



QUEENSTOWN  
LAKES DISTRICT  
COUNCIL

# Quarterly Monitoring Report

National Policy Statement on Urban  
Development

December 2023

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## Executive Summary

This report provides an overview of Queenstown Lakes housing and business development capacity for the December 2023 quarter as per the requirements of the National Policy Statement on Urban Development 2020, which requires local authorities to be well informed about urban development activity and outcomes.

This is the 15<sup>th</sup> quarterly report reviewing statistical indicators of house prices, housing affordability and housing development, as well as business land (retail, commercial, and industrial) for the Queenstown Lakes district.

The December 2023 Quarterly Monitoring Report provides the latest detailed overview of key trends and indicators in QLD. Key changes that have occurred between September 2023 and December 2023 are summarised below:

- Median house prices for the district increased by 1.65% (\$6,667) to reach \$1,307,500.
- The number of dwellings sold has decreased by 30 dwellings when compared with September 2023 to 167.
- Housing stock has increased to 24,315, a 3.4% increase since 2022.
- Dwelling sales as a share of the count of total dwellings continues to trend downwards.
- Average weekly rents increased by \$24/week to \$718. Rents are highest in the Arrows town ward at \$750.
- The transition from renting to home ownership has decreased (smaller gap between renting and buying) but still remains extremely high overall (identifying that renting to home ownership continues to remain a struggle for residents).
- Mortgage serviceability has improved from 2022 but still remains low.
- Rental affordability is also worsening, continuing to trend down from its most affordable point in 2020 (a result of Covid19 and closed borders)
- 195 dwelling consents and 22 commercial building consents were issued (December quarter). Both lower counts when compared with the previous year.
- Greenfield development continues to account for the majority of new residential development (86%), predominantly within the Wakatipu. Infill and redevelopment account for 14% of all new residential sections or units created.
- The Southern Corridor SA2 area accounted for 43% of approved development, totalling 530 residential sections, followed by Lake Hawea SA2 at 15% (185 lots).
- Consent growth has reduced when compared to 2022, this drop in consent applications, is likely due to the continually raising of the official cash rate to offset inflation and increased construction costs.

## 1 Introduction

This report is designed to meet the monitoring requirements of the Government's National Policy Statement on Urban Development 2020 (**NPS-UD**). The NPS-UD came into effect on the 20 August 2020, replacing the National Policy Statement on Urban Development Capacity 2016 (**NPS-UDC**). This is Council's fifteenth Quarterly Monitoring Report prepared under the National Policy Statement on Urban Development Capacity. Future Monitoring reports will be published on an annual basis.

As a Tier 2 local authority, the NPS-UD requires Councils to assess housing and business demand and capacity across the district. The Queenstown Lakes District Council must provide sufficient development capacity for the Queenstown Lakes district to meet demand over a 30-year period.

To determine the level of development capacity to meet the estimated population growth of the Queenstown Lakes District, the NPS-UD requires every tier 1, 2 and 3 local authority to monitor, quarterly, the following in relation to each urban environment in their region or district:

- a. The demand for dwellings
- b. The supply of dwellings
- c. Prices of, and rents for, dwellings
- d. Housing affordability
- e. The proportion of housing development capacity that has been realised:
  - (i) In previously urbanised areas (such as through infill housing or redevelopment);
  - (ii) In previously undeveloped (i.e. Greenfield) areas
- f. Available data on business land

## 1.1 Purpose

The purpose of this report is to review indicators on house prices, housing affordability and housing development, as well as business land (retail, commercial, and industrial) for the Queenstown Lakes district for the quarter ending December 2023.

This report fulfils the requirements of Clause 3.9 in the NPS-UD, summarising quarterly information for a range of indicators including:

- Current house and rental prices and residential and business land capacity by location and type, including changes over time (quarterly and yearly)
- The number of subdivision consents and building consents granted for urban development relative to population growth; and
- Indicators of housing and rental affordability, and supply of business space.

