

# June 2024 Quarterly Insights

Published: October 2024

# This report presents

High-level indicators for the Wellington-Wairarapa-Horowhenua region's development for the latest quarter.

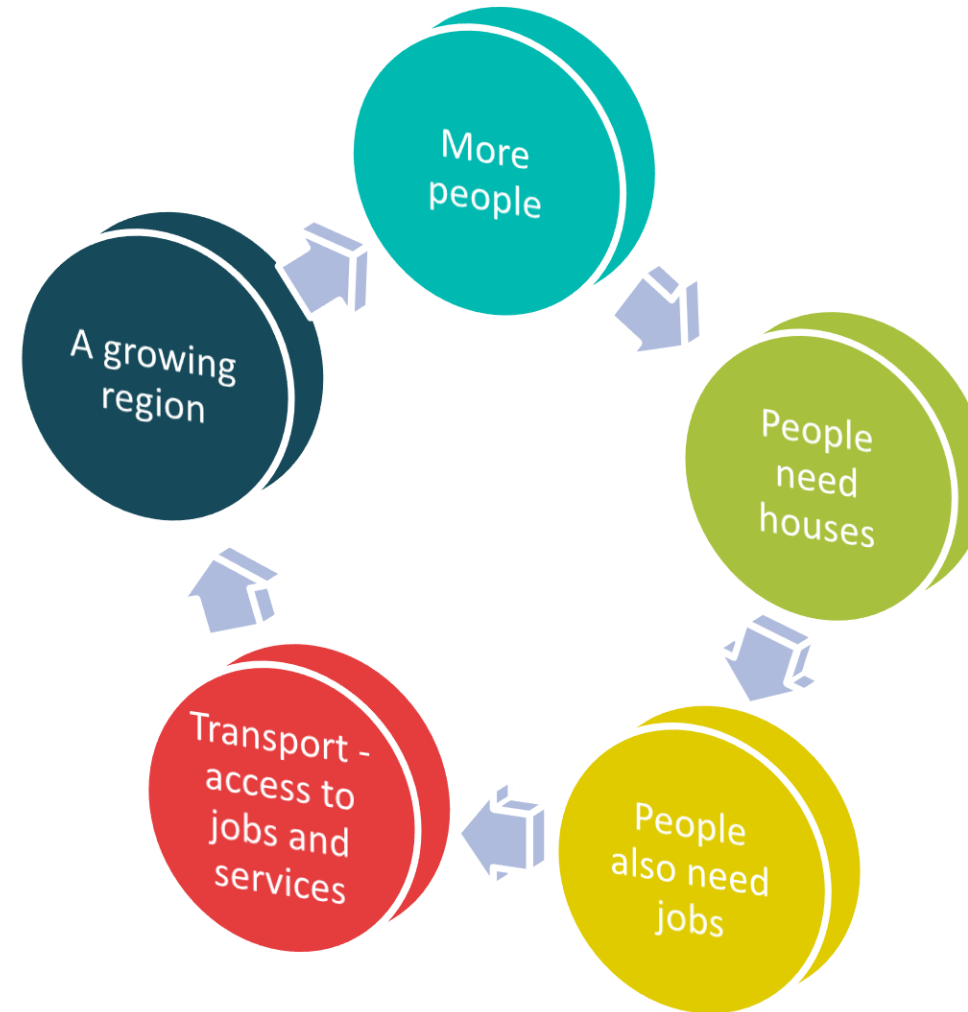
Indicators cover

1. Population
2. Housing
3. Economy
4. Transport

The regional indicators in this report are generally for the Wellington-Wairarapa-Horowhenua region. In some instances – population growth and transport trends are examples – indicators are for Wellington Region only, which excludes Horowhenua.

More detailed information is available via an interactive dashboard at [wrlc.org.nz/reports/housing-data](https://wrlc.org.nz/reports/housing-data)

# Why population, housing, economy and transport?



# Part 1: population



# Slowdown in population growth

## 2013 to 2018

Wellington Region's population grew by 39,000, equivalent to a 7.1% rise in population over 5 years.

