose a house with fewer bedrooms when it was in a preferred location.
- Perth and Peel respondents also made trade-offs between cost and housing type. Specifically, although respondents preferred a detached house type, they were willing to choose a more affordable semi-detached option when constrained by cost.
- Sydney and Melbourne respondents also made trade-offs between housing type and cost. Interestingly, when constrained by cost, respondents from Melbourne were more likely to choose detached housing and less likely to choose high-rise apartment housing than respondents from Sydney. Given that housing in Sydney consists of more high-rise housing than Melbourne, it appears that housing preferences are shaped by housing norms.

1.5 Future Housing Preferences and Considerations

Housing developments are long lasting, and therefore should be carried out with future needs and desires in mind. The priorities of a household change with age, which affects housing needs. For example, while being in a school zone may be important for households with young children, this attribute would be less important once the children grow up. Similarly, the needs of elderly households differ to younger households, with proximity to accessibility and medical care being of greater importance for elderly households. Indeed, with the proportion of the Greater Christchurch elderly population continuing to rise, it is even more important to consider how the needs of the elderly will be met. The recent *Life in Christchurch Central City (2022)* survey and *Transport and Housing (2021)* surveys gave insight into the future housing demands of Greater Christchurch. The key findings were:

- The top reason for choosing to live in the Central City was because of its proximity to shops, cafes, and restaurants (73%). In line with this, living on the edge of the Central City with good access to its shopping and other attractions was the second most popular neighbourhood type.
- Consistent with the Australian *Housing We'd Choose* studies, transportation issues was a main factor stopping people considering moving to the Central City (i.e., 62% would not move because of lack of parking). Convenience to other parts of the city however was a reason for choosing to live in the city. Accessibility was important, with 37% of respondents preferring a location within the Central City where there are a mixture of activities.
- Features of the local environment were important, with the least favoured neighbourhood being one where there are mostly older homes (27% ranked this as their favourite). Natural features were important for those who had chosen to live in the Central City, with over half (51%) saying they moved for good access to Hagley Park and the Botanic Gardens.
- Consistent with previous *Life in Christchurch* results, affordability was neither a strong deterrent nor incentive to move to the Central City (26% said they would not move because the cost of living is too high, and 6% chose to live in the Central City because of affordability). An increase in affordable housing may encourage those who do report affordability as a barrier to move to the Central City. Interestingly, although a number of respondents (39%) do not consider living in the Central City because there are better value for money options in other areas, others still choose housing in the Central City for other reasons (such as lifestyle factors).
- Over half (56%) of respondents who would not consider a move to the Central City said this was because the housing does not meet their needs, with 22% also saying there are limited family friendly options. However, if respondents were to live in an apartment, privacy, orientation towards the sun, natural light, and an outdoor living space were the most important factors.

- In 10 years' time, respondents said their housing needs would change towards energy-efficient, single-story housing with fewer bedrooms (i.e., two). The number of respondents saying a flat section would be important doubled to 28% (versus 14% currently).
- Further research into the demand for single-story housing would help to better understand whether it is the number of stories, bedrooms or housing typology driving housing preference, It would also be useful to understand what other factors (i.e., outdoor living space, amenities, location) would encourage individuals to choose medium-density housing over stand-alone (generally single-story) in the future.
- With regard to future development, while there is still some preference for the development of greenfield areas (48%), a shift towards infill and intensification is taking place, with 57% having a preference for urban intensification. . This would require more compact housing types, such as apartments or attached homes (the less preferred housing types). These, however, are suited to individuals looking to downsize, or who are looking for affordable accommodation.
- When building homes to cater to the aging population, respondents thought that energy efficient homes (84%) that are easy to heat (81%) and adaptable for more accessibility (68%) were important. They also believed that there should be a good supply of single-story homes (51%) and that these should be designed to take advantage of the sun (63%).

2. What has housing demand looked like previously?

This section of the report examines the results from the 2017-2021 *Life in Christchurch* surveys that are commissioned by Council to gauge the views of residents on what it's like to live in Christchurch. The surveys are run throughout the year, covering a range of topics related to life in Christchurch. For this report, only the topics relating to housing and neighbourhoods were examined (*Central City, Community and Neighbourhoods, and Transport and Housing*). It is important to note that the *Life in Christchurch* surveys are updated on a yearly basis and not all questions are repeated every year. Furthermore, while the *Central City* surveys only asked about the Central City neighbourhoods, similar preferences are likely to occur over the city. Therefore it will use the *Central City* survey data to make assumptions about the wider community.

The aim of this section is to examine the importance of housing-related features for those considering a move to Christchurch. Across the surveys, key elements emerged; (1) safety, (2) services, activities and facilities, (3) travel and transport, (4) natural environment, (5) affordability, and (6) property features.

2.1 Safety

Importance of neighbourhood safety in relation to housing choices had not been reported on by Christchurch residents until 2021. Before this, insights into neighbourhood safety were based on feelings of safety in the Central City and in respondents' neighbourhoods. Perhaps not surprisingly, most residents tended to feel safe during the day (90%) (Central City, 2017). After dark, however, less than half of the respondents (45%) reported feeling safe. In the following year, 90% of respondents also felt safe during the day, and 46% felt safe during the night. By 2020, feelings of safety had increased, with 92% of respondents of the *Communities and Neighbourhoods* survey feeling safe in the Central City during the day, and 55% feeling safe after dark. In addition to neighbourhood feelings of safety, respondents were asked about feelings of safety in their homes. Majority (88%) reported feeling safe in their homes after dark – and in walking in their neighbourhood after dark. More recently, as part of the *Central City (2021)* survey, respondents were asked why they would not consider living in the Central City. Of these, 18% said this was because they felt the Central City was not safe.

Christchurch residents were asked about feelings of safety in relation to their housing preferences in the *Transport and Housing (2021)* survey. Most respondents (79%) listed safety as important when thinking about the neighbourhood they want to live in. In addition to this, although there was only one safety-related item listed, a safe neighbourhood was the most important attribute (see Figure 1 below). Interestingly, when asked about security of housing rather than neighbourhood safety, only around half of the respondents (51%) reported this as one of the top five features of their ideal home. Given that most (88%) residents tended to feel safe in their houses at night, it is likely that a safe neighbourhood provides a sense of security and therefore housing security itself is less important (*Communities and Neighbourhoods, 2020*).