## 1.2 Data Sources and Ongoing Monitoring

This quarterly report draws on data contained on the Ministry for Business, Innovation and Employment's Urban Development Capacity Dashboard<sup>1</sup>. It also includes data collected by QLDC. Some indicators are updated quarterly, while others are updated annually or less frequently.

Indicators updated annually are included in either the more comprehensive June Quarter report (includes New Zealand wide Analysis) or the December Quarter report (includes analysis on housing development by location).

The September and March Quarter reports are more condensed. Over time, QLDC may add, remove or replace indicators included in these regular reports to better align them with local data and local issues.

Any queries on this report should be directed to the Planning Policy Team.

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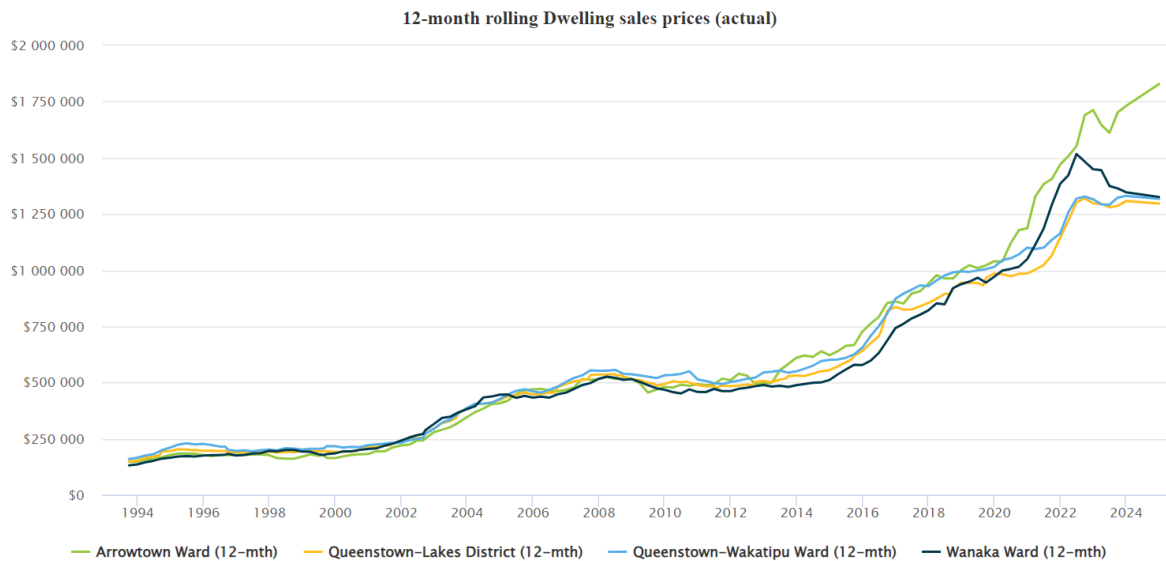
<sup>1</sup> <https://huddashboards.shinyapps.io/urban-development/#> and <https://www.hud.govt.nz/stats-and-insights/change-in-housing-affordability-indicators/compare-regions/#tabset>