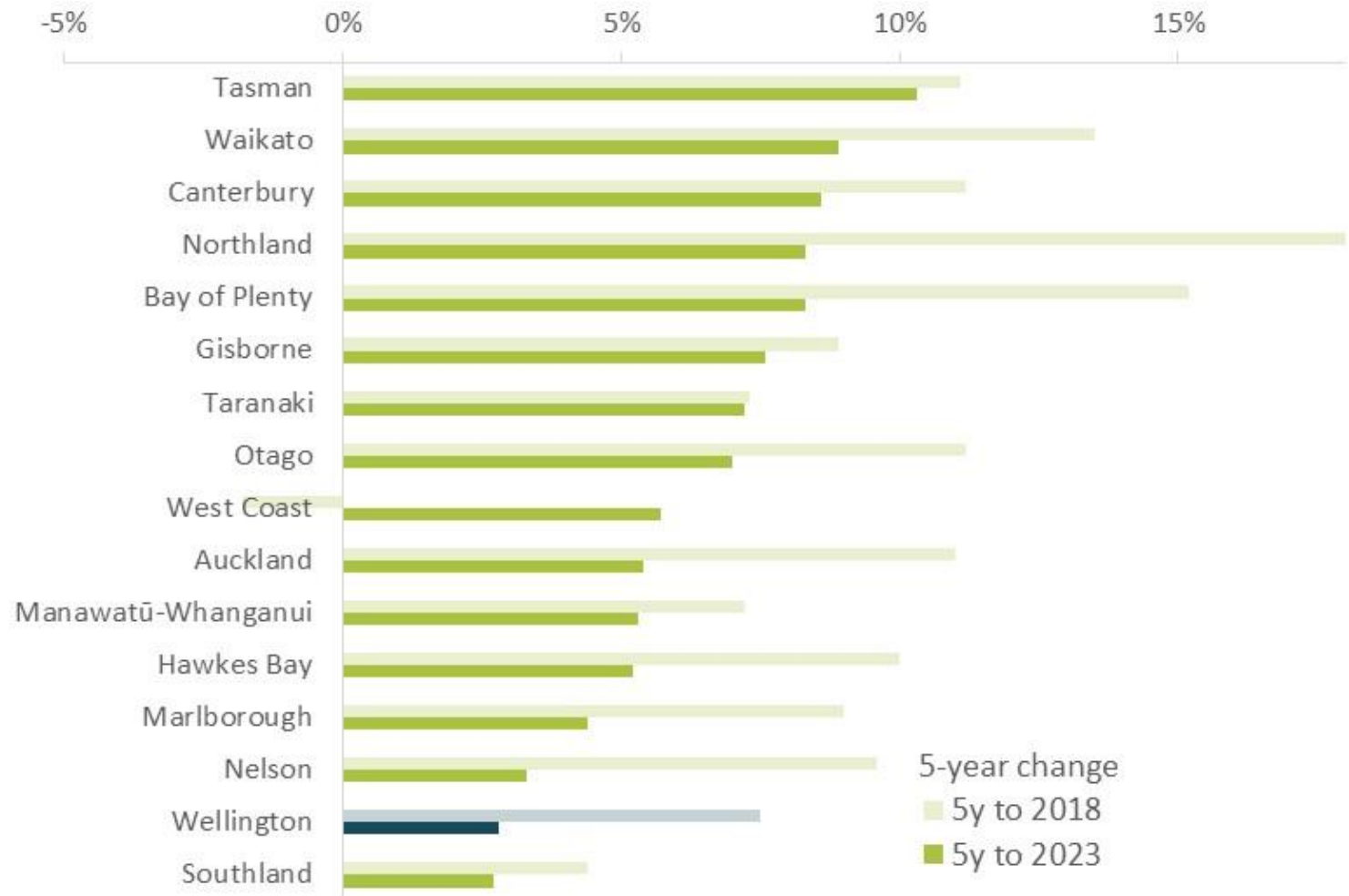
## 2018 to 2023

Population growth was lower – as it was across New Zealand – with an 18,000 increase, equivalent to a 2.6% rise in population.

Growth during this period was one of the lowest across all regional council areas.

## Key takeaway

Like most regions, Wellington Region's population growth slowed over the last 5 years compared with the previous 5 years.



Source: Statistics New Zealand.

# Uneven absolute population growth

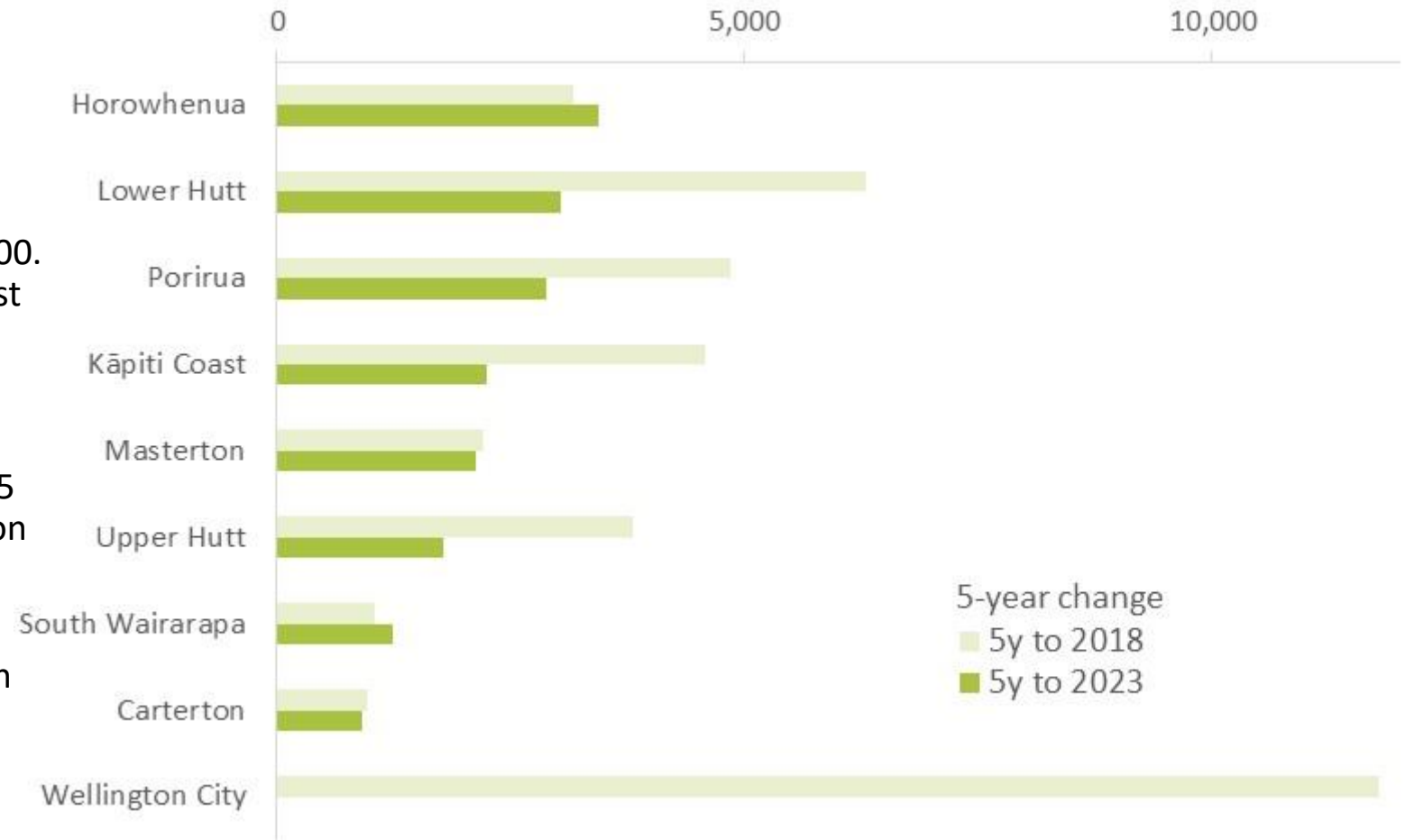
## 2013 to 2018

The region's population grew by 39,000. Wellington City contributed the largest part of the region's growth (12,000).