Feature	Count	%	Priority Ranking
A safe neighbourhood	2445	79%	1
Proximity to shops, parks, and other community facilities	2138	69%	2
The character of the neighbourhood	1807	58%	3
Attractive streetscape, street trees and gardens	1782	57%	4
Proximity to a park or reserve	1691	55%	6
Convenient transport options	1516	49%	5

Lifestyle factors (e.g. near the beach or the hills)	1415	46%	7
Neighbourhoods with a good reputation	1254	40%	8
Attractive buildings and built spaces	1220	39%	10
Proximity to where you work	1080	35%	9
Proximity to family and friends	951	31%	12
Areas where there are affordable homes available	879	28%	11
Value for money in comparison with elsewhere in Christchurch	705	23%	13
School zones and proximity to schools	691	22%	14

Figure 1. Features that are important when thinking about the type of neighbourhood that they want to live in (Housing and Transport, 2021).

2.2 Services, Activities and Facilities

One of the main factors that is important when considering moving to a neighbourhood is the proximity to activities, services and facilities. In 2017 and 2018, *Central City* survey respondents were asked about their view on the activities provided within their communities. Across both years, around two-thirds of the respondents thought the Central City provides activities for not only families with children (2017=67%, 2018=65%), but for everyone (2017=60% and 2018=64%).

In 2020, although most respondents (78%) believed that community events and activities help build a sense of community within their neighbourhood, only 33% thought that there were enough provided in their neighbourhood where they were able to connect with others. A reason for this may be that restrictions resulting from the COVID-19 pandemic caused many events to be cancelled.

More recently, in the 2020 and 2021 *Life in Christchurch* (i.e., *Central City*, and *Transport and Housing*) surveys, respondents were asked about their neighbourhood preferences. Across both years, over half of the respondents reported proximity to shopping, cafes and bars as important (2020=58%, 2021=64%). Moreover, there was an increase of 6% of respondents reporting this as an important feature across this year. Not only is it important for respondents to feel they have access to services and facilities, but respondents also tended to prefer neighbourhoods where there are a mixture of activities (2021=64%).

As part of the *Transport and Housing (2021)* survey, respondents were also asked to rate the importance of neighbourhood features when choosing a neighbourhood to live in. The 14 attributes listed covered local environment, convenience and access, dwelling features, safety, and affordability. There were mixed results, with features relating to the importance of services, activities and facilities (see Figure 2 below). Proximity to shops, parks and other community facilities was of a great deal of importance and ranked second out of the 14 items. Proximity to a reserve was of some importance (ranked sixth), whereas school zones and proximity to schools was the lowest priority. However, it is important to note that the overall importance of school proximity is likely driven down by the number of households that do not have school aged children.

Feature	Count	%	Priority Ranking
A safe neighbourhood	2445	79%	1
Proximity to shops, parks, and other community facilities	2138	69%	2
The character of the neighbourhood	1807	58%	3
Attractive streetscape, street trees and gardens	1782	57%	4
Proximity to a park or reserve	1691	55%	6
Convenient transport options	1516	49%	5
Lifestyle factors (e.g. near the beach or the hills)	1415	46%	7
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Proximity to where you work	1080	35%	9
Proximity to family and friends	951	31%	12
Areas where there are affordable homes available	879	28%	11
Value for money in comparison with elsewhere in Christchurch	705	23%	13
School zones and proximity to schools	691	22%	14

Figure 2. Features that are important when thinking about the type of neighbourhood that they want to live in (Housing and Transport, 2021).

2.3 Transport and Accessibility

Another important topic that emerged across the surveys was transport and travel. In 2017 and 2018, *Central City* survey respondents were asked about the barriers they faced when travelling within their neighbourhood (i.e., the Central City). The most common barriers faced were roadworks and road closures (2017=75%, 2018=72%). Availability and affordability of parking were also common in 2017 (50% and 44% respectively), yet decreased by approximately 10% the following year (40% and 46% respectively). In 2020, Christchurch respondents were also asked whether they would consider moving to the Central City. Of the 48% who would not consider moving, over half (52%) said this was because of the lack of car parking. More insights regarding travel were obtained from the *Central City (2021)* survey. Over a third (41%) of those who were currently residing in the Central City said the reason they moved was because it had convenient access to other parts of the city, while just less than a third believed living in the Central City removed the need for commuting (31%). Of those living in the city, 36% believed that the convenient travel options would appeal to those looking to move to the Central City.

As part of the *Transport and Housing (2021)* survey, respondents were asked to rank the importance of housing attributes when looking for an area to live in. Transport-related housing attributes were lower priorities (see Figure 3 below). Out of the 14 items listed, convenient transport options ranked 5th, access to work ranked 9th, and access to family and friends ranked 12th. With regard to age, convenient transport options

was of particular importance to respondents 35 years old and under (52%), as well as for those aged over 65 years over (56%).

Feature	Count	%	Priority Ranking
A safe neighbourhood	2445	79%	1
Proximity to shops, parks, and other community facilities	2138	69%	2
The character of the neighbourhood	1807	58%	3
Attractive streetscape, street trees and gardens	1782	57%	4
Proximity to a park or reserve	1691	55%	6
Convenient transport options	1516	49%	5
Lifestyle factors (e.g. near the beach or the hills)	1415	46%	7
Neighbourhoods with a good reputation	1254	40%	8
Attractive buildings and built spaces	1220	39%	10
Proximity to where you work	1080	35%	9
Proximity to family and friends	951	31%	12
Areas where there are affordable homes available	879	28%	11
Value for money in comparison with elsewhere in Christchurch	705	23%	13
School zones and proximity to schools	691	22%	14

Figure 3. Features that are important when thinking about the type of neighbourhood that they want to live in (Housing and Transport, 2021).

2..4 Local Environment

Many features relating to the local environment matter to Christchurch respondents. Following the 2011 Canterbury Earthquakes there were many changes in the local environment. Across 2017 and 2018 there was a slight increase in proportion of resident satisfaction with the look and feel of the new buildings in the city central (63% to 64%), and with the streetscapes and open spaces in the Central City (55% to 59%, *Central City 2017 & 2018*). By 2020, over half of the respondents (53%) living in the Central City believed the natural features of the Central City would appeal to those looking to move there. This is consistent with the *Central City (2021)* survey results, which showed features such as Hagley Park and the Botanic Gardens being reasons for living in the Central City (46%). Other local attributes were also important for respondents, such as areas away from busy roads (44%) and industrial areas (41%).

More recently, the *Transport and Housing (2021)* survey examined the attributes that matter to Christchurch residents when choosing where to live. While early survey results (i.e., 2017 and 2018) found that majority of respondents liked the new look and feel of the Central City, when asked to rank attributes on level of importance, attractive buildings and built spaces was ranked ninth out of 14 items (see Figure 4 below). Other local environment attributes were of higher importance, such as the character of the neighbourhood (third),

attractive streetscape, street trees and gardens (fourth), and lifestyle factors, such as living near the beach (seventh).