## 2. Sales Prices, Housing Stock, Rents and Affordability

### 2.1 Sales Prices

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



#### Latest Results:

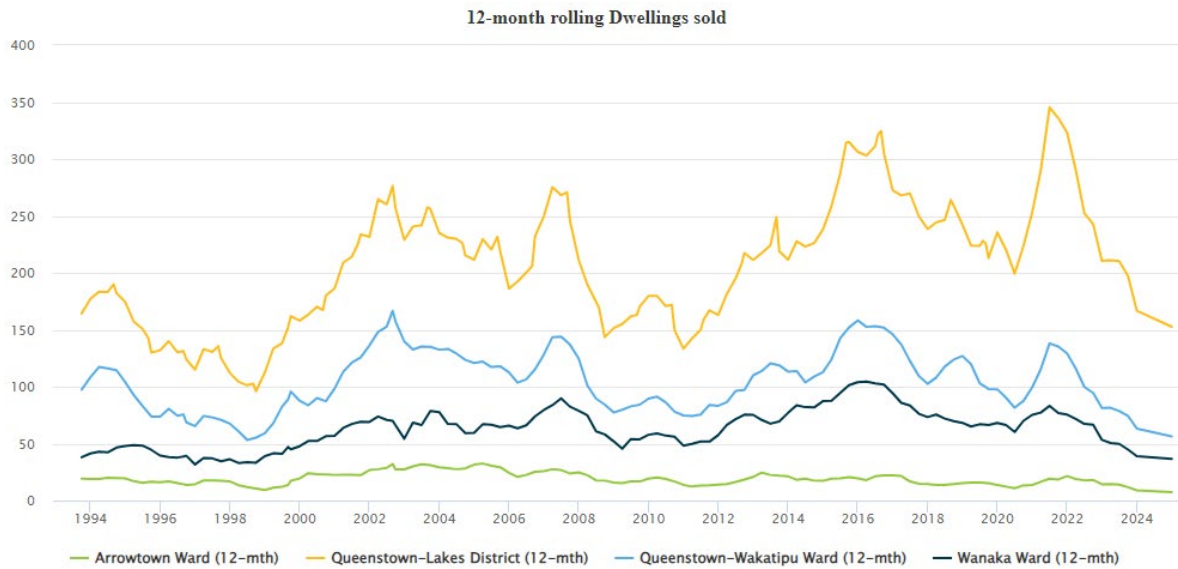
- In the year ending December 2023, the median house price for QLD was \$1,307,500.
- This is an increase of 1.65% (\$21,250) above the previous quarter (September 2023) and a minor decrease (-\$5,833) compared to the same time a year ago (-0.4%).
- Median dwelling prices continue to be the highest in the Arrowtown Ward (\$1,730,625- December 2023), followed by the Wanaka Ward (\$1,346,875), which continues the trend from June 2021. Prior to June 2021, Wanaka tended to have the lowest median dwelling prices. The lowest in the district is the Whakatipu Ward (\$1,330,389).
- Over the last 12 months, prices have increased in Arrowtown Ward by 9% (\$159,792), Wakatipu Ward by 8% (\$101,722), and increased in Wanaka by 6%, \$81,875.

#### Commentary:

House prices in QLD are impacted by strong household growth, demand from international and domestic buyers (i.e. holiday homes) and increasing visitor numbers. Median prices in the Arrowtown Ward continue to be the highest in the district, the Wanaka ward has now overtaken the Whakatipu Ward for having the highest median sales price (last 11 quarters - since June 2021).

## 2.2 Dwellings Sold

**About this indicator:** This is the quantity of all dwellings sold.



### Latest Results:

- In the December 2023 quarter, the total number of dwellings sold in QLD was 167.
- This is a decrease of 30 compared to the previous quarter (September 2023) but 39 more dwellings sold when compared to the same time a year ago (December 2022).
- Over the last 12 months, the count of dwellings sold in both the Whakatipu and Wanaka Wards has decreased by 7 dwellings sold compared to the previous 12 months (-10% and -15% respectively). Arrowtown has remained consistent with 9 dwellings sold (0% change compared to previous 12 months).