## 2018 to 2023

Growth was lower than the previous 5 years in most areas, with the exception of Wairarapa and Horowhenua. The region grew by 18,000.

All the growth was outside Wellington City.

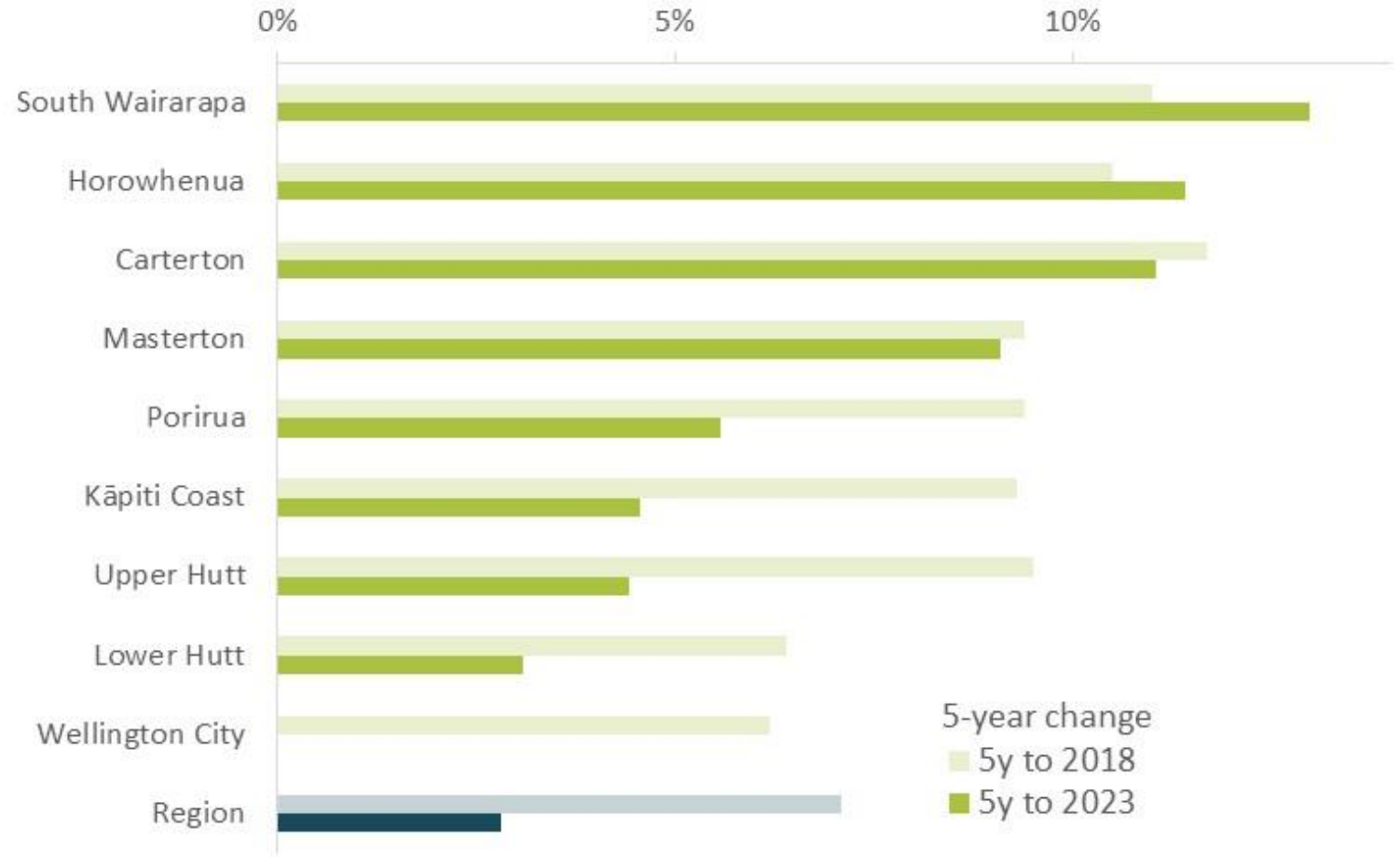


Source: Statistics New Zealand.

# Uneven percentage growth 2013 to 2018 and 2018 to 2023

Wairarapa and Horowhenua maintained relatively high population growth of 8% to 12% over 2013 to 2018 and 2018 to 2023.

Elsewhere, growth rates in the latest 5 years halved and decreased to zero in Wellington City.



Source: Statistics New Zealand.

# Natural population growth and migration

Population growth has 2 components: migration and natural increase (births minus deaths).