Feature	Count	%	Priority Ranking
A safe neighbourhood	2445	79%	1
Proximity to shops, parks, and other community facilities	2138	69%	2
The character of the neighbourhood	1807	58%	3
Attractive streetscape, street trees and gardens	1782	57%	4
Proximity to a park or reserve	1691	55%	6
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Lifestyle factors (e.g. near the beach or the hills)	1415	46%	7
Neighbourhoods with a good reputation	1254	40%	8
Attractive buildings and built spaces	1220	39%	10
Proximity to where you work	1080	35%	9
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Areas where there are affordable homes available	879	28%	11
Value for money in comparison with elsewhere in Christchurch	705	23%	13
School zones and proximity to schools	691	22%	14

Figure 4. Features that are important when thinking about the type of neighbourhood that they want to live in (Housing and Transport, 2021).

2.5 Affordability

Affordability is an important consideration for those looking to purchase a house. However, in 2017 and 2018, only 16% and 17% (respectively) of the *Central City* survey respondents agreed that their neighbourhood provides affordable housing. Since then, there has been a decrease in the perceptions of affordability of housing in the Central City. By 2019, only 11% of respondents thought housing in the Central City was affordable. More recently, we gained insights into the financial strain on Christchurch residents. In 2020, 24% of respondents reported stressing about their ability to cover their mortgage or rent costs either sometimes, most of the time, or always. When thinking about their ability to cover these costs, 36% expected to experience stress about ability to cover rent or mortgage sometimes, most of the time or always in the future.

Across 2021, Christchurch saw the value of houses rise 39% (*QV House Price Index, January 2020 – January 2021*). As part of the *Transport and Housing (2021)* survey, respondents were also asked to rate affordability features among 14 other housing-related features. Although only 15% of the respondents believed that there were affordable housing options across the city, surprisingly, items relating to affordability were not of great importance for respondents (see Figure 5 below). Specifically, a neighbourhood where there are affordable homes available ranked 11th out of the 14 items listed, and value for money ranked 13th.

Feature	Count	%	Priority Ranking
A safe neighbourhood	2445	79%	1
Proximity to shops, parks, and other community facilities	2138	69%	2
The character of the neighbourhood	1807	58%	3
Attractive streetscape, street trees and gardens	1782	57%	4
Proximity to a park or reserve	1691	55%	6
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Lifestyle factors (e.g. near the beach)	1415	46%	7
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Attractive buildings and built spaces	1220	39%	10
Proximity to where you work	1080	35%	9
Proximity to family and friends	951	31%	12
Areas where there are affordable homes available	879	28%	11
Value for money in comparison with elsewhere in Christchurch	705	23%	13
School zones and proximity to schools	691	22%	14

Figure 5. Features that are important when thinking about the type of neighbourhood that they want to live in (Housing and Transport, 2021).

2.6 Property Features

While neighbourhood preferences are strong determinants of housing choices, the amenities and features of a property itself are also important factors that homebuyers consider. In 2017 and 2018, around a third of the *Central City* survey respondents agreed or strongly agreed that there were a range of housing provided within the Central City (32% and 35% respectively), and around a quarter agreed or strongly agreed that these houses were well designed (27% for each year). In 2018, respondents were also asked about the housing types they would consider living in. There was a preference for terraced housing, with 58% of respondents saying they would consider living in this housing type if they were to move to the Central City. In contrast, only 46% stated they would consider living in a low-rise apartment or blocks of flats, and 58% said they would *not* consider living in a medium-rise apartment. In 2019, a larger percentage of respondents agreed that there were a range of housing options in the Central City (30%), with a greater proportion saying they would consider living in terraced housing (78%) and medium-rise apartments (48%) if they were to move to the Central City. A terraced house or attached townhouse remained the most appealing housing type in 2020 for those considering to move into the Central City (73%), followed by low-rise apartment buildings (66%), and lastly medium-rise apartment buildings (43%).

The *Central City (2021)* survey gave the first insight into reasons why individuals may be deterred from living in specific housing types. Respondents were asked how much they agreed or disagreed that they would consider living in low-rise and medium-rise apartments, and terraced housing. The most popular form of housing was terraced housing, with 71% agreeing or strongly agreeing that they would consider living in this

dwelling type in the Central City. Of the 15% who disagreed or strongly disagreed, the reasons for this were; they do not provide the living spaces that they want (45%), they do not provide enough off-street parking (40%), and they are not appropriate for their lifestyle (40%). Nearly two-thirds (64%) of those considering a move to the Central City said they agreed or strongly agreed that they would consider living in a low-rise apartment (22% disagreed or strongly disagreed). Fewer respondents agreed or strongly agreed that they would consider living in a medium-rise apartment (38%, and 46% disagreed or strongly disagreed). The top reasons for not considering living in either low-rise or medium-rise apartments were; they do not provide the living spaces that they like (61% for low-rise and 56% for medium-rise), they are too noisy (50%), and they are not appropriate for their lifestyle (50%).

As part of the *Housing and Transport (2021)* survey, respondents were asked to rank 5 property features in order of importance when choosing a home (1 being the most important). Location of the property was ranked as the most important feature by 42% of the respondents, while the type home (e.g., apartment) was ranked as the most important feature by 28% of the respondents. Value for money (18%), other property features (such as off-street parking, 8%), and number of bedrooms (4%) were less of a priority for respondents when looking to purchase a home.

Respondents were also asked about what their current ideal house would look like. The preferred house type was single-story detached housing (56%). The least preferred types of housing were single-storey multi-unit housing (5%) and apartments (5%). Although the number of bedrooms was ranked as the least important feature when choosing to buy a house, there was a preference for three-bedroom (51%) and four-bedroom dwellings (24%). The property-related features that were rated as important by most respondents were: energy efficiency (71%), orientation to take advantage of the sun (70%), a freehold title (54%), a traditional backyard or garden (45%) (see Figure 6 below).