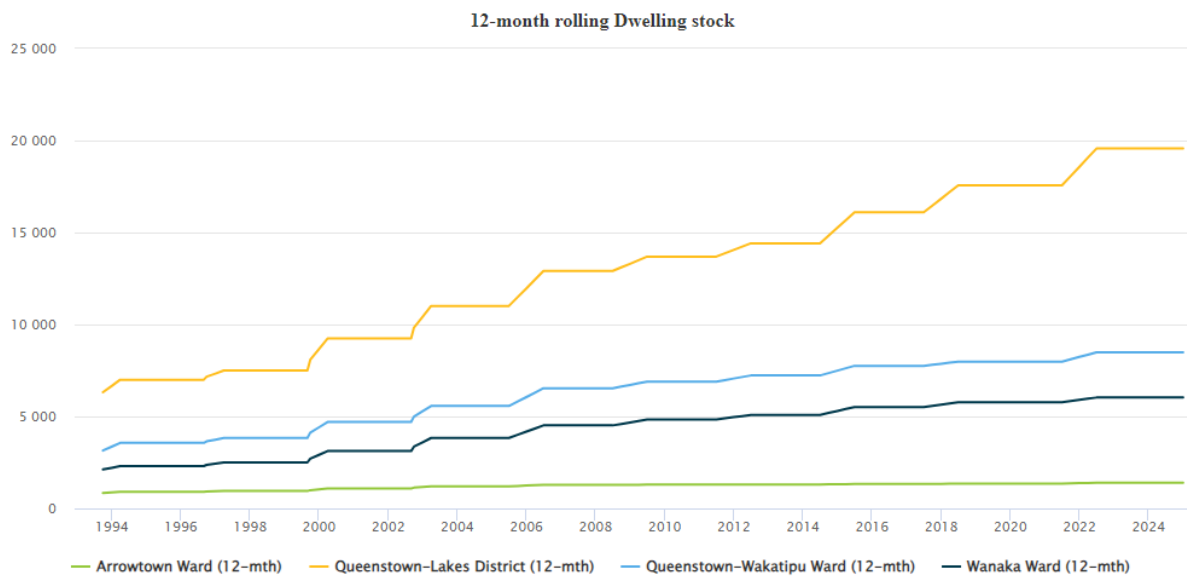
### Commentary:

The number of dwellings sold in the Queenstown and Wanaka Wards has continued to decline since the high point in 2021 and is now the lowest it has been since 2011. An analysis of the building consent records below indicates that there has been a slight decline between YE September 2022 and 2023 but the count of new dwelling consents is still relatively high even though there appears to be a significant drop in the 12 month rolling Dwellings sold. This indicates that the trend was being driven by fewer existing houses coming onto the market or fewer sections being used for construction company-led 'build and sell' dwellings and more being used for commissioned building contracts where the owners occupy the dwelling upon completion. Overall, it is still a 'sellers' market' and this is supported by the dwelling price indicator where prices continue to escalate in the face of strong demand.



## 2.3 Housing Stock

**About this indicator:** This is the estimate of dwelling stock. It is the total count of dwellings allowing for new builds each year and taking into account any demolition of dwellings. Dwellings include standalone houses, attached dwellings and apartments. This indicator informs growth in overall dwelling supply.



**Latest Results:** (Note: There is rolling average which only shows one year of change, with two years of none, resulting in only one change being shown every three years. The recent quarter's results should be considered 'weak' or 'provisionary' as there are administrative lags between sales and data collection.)

- In the year ending December 2022, the total number dwellings in the QLD have increased to 18,589.
- The last year of official change data was in 2018, this resulted in an increase of 1051 new dwellings within that time period. (a 6% increase in dwelling stock).

### Commentary:

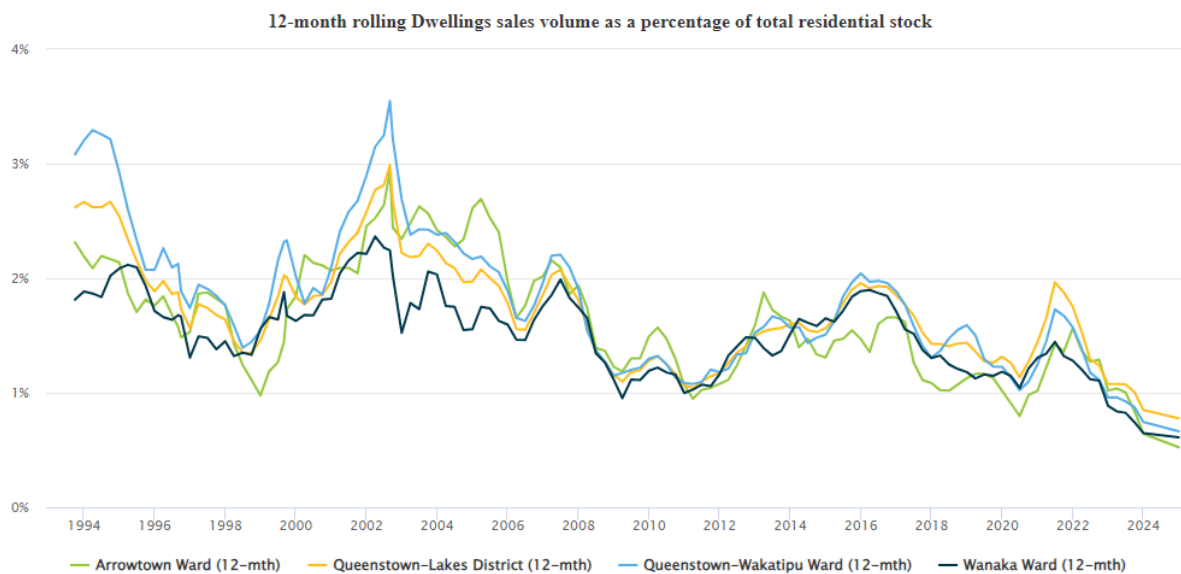
The increase in the average sales price, the amount of zoned land available and high demand for property are the key factors that impact on this trend. The growth of the district's overall housing stock continues to increase at a steady rate although the Arrowtown Ward has