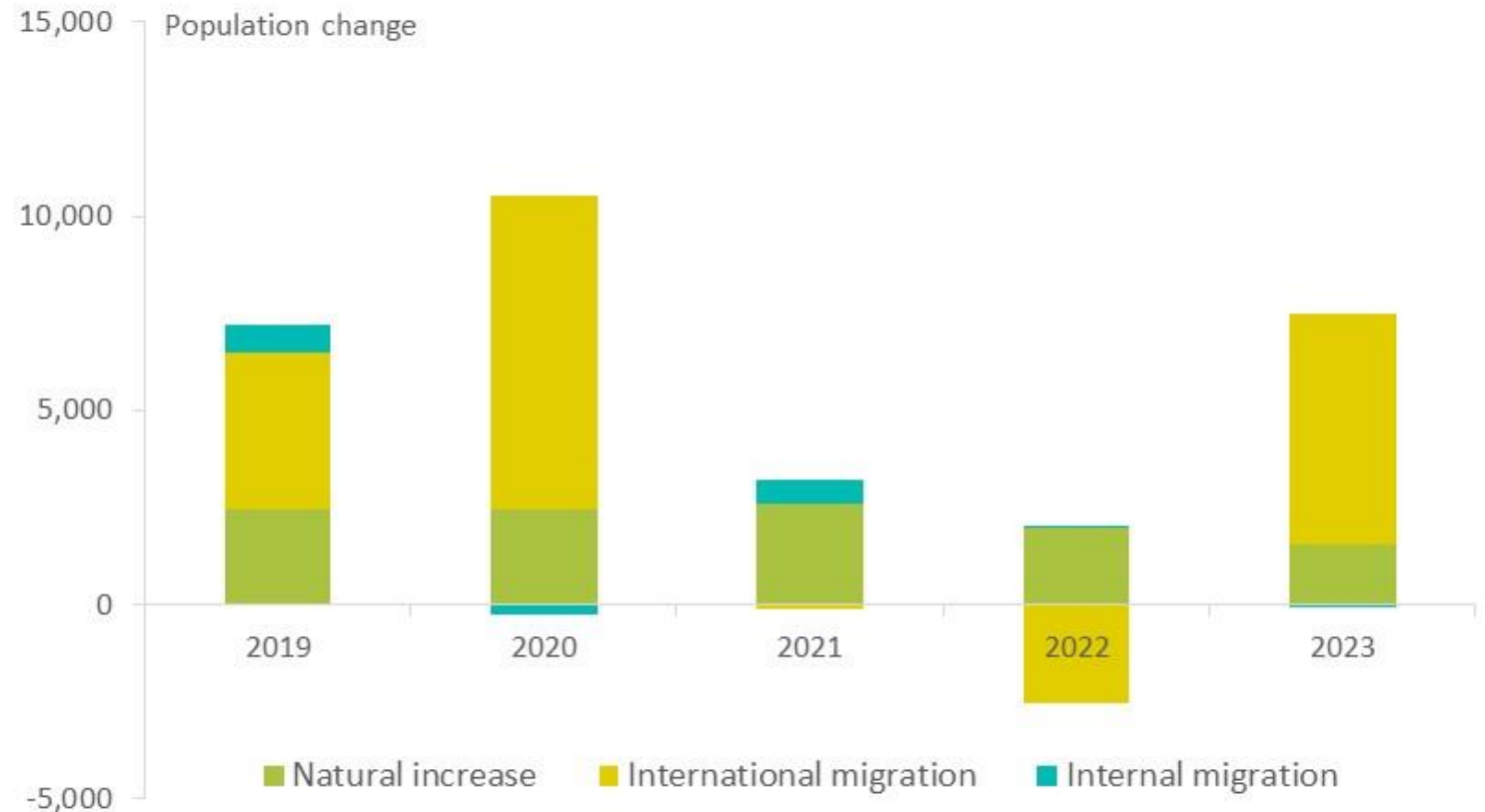
Migration – both internal within New Zealand and international – is driven by many factors that can be seen as *push* and *pull* factors.

**Pull:** Economic growth, transport and infrastructure improvements.

**Push:** High cost of housing, lower labour market.

Wellington Region's natural population growth is still positive but has lowered due to a fall in births over recent years.

Migration (especially international) is now the main driver of population change, and has been highly variable year to year.



Source: Statistics New Zealand.



# Part 2: housing

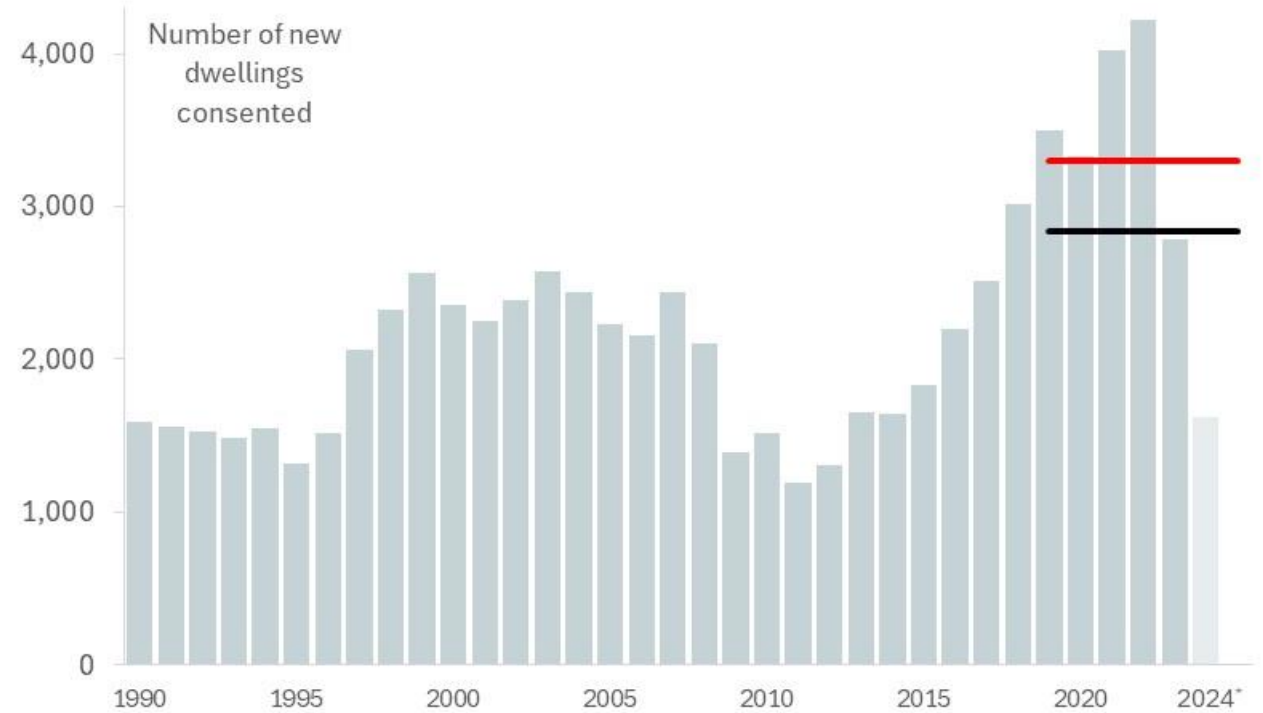


# Building consents

The 2023 Housing and Business Development Capacity Assessment projects that the region will need 85,000 new homes (the **black line**) over the next 30 years.