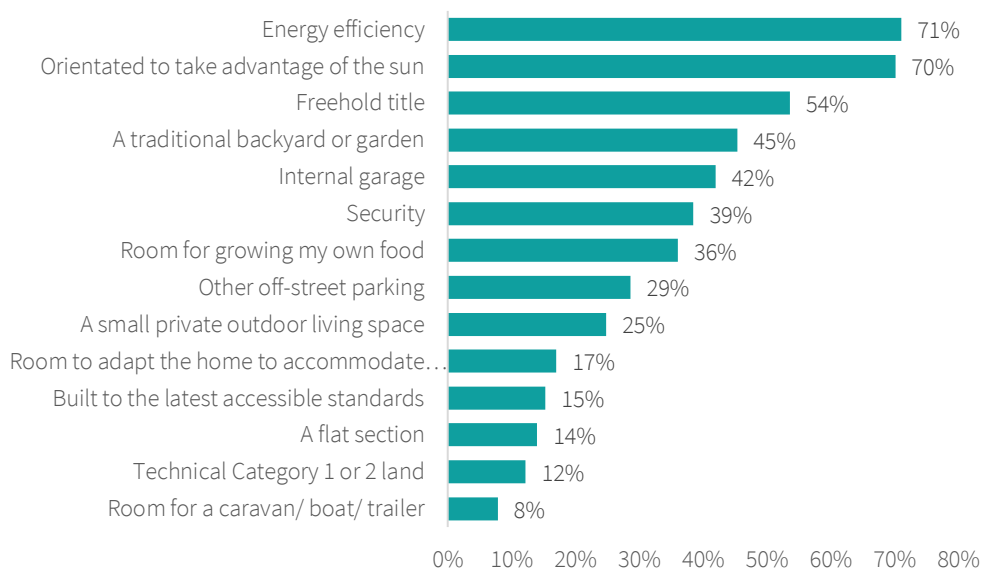


Figure 6. Which property related features would be in the home you would most like to live in? (*Housing and Transport, 2021*).

3. What does housing demand look like in other cities?

This section of the report examines the results from surveys conducted on other cities, both locally and internationally. There is a focus on ‘*The Housing We’d Choose*’ studies, which were conducted between 2011 and 2015. The purpose of these studies was to examine the nature of housing in cities, as well as the choices and trade-offs that are made by individuals when purchasing a house.

The aim of this section is to give insight into the preferences of homebuyers living in other developing cities (i.e., Auckland, Sydney and Melbourne, and Perth and Peele). In addition, it aims to provide insight into how housing decisions are made by observing the trade-offs individuals make when choosing to buy a house.

Note that items relating to the key elements identified above (i.e., safety, services, activities and facilities, travel and transport, local environment, affordability, and property features) have been re-categorised for consistency with the previous section.

3.1 Safety

There were similar findings to the *Life in Christchurch* surveys regarding the importance of neighbourhood safety. Specifically, 99% of respondents in the *Auckland Housing We’d Choose (2011)* sample reported safety as very important or of some importance when choosing a neighbourhood to live in (87% said this was very important). This attribute was particularly important for families with children, with nearly all households with children rating this as a very important feature (95% and 97% respectively).

As with the Auckland study, neighbourhood safety was a high priority for Perth and Peel respondents (*Housing We’d Choose, 2013*). Nearly all respondents (90%) reported a safe neighbourhood as an important feature when choosing where to live. When asked to rank the top four features out of a list of fifteen items, a safe neighbourhood was also rated as the most important feature.

Safety was an important feature for Sydney and Melbourne residents also (*The Housing We’d Choose, 2011*). Of the 57 attributes that were ranked in order of importance, the second highest attribute when choosing a place to live was safety for people and property. With regard to neighbourhood safety, an area away from jails and correctional facilities also ranked in the top half (22nd).

3.2 Services, Activities and Facilities

Features relating to services, activities and facilities were of less importance to respondents living in Auckland. Of the items rated as very important when choosing where to live, the most frequent were: access to shops (41%), located in a school zone (23%), and proximity to a library (20%). The items which were rated as very important by fewer respondents were: easy access to restaurants and cafes (13%), near a place of worship (10%), access to airport (8%), near a sports field (6%) or sports club (6%), and access to bars, pubs, and nightlife (4%). Proximity to a place of worship and a sports field were rated as very important by a larger proportion of households with 2-3 children (22% and 21% respectively). When ranking important features, attributes relating to services, activities and facilities were not of great importance. Specifically, easy access to public transport ranked 11th, and being in a preferred school zone ranked 14th.

Proximity to local services, activities and facilities are important when choosing where to live for Perth and Peel residents. Specifically, over two-thirds of respondents stated that living near public transport (71%), easy access to shops (73%), and near a shopping centre (70%) and park or reserve (69%) were important. Over half said that living near cafes and restaurants (59%) and medical services were important (52%). Easy access to a preferred school ranked 3rd, near public transport ranked 5th, and near medical services ranked 13th.

There were mixed results for Sydney and Melbourne residents regarding the importance of items relating to services, activities and facilities. Of the 57 housing items provided that related to services activities and facilities, proximity to local shops (ranked 6th), a shopping centre (ranked 7th), and general health services (ranked 15th) were ranked highly. Items of less importance were proximity to community gardens (28th), recreational facilities (31st), schools or university (34th), local swimming pools (43rd), near an airport (49th) and nightlife (55th). Interestingly, proximity to cafes and restaurants (26th) were not of a great deal of importance, which differs to Life Christchurch respondents who ranked this as a high priority.

3.3 Transport and Accessibility

Generally, features relating to transport and accessibility were not of great importance for Auckland respondents. The transport-related features that were reported as very important to respondents were; access to the main income earner's workplace (40%), access to public transport (38%), proximity to family and friends (32%). Fewer said that access to a motorway (29%), access to their place of study (15%), and the ability to cycle to work or study (11%) were very important. Interestingly, half (50%) of older respondents (aged 65 years and older) rated access to public transport as very important (compared to 38% of all respondents). Furthermore, when asked to rate a list of 17 items, living near family and friends ranked 6th, easy access to public transport ranked 11th, and easy access to the main income earner's place of work ranked 16th.

In contrast to this, respondents from the Perth and Peel *Housing We'd Choose* study ranked transport and accessibility features as fairly important in comparison to other housing factors. Specifically, easy access to the main income earner's work (ranked 2nd), access to preferred school (ranked 3rd), proximity to family and friends (ranked 4th), and proximity to public transport (ranked 5th) all ranked in the top 5 attributes that are important when choosing where to live. As was the case in Auckland, access to public transport was particularly important for older people who stated that they wanted to reduce their dependence on driving as they may not be able to drive for much longer. Ease of access was also important for younger individuals, who stated that this reduces time spent driving to work.

For residents living in Sydney and Melbourne, access to transport was of high importance. For example, out of the list of 57 housing items, little traffic congestion (10th), proximity to a bus, tram or ferry stop (8th), and near a railway station (16th) were ranked as highly important attributes when choosing where to live. This differs to the priority rating for *Life in Christchurch* respondents, where transport-related attributes were rated medium to low importance. There are a few possible reasons for this; firstly, since COVID-19 there has been a shift towards working from home, which reduces the need to travel. Secondly, Christchurch is not as dispersed or densely populated as Sydney and Melbourne, therefore transportation and access to areas across the city is easier and less time consuming, and therefore likely less of a priority. However, transport-related priorities of Christchurch residents are likely to change in the future, as will be discussed in the final section (What does housing demand look like in the future?).