contributed very little to this growth (relative to the other Wards) due to limited vacant land capacity within its urban growth boundary. Queenstown Ward currently makes up 53% of the total dwelling stock, while Wanaka and Arrowtown make up 39% and 8% respectively (no change from the previous quarter). Over time, it is expected that Arrowtown will account for a relatively smaller share of the total given the significant Greenfield and infill growth capacity enabled in Wanaka and Queenstown.

Whilst we don't have this data, Council records indicate that there are currently 24,483 rateable dwellings in the District.

## 2.4 Dwelling Sales as Share of Dwelling Stock

**About this indicator:** This indicator measures the quantity of all dwellings being bought and sold relative to the total stock. It is a measure of activity in the local housing market.



### Latest Results:

- In the year ending December 2023, the total number dwellings sold in QLD as a share of the dwelling stock was 0.850%.
- This is down on the previous quarter (September 2023) of 1.005%.
- The percentage share was higher when compared to the same time a year ago (December 2022) which was 0.687%, this is up by 0.192 percentage points.
- The latest figures for Arrowtown, Wanaka and Queenstown are 0.643%, 0.648% and 0.745% respectively.
- Wanaka and Arrowtown have consistently had a lower share of dwellings bought and sold when compared to Queenstown Wakatipu Ward and Queenstown Lakes District.

## Commentary:

This indicator shows a declining ratio of dwellings sold relative to total dwelling stock from the peak in early 2016, there was a sharp increase in sales between June 2020 and June 2021 but that was a reaction to the Covid19 response financial stimuli of 2020 making that period abnormal in terms of trends. Since then, the markets appear to have corrected and continues the downwards trend from 2016. A report by Colliers New Zealand<sup>2</sup> suggests that the declining sales volumes are a result of a number of factors including buyers' preferences towards improving properties due to construction risk and increased costs, combined with first home buyers weighing the relative cost of buying vs renting as interest rates increase.

## 2.5 Dwelling Rents

**About this indicator:** This indicator reflects nominal mean rents as reported in new rental bonds lodged with MBIE. The mean used is a geometric mean. The reason for using this mean is that rents cluster around round numbers and tend to plateau for months at a time. This makes analysis of time series difficult and using the geometric mean is a way of removing this clustering effect. The data is for private bonds only and so excludes social housing.



### Latest Results:

- The average weekly dwelling rent in QLD currently stands at \$718. This is up \$24 per week compared to the previous quarter (September 2023).
- Compared to the same time 12 months ago (December 2022), average weekly rent has increased by \$128 or 21.7%.