To prevent shortages or price increases, the National Policy Statement on Urban Development requires adding a competitiveness margin to this base demand. This margin brings the total housing need to 99,000 homes (the **red line**) over 30 years.

In 2021 and 2022 the number of building consents issued exceeded the estimated housing need. However, the latest numbers (January to June 2024) would be insufficient to provide enough housing for the projected population.



\*Annualised from data for January to June.

Source: WRLC Housing Dashboard

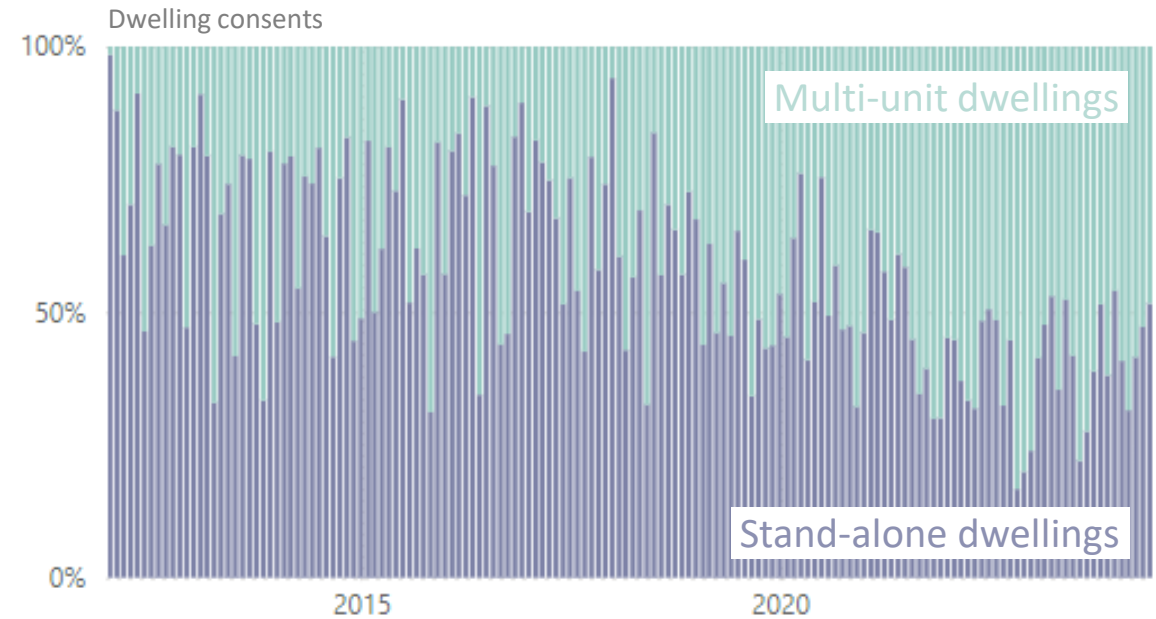
## The shift to multi-units

The Future Development Strategy assumes these benefits of intensification:

- Efficient land-use
- Infrastructure and environmental benefits
- Climate and emissions
- Resilience
- Community and livability

54% of dwelling consents were for multi-units in the quarter to June 2024, compared with 36% in 2014.

The areas consenting the largest percentage of multi-unit dwellings in the latest quarter were Lower Hutt (78%) and Upper Hutt (66%).