3.4 Local Environment

For residents living in Auckland, features relating to the local environment were fairly important. It is important to note that in this study, safety was categorized as a local environment feature. For consistency across sections of this report, safety has been re-categorised into its own topic. In support of this, when safety is included as a local environment feature, it skews the overall importance of this category markedly upwards (as it was the most important feature, see below). Therefore, the local environment features discussed here are (1) unpolluted areas, (2) industrial areas, (3) away from busy roads, (4) a physically attractive neighbourhood, (5) presence of trees, and (6) proximity to local features. Of these attributes, a larger proportion of respondents said that being in an unpolluted area (69%), away from industrial areas (64%), with the presence of trees (58%), away from busy roads (45%), and in an attractive neighbourhood (50%) were very important. Additionally, over 90% of the respondents reported that each of these attributes were of *some* importance. Respondents over the age of 65 years placed more importance on the appearance of the

neighbourhood than those aged 18-34 years (59% versus 33%). Proximity to local features were also fairly important for almost half of Auckland respondents, such as proximity to a park or reserve (49%) and the coast or beach (48%). When asked to rank the top 4 important features out of a list of 14 attributes, local environment features tended to rank lower than safety and property features for Aucklanders

Features of the local environment were also important for respondents of the Perth and Peel *Housing We'd Choose* study. Respondents made a series of housing choices and then were asked about what decision factors mattered the most. In the decision making process, respondents first considered affordability (i.e., what their budget was), and then considered location of the property. When choosing where to live, the features of the local environment were fairly important. Specifically, out of the housing attributes listed, 77% said the presence of trees and an attractive neighbourhood were important, and 73% said an area away from industrial zones was important. When ranking *how* important features were, being near the beach ranked 9th, an attractive neighbourhood ranked 11th, and in an unpolluted area ranked 15th.

Features relating to the local environment were fairly important for respondents from Sydney and Melbourne. When asked to rank 57 housing attributes, being in a natural environment ranked 11th, in an attractive neighbourhood ranked 19th, near community gardens ranked 28th, and near the beach ranked 35th. While there were mixed results with regard to individual local environment factors, these features tended to be more important for individuals aged 65+ years.

3.5 Affordability

In contrast to the findings of the *Life in Christchurch* surveys, when Perth and Peel residents were asked to rank broad housing-related feature categories (i.e., affordability, dwelling design, dwelling features, location, and safety and security), affordability was the first decision factor when choosing where to live. An exception to this is those in the highest income group, who prioritised location first. However, this difference could be related to how affordability was examined. For example, in the *Housing and Transport (2021)* study, respondents were asked to rank 14 housing attributes that are important when considering a place to live. The two affordability items were; (1) areas where there are affordable homes available, and (2) value for money in comparison with elsewhere in Christchurch.

In contrast, in the Perth and Peel study, 'affordability' was a broad concept that emerged from focus groups. In this instance, respondents were asked to rank affordability against four other broad feature categories. As it was a broader concept in the Perth and Peel study, it is likely that it included other affordability-related factors that were not asked about in the *Life in Christchurch* survey. Respondents from Perth and Peel completed housing choice tasks where they were presented with houses with different attributes (e.g., high/low price, preferred/non-preferred location, etc.) and then were asked about their decision process. Affordability was the first thing respondents considered when making their house choice. Specifically, respondents would first set a budget, and then make other considerations if the housing options met that criteria. Although the *Housing We'd Choose* studies examined how money constraints in the Auckland and Sydney and Melbourne studies affect housing decisions, they did not explicitly ask about the importance of affordability-related features when choosing where to live. The trade-offs made with regard to affordability are discussed below.

3.6 Property Features

Property features were particularly important for Auckland respondents when choosing a place to live. Regarding housing type, just over half (53%) of respondents reported that a stand-alone dwelling was very important, and 33% said it was of some importance. In contrast, only 3% of respondents stated that an attached housing type was very important (24% said it was somewhat important). Similar to the *Life in Christchurch* findings, other property-related features that were most often rated as very important were; natural light (77%), easy to heat (73%), security (71%), storage space/wardrobes (66%), energy efficient (60%),

on a flat section (52%), and number of bedrooms (51%). Other property-related features were rated as being of *some* importance by majority of the respondents (see 7 Figure below). In relation to other housing features, items relating to property tended to be of a higher priority than transport and access, and proximity to facilities and services.

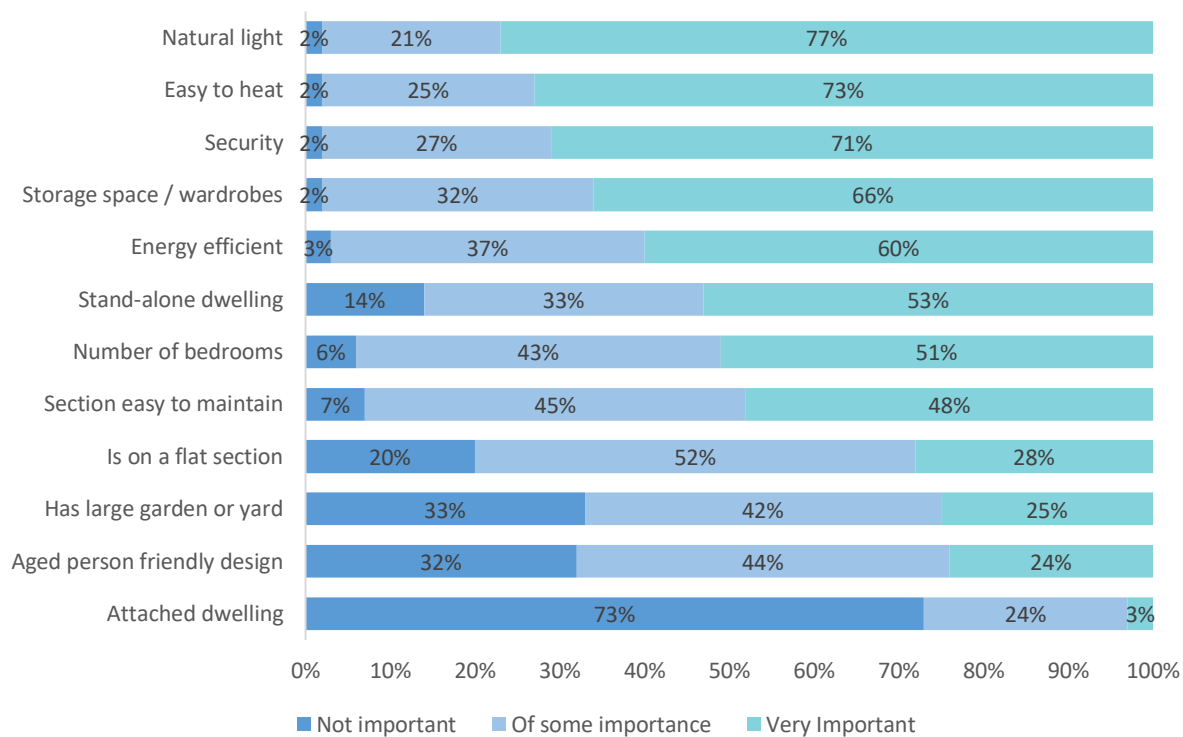


Figure 7. Percentage of respondents rating property features by importance (Housing We’d Choose – Auckland, 2015).