<sup>2</sup> [https://issuu.com/colliersotago/docs/colliers\\_market\\_review\\_and\\_outlook\\_2022-23\\_hiq\\_res?fr=sOTUxZjUzNjUyNjM](https://issuu.com/colliersotago/docs/colliers_market_review_and_outlook_2022-23_hiq_res?fr=sOTUxZjUzNjUyNjM)

- Rent in the Wakatipu and Wanaka Wards are both below the district average at \$684 and \$709 respectively per week. However, both have increased compared to the same time a year ago (December 2022) by 22.1% and 17.4% respectively.
- The smallest decrease within the last quarter (Sept – Dec 2021) is Wanaka Ward at 3.35% (\$23).
- Arrowtown has the highest weekly rent at \$750 and the largest increase with 7% increase in the last quarter (Sept-Dec 2023).

#### Commentary:

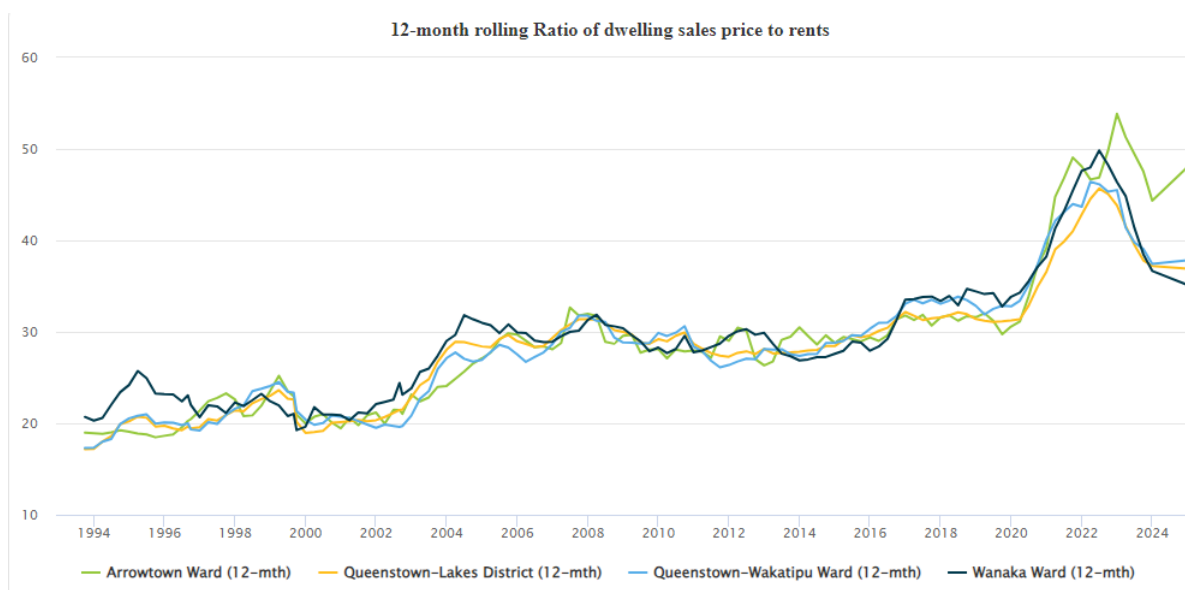
Historically rising rents in QLD have been a significant concern given the large number of residents who are transient, such as seasonal workers and/or are low-income earners combined with relatively static wage growth. Rising rents have been a result of an undersupply of long-term rental properties and strong demand. Implications of rising rents were seen in overcrowding and difficulties with recruiting and retaining workers from outside the district.

Covid-19 led to a lack of international visitors into the district between the period 2020-2022, the number of transient residents also reduced, this led to an increase of more rental properties into the market and a corresponding reduction in rent.

As of December 2023, rents have risen again and are higher than the high point of June 2020. It is unclear whether this is a result of more properties being converted to short term visitor accommodation (Airbnb) or an increase in residents (or both).

## 2.6 Sales Prices to Rent Ratio

**About this indicator:** This indicator measures the ease of moving from renting to home ownership, and also shows trends in possible investor yields. A higher house price/rent ratio reflects a larger gap between renting and buying. Higher ratios also indicate that rental yields for investors are lower.