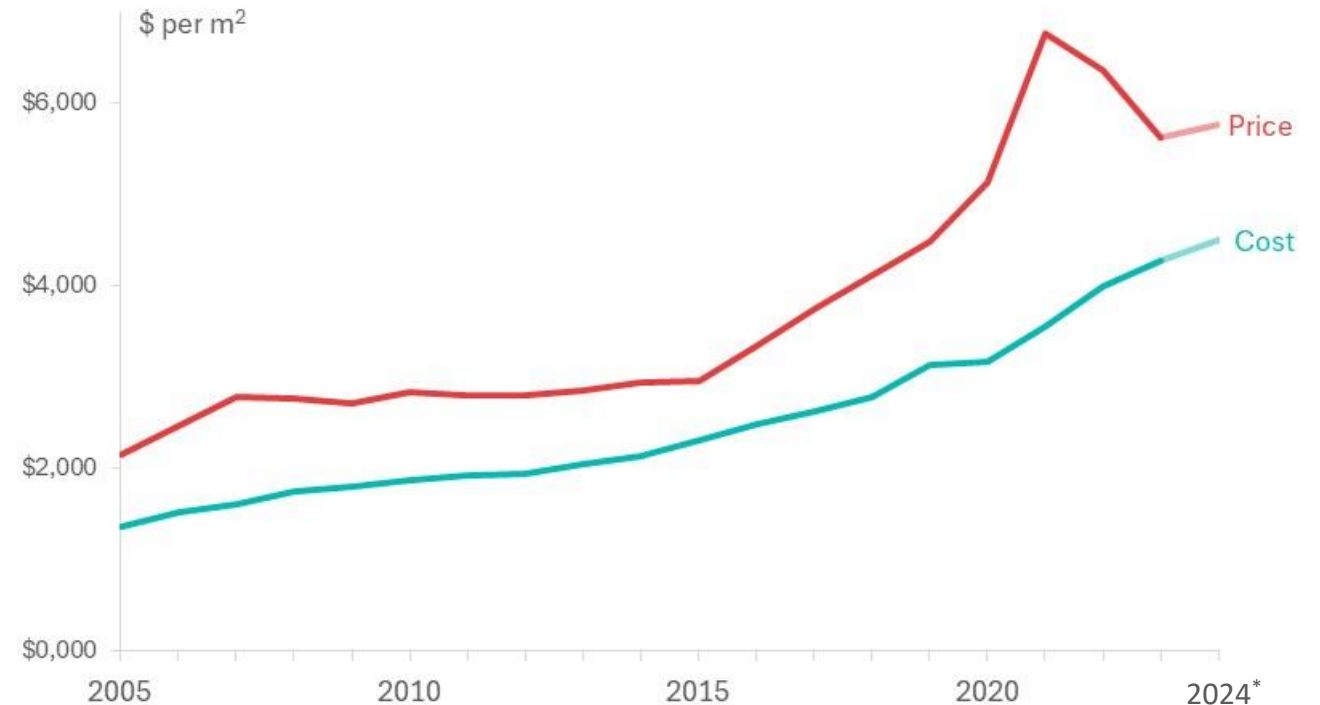
Source: WRLC Housing Dashboard

## Housing: cost to build and price to buy

Both measures (per unit area) have increased over the long-term.

The price to buy peaked in 2021 and 2022, then appears to have returned to the long-term trend.

Cost to build per unit area remains consistently lower than price to buy per unit area, implying potential for developments that generate profits.



\*2024 data for January to June only.

Source: WRLC Housing Dashboard



# Part 3: economy



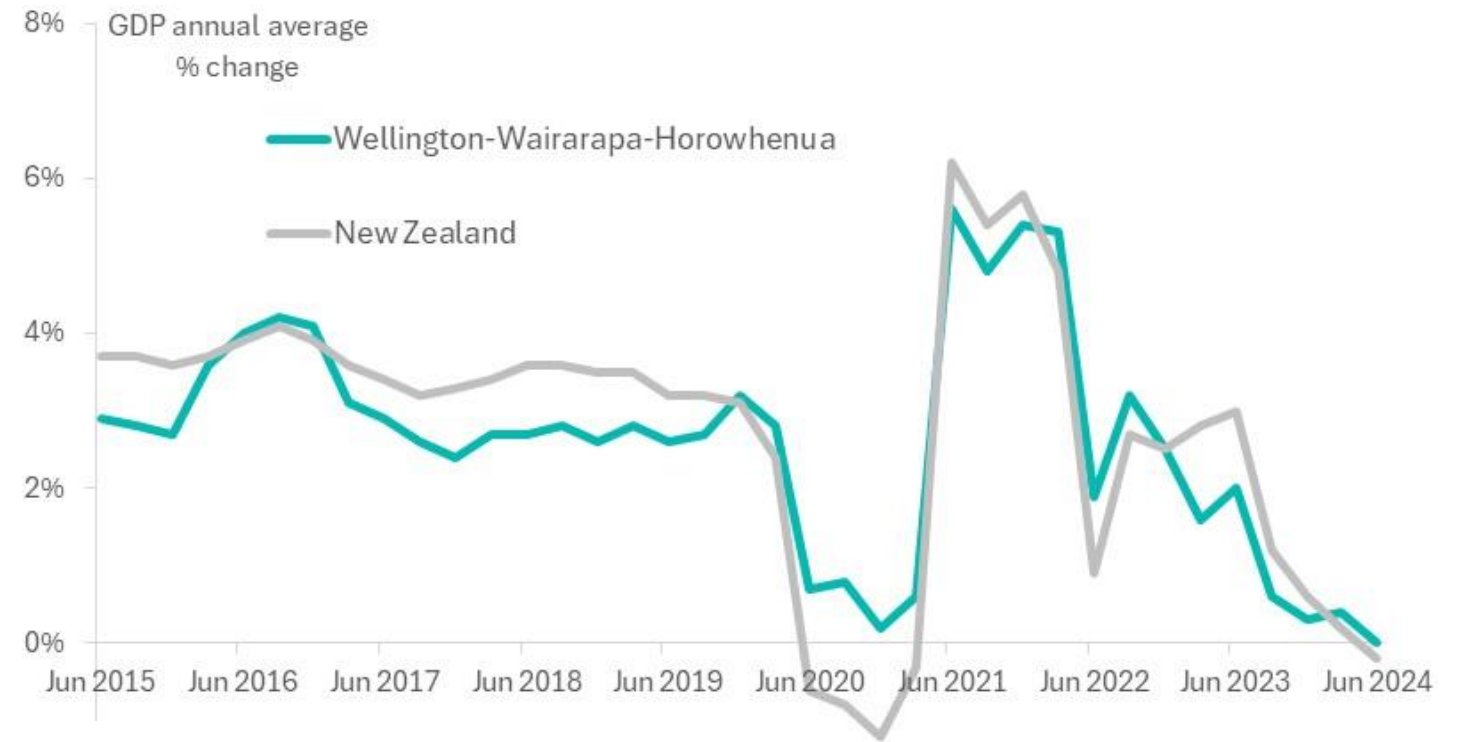
## GDP Growth

After 5 consecutive quarters of weaker regional growth than national, the Wellington-Wairarapa-Horowhenua region has experienced in Q2 2024 a flat quarter for GDP growth which sees it improve on a national contraction of  $-0.2\%$ .

Provisional GDP was \$51,700 million in Wellington-Wairarapa-Horowhenua region for the year to June 2024 (2023 prices).

The region accounted for 13.6% of national GDP for the year to June 2024.

GDP figures are provisional from Q2 2023 and are subject to revision.