Property features were also fairly important to respondents of the Perth and Peel *Housing We’d Choose* study. Over three-quarters of respondents said that the number of bedrooms (88%), a secure dwelling (86%), air conditioning (82%), storage space/wardrobes (77%), natural light (77%), and insulation (86%) were important features when choosing a house to live in. While most respondents said these were important attributes, when asked to select the four most important housing features out of a list of 15 items, those relating to the dwelling itself were of lesser importance. Specifically, a secure dwelling ranked 6th, number of bedrooms ranked 7th, air conditioning ranked 9th and a detached house ranked 12th. In comparison to other housing features, items relating to neighbourhood safety, and transport and accessibility were ranked as more important than property-specific features (see Figure 8 below). Interestingly, only 12% said that a house that is designed to meet special physical needs was important, suggesting that housing suited for older individuals is not a high priority when making house choices.

Features	Weighted index score	Importance Ranking
A safe neighbourhood	1	1st
Easy to access main earner's work	0.84	2nd
Easy access to a preferred school	0.71	3rd
Near family and friends	0.6	4th

Near public transport	0.47	5th
Secure dwelling	0.38	6th
Number of bedrooms	0.36	7th
Allows pets	0.26	8th
Near the beach	0.24	9th
Air conditioning	0.24	9th
An attractive neighbourhood	0.19	11th
Detached house	0.19	11th
Near medical services	0.18	13th
Good broadband and satellite coverage	0.18	13th
In an unpolluted area	0.14	15th

Figure 8. Importance ranking of housing related features (*Housing We'd Choose - Perth and Peel, 2013*).

As part of an earlier *Housing We'd Choose (2011)* study examining housing decisions of Melbourne and Sydney residents, respondents were asked to rank 57 housing attributes that are most important when choosing a house. Respondents tended to prioritise property-related features. Specifically, out of the 57 items listed, the number of bedrooms was the highest priority for respondents. Other property features ranked highly also, with the number of living spaces ranking 4th, detached housing type ranking 5th, and presence of a garage ranking 9th. Interestingly, households with children tended to prioritise property-related features more than other households.

3.7 Housing Choice Trade-Offs

There are many housing-related stressors that play a part in the housing decision process. As a result, there are often trade-offs made between housing preferences. For example, although both living in an area close to shops and facilities, and living in a neighbourhood with a good reputation may be important to an individual, they may decide to live further away from shops but in a good neighbourhood. The sorts of trade-offs that individuals make during the housing decision process was examined in the *Housing We'd Choose* studies.

Within the Auckland study (2015), respondents were likely to make trade-offs between; (1) house type (i.e., detached, apartment) and house size (i.e., number of bedrooms), (2) location and dwelling size, and (3) location and cost. Simply put, while the preferred housing type was a stand-alone dwelling, respondents were more likely to choose an apartment (or other dwelling) when the size of the dwelling was larger. Respondents were also more likely to sacrifice their preferred location for a larger dwelling. This was interesting as less than half (43%) of these respondents rated the number of bedrooms as a very important attribute when choosing a place to live.

The final trade-off observed was between location and cost, such that as cost increased, respondents were more likely to select a house located in a non-preferred neighbourhood. The respondents who completed this choice task were also asked how they made their decisions. Nearly half (44%) said the perceived value for money was the most important factor when making the decision. Almost a third (31%) said the housing type (e.g., attached, detached, apartment, etc.) was the most important factor they considered when making their decision. A small proportion (7%) of respondents stated the most important factor in their decision was the amenities of the property. Within the context of future housing planning and developments, these results suggest that, although individuals tend to prefer stand-alone dwellings, they may consider living in larger, less preferred intensive developments (i.e., townhouses and apartments).

As part of the Perth and Peel *Housing We'd Choose (2013)* study, residents were asked to make a series of housing choices when constrained by income. Consistent with the findings of the Auckland study, respondents would make trade-offs between location and housing type, whereby a non-preferred housing type (e.g., apartment) would be selected in the respondent's preferred location. Trade-offs were also seen for size (i.e., number of bedrooms) and location, and cost and housing type. In other words, respondents were more likely to choose a house with fewer bedrooms (i.e., 3 versus 4) when it was in the preferred location. Secondly, although respondents preferred a detached house type, they were willing to choose a more affordable semi-detached option when constrained by income. As with the previous findings, the findings from the Perth and Peel study also indicate that individuals will select a non-preferred housing type when other housing-related preferences are met. Specifically, intensification of housing in cities may see individuals choosing to overlook housing type as long as the accommodation is affordable and in a preferred location.

Similar findings were observed in an earlier *Housing We'd Choose (2011)* study, where the housing decisions of Sydney and Melbourne residents were examined. When constrained by their income, respondents were forced to make trade-offs between their housing preferences. The trade-offs were made between housing type, location and size. Respondents tended to prefer larger, detached or semi-detached dwellings (over apartments) in close proximity to the city centre. However, when the price of a detached house increased, more respondents considered living in a semi-detached house.

Interestingly, when constrained by income, a larger proportion of Melbourne respondents chose detached housing than Sydney respondents (48% of Melbourne respondents versus 41% of Sydney respondents). They were also less likely to choose living in buildings with 4+ stories than respondents from Sydney (14% versus 20%). The researchers proposed that this may be driven by fewer detached housing options in Sydney, which may shift preferences towards other housing types. This was also attributed to the lower cost of land in Melbourne (i.e., therefore detached housing is more affordable).