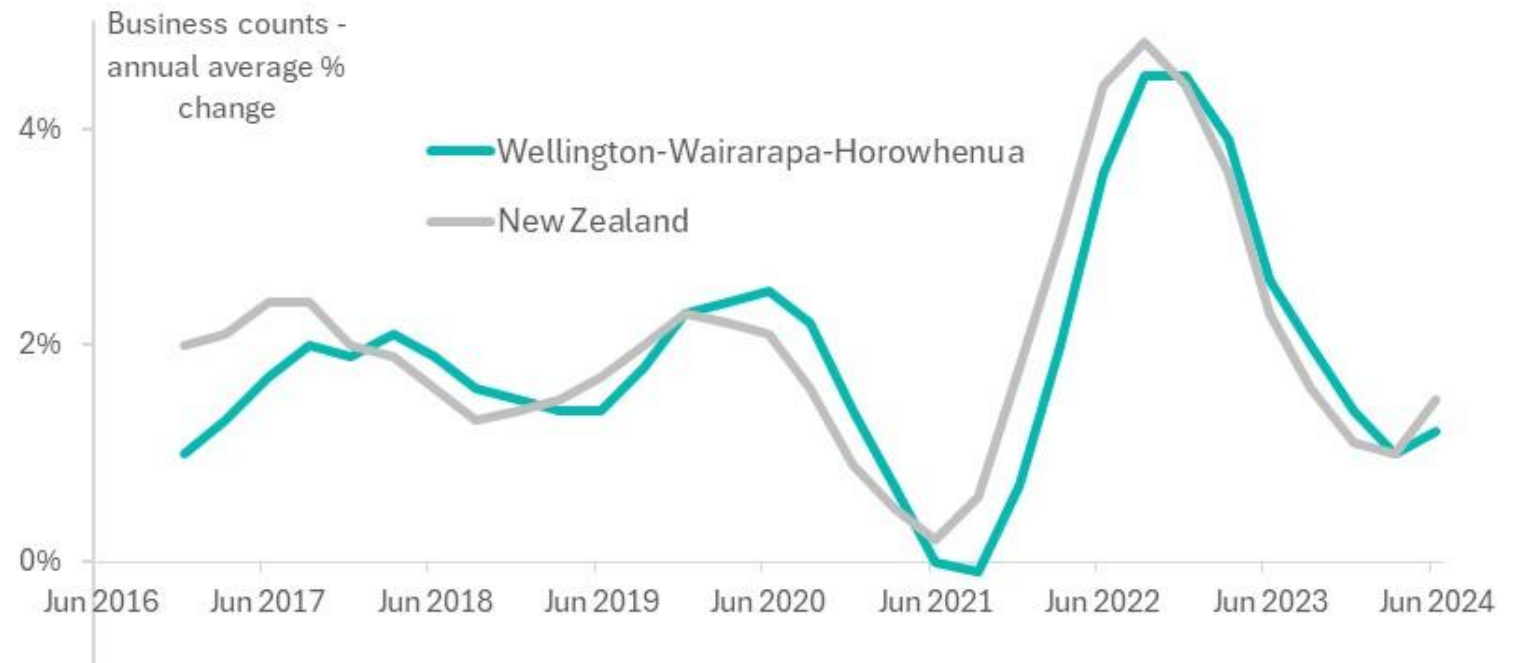
Source: Statistics New Zealand via Infometrics

## Business counts

The number of business units has experienced a rise in the last quarter, up 1.5% nationally and 1.2% for the Wellington-Wairarapa-Horowhenua region in the year to June 2024 despite the difficult economic environment for businesses.

New business registrations in the region remain constrained by high borrowing rates, input costs and low consumer spending.

The number of business units in the Wellington-Wairarapa-Horowhenua region reached an annual average of 64,100 in the year to June 2024.



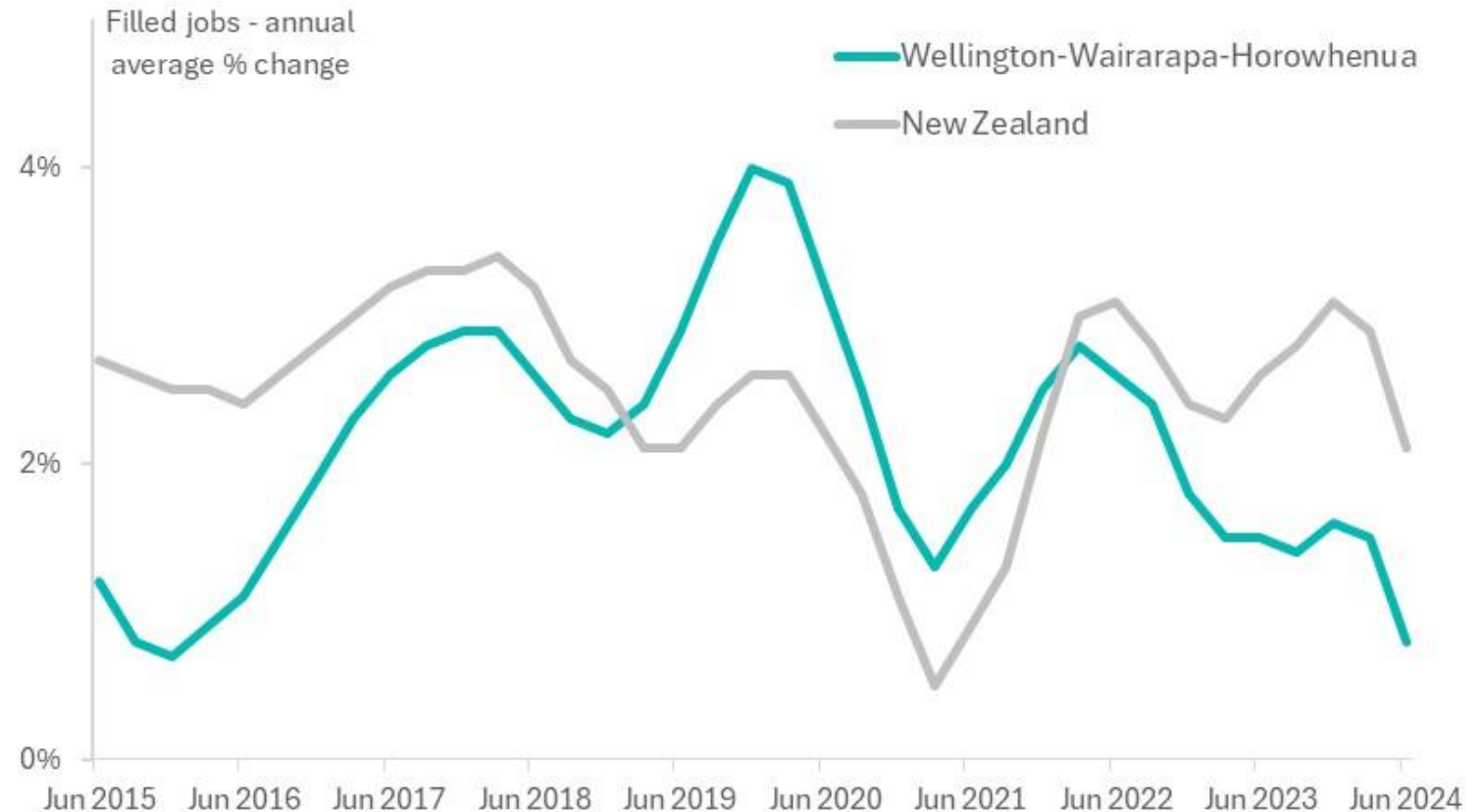
Source: Statistics New Zealand via Infometrics

## Filled Jobs

The local labour market is weak despite central government job losses not yet fully showing in the employment data.

Nationally employment growth is at 2.1%. In Wellington-Wairarapa-Horowhenua employment growth fell to just 0.8% in the year to June 2024 after a year of broad-based expansion.

Nationally the largest sector detractors from employment growth were in professional services and administration. Regionally the same pattern persists, with an annual reduction of 5% in both *Administration & support services*, and *Professional, scientific & technical services*.



Source: Statistics New Zealand via Infometrics



# Part 4: transport

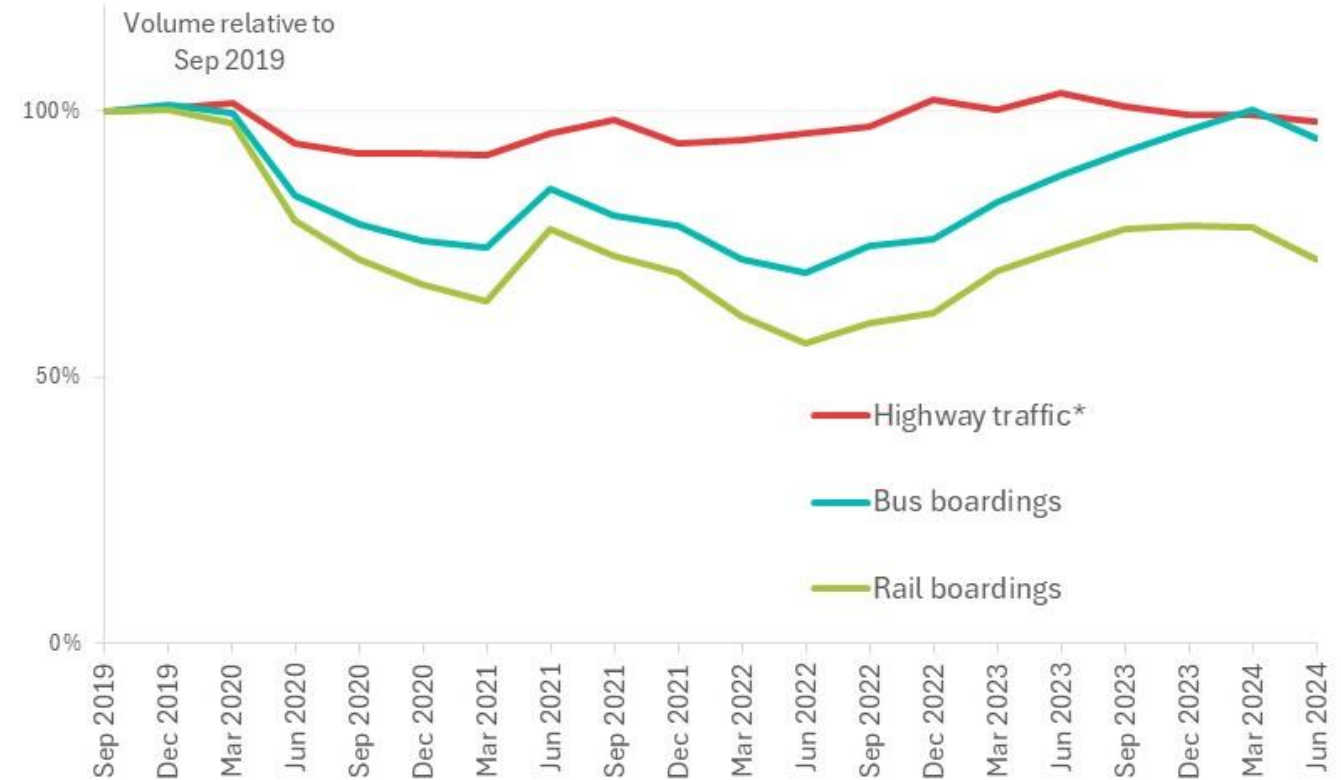


## Transport volumes

Highway traffic volumes and bus boardings in Wellington Region have recovered to approximately pre-COVID levels.

Rail boardings have remained 25% to 30% below pre-COVID levels.

Unlike bus and road traffic, rail patronage is more focussed on peak-time, longer distance commuting by office workers for whom remote working has become more viable. Rail is thus more impacted by the shift to hybrid and remote working.



12-month rolling average

\*Average across 4 sites: Vivian St, SH2 at Melling, SH2 at Greytown, SH1 at Levin.

Source: Metlink and New Zealand Transport Agency.