4. What does housing demand look like in the future?

This section of the report examines the results from the *Life in Christchurch (2022)* survey that was commissioned by Council to gauge Christchurch residents' views on what it's like to live in Christchurch. To examine what housing features will be important to Christchurch residents in the future, the most recent *Central City* topic was examined. Once again, the *Central City (2022)* survey only asked about housing in Central City neighbourhoods, however similar preferences are likely to occur over Greater Christchurch. Therefore we will use these surveys to make assumptions about the wider community. As well as this, a portion of the *Housing and Transport (2021)* survey which related to future housing needs was also examined. This survey examined the housing preferences of residents living in all of Christchurch rather than focussing on Central City neighbourhoods.

The aim of this section is to examine the most recent findings around the importance of housing-related features for those living in, or considering a move to, Christchurch. It also examined the preferences and needs of *Life in Christchurch* respondents. The key themes examined are; (1) safety, (2) services, activities and facilities, (3) travel and transport, (4) local environment, (5) affordability, and (6) property features.

4.1 Safety

Although safety was an important factor that homebuyers considered when choosing a neighbourhood to live in in previous years, it appeared to be less important in 2022. Of the *Central City (2022)* survey respondents who would not consider a move to the Central City (62%), only 19% stated this was because it is not safe. Of those who did live in the City Central, 25% stated the reason for moving was because they feel safe in their neighbourhood. Taken together it appears that, although most respondents feel safety is an important feature of a neighbourhood, it is not a significant reason for choosing (or not choosing) to live in the Central City. However, this may not apply to other neighbourhoods where there are perceptions of high levels of crime. In general, majority of respondents stated they do feel safe in the Central City during the day (89%), however 46% stated they do not feel safe after dark. The areas where respondents tended to feel more unsafe were located in largely non-residential areas. While there are many factors that contribute to a sense of safety in a neighbourhood, the top reasons for feeling unsafe related to reports of anti-social behaviour (89%), alcohol and drug-use (73%), and homeless people begging (73%). Safety is likely to remain an important factor for homebuyers when choosing a neighbourhood, therefore the focus for planners and infrastructure providers should be to prioritise improving safety in the preferred areas of growth.

4.2 Services, Activities and Facilities

Of the *Central City (2022)* survey respondents who would not consider a move to the Central City (62%), 10% stated this is because it is hard to access facilities, and 7% said it was not in the right school zone. Of the respondents who had chosen to live in the Central City, the reasons given for this was proximity to; shops, cafes and restaurants (72%), work (53%), good entertainment options (48%), study (6%), and schools (5%). Respondents were also asked which neighbourhood attributes would appeal to people looking to move to the Central City. Of the 10 items listed, proximity to shopping, cafes, restaurants and bars rated second highest (83%), and proximity to a range of things to do rated third highest (71%). In contrast, school zones were not of great importance (19%). Of note, the second most preferred type of neighbourhood was one on the edge of the Central City but with good access to its shopping, hospitality and other attractions (34% ranked this as their first choice).

4.3 Transport and Accessibility

Of the *Central City (2022)* survey respondents who would not consider a move to the Central City (62%), over half (56%) said this was because there was not enough parking. A further 22% stated they would not move because there was too much traffic in the Central City. The respondents who had chosen to live in the Central

City said this was because; it is convenient to other parts of the city (49%), it removes the need for commuting (36%), and so they do not need a car (27%). When asked about attributes that would appeal to people looking to move to their neighbourhood, convenient transport was rated as important by 42% of the respondents. Respondents were also asked about the type of neighbourhood that they would like to live in. The most popular neighbourhood was one inside the Central City with a mixture of activities (e.g. homes, shops, services, cafes), but where they still have their own personal outdoor space (37% ranked this as their first choice). In the *Transport and Housing (2021)* survey, 63% indicated that it is 'very important' that developers consider access to a range of transport options when considering where to build more homes in Christchurch. Thirty-two percent agreed that this was 'of some importance', a sentiment that is likely to grow stronger in the future given our aging population, the easing of COVID-19-related concerns, and the rising costs of both housing and travel (i.e., road pricing).

4.4 Local Environment

As with previous years, local environment features were important for those searching for a neighbourhood to live in. Of the *Central City (2022)* survey respondents who would not consider a move to the Central City (62%), 51% stated this was because of lifestyle features (e.g., proximity to the beach). Over a third (34%) said this was because of noise, and 22% stated this was because the buildings and open spaces in the Central City are unattractive. The least popular neighbourhood for those considering a move to the Central City was a neighbourhood where there is mostly other homes (i.e., only 27% ranked this as their first choice). While some local features deter individuals from living in certain areas, others play a key role in enticing them. For example, 51% of the respondents who had chosen to live in the Central City said this was because of access to Hagley Park and the Botanic Gardens. These respondents also reported proximity to parks and playgrounds (30%), and the sense of vibrancy in the Central City (34%) as reasons for moving to their neighbourhood. Furthermore, the attributes these respondents thought would appeal to others looking to move to their neighbourhood were the proximity to natural features (79%), streetscapes, street trees, and gardens (37%), and character of the neighbourhood (29%). Because local environment features are important across all age groups, this preference is unlikely to change as the population ages.

4.5 Affordability

The *Housing We'd Choose* studies highlighted how affordability does play an integral role in housing decisions. However, findings that have emerged out of *Life in Christchurch* surveys suggest this may not be the case for Christchurch residents. Specifically, 62% of the *Central City (2022)* survey respondents disagreed or strongly disagreed that there were affordable housing options provided in the Central City (only 10% agreed or strongly agreed). However, only 26% of respondents listed prohibitive living costs as a reason for not considering a moving to the Central City. Furthermore, 39% listed better value for money in other areas as a reason why they would not consider the move. This suggests that affordability is not a strong deterrent against choosing to live in the Central City. Indeed, affordability of city central housing was also not highlighted as a strong driving factor for those who did choose to live in the Central City - only 6% stated this was a reason for moving. Similarly, of the neighbourhood attributes that respondents said would appeal to those looking to move, affordability was rated the lowest, with only 9% of respondents reporting this.

4.6 Property Features

It is important for cities to provide a range of housing options to meet the various needs and desires of their population. As part of the *Housing and Transport (2021)* survey, respondents were asked about their current housing situation. When asked about the types of housing currently resided in, respondents from all of Christchurch most frequently reported living in stand-alone detached, single-story housing (59%). Nearly a quarter (21%) reported living in a stand-alone detached house that had two or three stories. Multi-unit housing (either single-story or multiple-story) was less frequent (13%), and the least common residence were apartments (2%, *Transport and Housing, 2021*). Apartment living was much more common for respondents of

the *Central City (2022)* survey (i.e., 31% reported living in an apartment), whereas single-story housing (either detached or multi-unit) was the least common (5%). This reflects a change in the housing supply in the Central City, where there has been a shift away from traditional detached homes towards more townhouses and apartments. However, this change comes at a cost, with over half of the respondents who said they would not consider a move to the Central City stating this is because the housing does not meet their needs (56%) (*Central City, 2021*). Nonetheless, those who were currently living in the Central City stated they chose to do this because they felt the houses were well designed (22%), and because they were downsizing to a smaller home (15%).

Given the landscape of housing in Greater Christchurch may see a similar shift towards more compact housing, it's important to consider what features are important when thinking about living in an apartment or townhouse. In the *Transport and Housing (2021)* survey, the most frequently reported deterrents against living in an apartment or townhouse were; lack of privacy (81%), a lack of outdoor living space (79%), intensity of development (i.e., too high or too crowded) (72%), and no off-street parking (47%). Respondents indicated however that they would potentially consider a multi-unit home in the future if it was energy-efficient and orientated towards the sun, if it had an internal access garage, and if it was secure and had a small private outdoor living space.

This suggests that preference for large houses could exist in part because the market does not yet cater to those who wish to downsize whilst retaining features of their home that are important to them (there was the perception among respondents that there is currently little in the multi-unit and apartment market to suit the needs of families with young children). In other words, individuals may be more likely to choose multi-story housing if the market didn't require them to trade off against features of their large home that are not necessarily size-related and instead delivered the kind of multi-unit homes they want to live in (i.e., energy efficient, sunny, private, secure).

More research is needed to ascertain what factors may encourage individuals both within Christchurch City and Greater Christchurch to make trade-offs when thinking about living in an apartment or townhouse. As mentioned earlier, the needs of a household changes over time, which results in a shift in housing preferences. Respondents of the *Transport and Housing (2021)* survey were asked whether their ideal home would look different in 10 years' time. Of the 29% who stated that their ideal home would look different, most said single-story homes, either stand-alone detached (41%) or multi-unit (17%) would be best suited. Apartment housing was the third most popular, with 14% of respondents stating this best describes the type of house they would need. In general, downsizing tends to occur as we get older. In line with this, most respondents stated that in 10 years' time their ideal house would have 2 bedrooms (45%), or three bedrooms (39%), as opposed to the current preference for three (51%) or four bedrooms (24%). As well as housing type, respondents were also asked which property features would be important in their future home. The most important features were energy efficiency (75%), orientation towards the sun (63%), and an internal garage (53%). The number of respondents rating a flat section as important doubled from 14% to 28% (i.e., when comparing their current ideal home to their future ideal home). A reason for this preference is that stairs can be particularly risky for older adults, and therefore the demand for flat sections increases as we age. Furthermore, when asked about any other features that would be important, many were age-related, including accessibility, proximity to hospital, medical and housekeeping assistance, and easy upkeep.

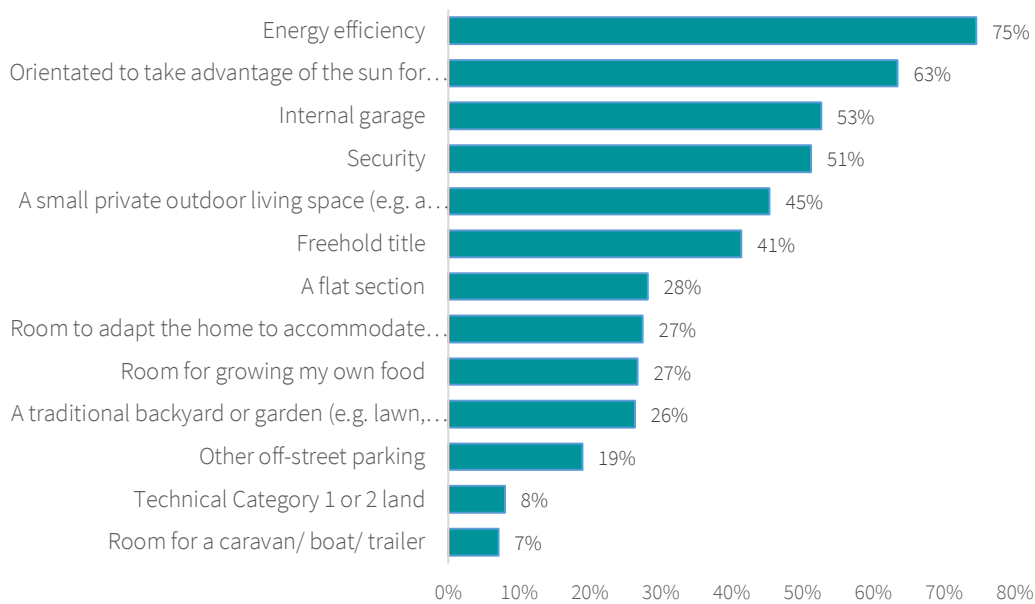


Figure 8. Which property related features would be in the home you would most like to live in in 10 years' time? (Housing and Transport, 2021).

4.7 Future Developments and an Aging Population

In the *Housing and Transport (2021)* survey, respondents were asked about future housing developments and which factors should be prioritized to ensure the needs of the elderly can be met. The most popular approach to adding houses to meet an increase in population was changing housing rules to allow homes to be built in locations that are already developed (e.g., building two new homes on a section where there was previously one; 57%). Over half of respondents (51%) also thought allowing more development of additional homes in locations that are currently undeveloped (e.g., at the edge of the city or on rural land) should also be prioritized. Although an increase in the density of homes within the Christchurch City was the most popular approach for future developments, changing the rules to allow taller buildings (e.g., apartment buildings of more than six storeys both inside and outside of the Central City) was the least popular approach to meet the increased housing demand (34%).

When planning for new home developments, the attribute that most respondents thought was very important was access to a range of transport options (63%). Nearly half of the respondents reported that the look and feel of existing neighbourhoods (e.g., the character of the homes, greenspace and environment) as well as proximity to shopping centres and key services (e.g., supermarkets, health and fitness centres, recreation and entertainment) were very important factors to consider (48% and 47% respectively).

The needs of an aging population were also highlighted as important factors to be considered in new developments. The highly rated features that respondents thought should be prioritised to ensure needs are met were; energy efficient homes (84%), homes that are easy to heat (81%), more adaptable homes for more accessibility (68%), and homes that are orientated to take advantage of the sun (63%). Over half of respondents (51%) also believed that a good supply of single-story homes should be prioritized to meet the needs of the elderly. As with younger respondents, those aged 65 years and over indicated in the *Life in Christchurch (2022)* survey that they are not opposed to multi-unit living, although their comments suggest that the market does not currently offer multi-unit dwellings suited to their needs (i.e. with living spaces on

ground-level). While multi-unit homes and intensification have the potential to meet market demand in Christchurch, there needs to be a range of multi-unit typologies to cater to the needs of our aging population.