### Latest Results:

- The QLD current price to rent ratio is approximately 37.215, decreasing from the previous quarter (September 2023) where it was 37.817.
- Compared to the same time a year ago (December 2023), the average ratio is down (from 43.917) (that is, the gap between renting and buying decreased).
- Arrowtown is the hardest place to transition from renting to home ownership. The current ratio is 44.355 (decrease of -2.69 from December 2023) but has increased from ratio in March 2023 (51.295).
- The ratio is also down in both Queenstown by -4.32% (-1.62) and Wanaka by -4.99% from the previous quarter (September 2023).

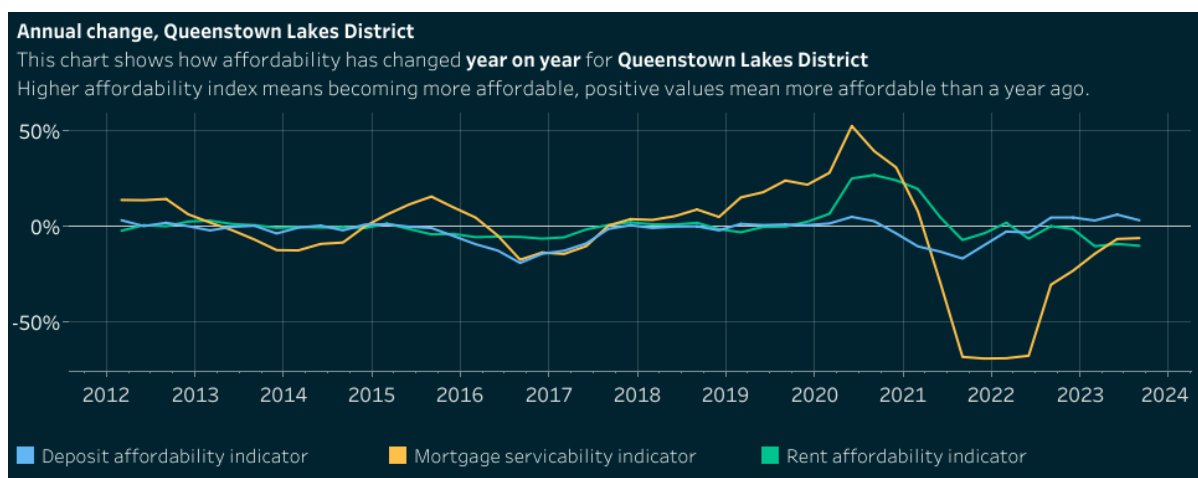
### Commentary:

This indicator measures the ease of moving from renting to home ownership, comparing the average rental with the median sales price. There are inherent limitations in this measure; someone paying the average rental would not necessarily be in the market for the median house. Notwithstanding this limitation, the results show a drop since December 2023 for QLD and each of the wards which suggests that rent prices are higher, rather than homes being less expensive. However, the overall ratio remains high and transitioning from renting to home ownership continues to remain a struggle for QLD residents.

## 2.7 Housing Affordability Indicators – Mortgage serviceability, deposit affordability and rent affordability as a proportion of income

**About this indicator:** This indicator was introduced in 2022 to replace the [HAM – Buy](#) and [HAM – Rental](#) measure which is no longer available on the MHUD dashboard<sup>3</sup>.

The Change in Housing Affordability Indicators show how affordability of renting a home, saving for a deposit, and servicing a mortgage for people entering the market has changed over time. Each indicator compares price change with growth in median household income. They provide insight into affordability nationally, regionally, and by Territorial Authority.



### Latest Results:

- The change in mortgage serviceability indicator shows a sharp decrease from September 2020 (-66%) and then a steady increase between June 2022 until September 2023. This is likely as a result of the OCR increasing from 0.25 in September 2021 up to 5.5 in May 2023 which leads to higher interest rates and higher borrowing costs and decrease mortgage affordability and affordability overall.
- Deposit affordability has been increasing since a low point in September 2021 but still remains close to 0% and considered unaffordable.
- Rent affordability increased in September 2020 due to COVID but there has been a steady decrease since September 2021 (-15%).

### Commentary:

The data is consistently higher than the New Zealand average and consistently higher than Auckland (in comparison with incomes). This is bad news for renters, first home buyers and those with existing mortgages.

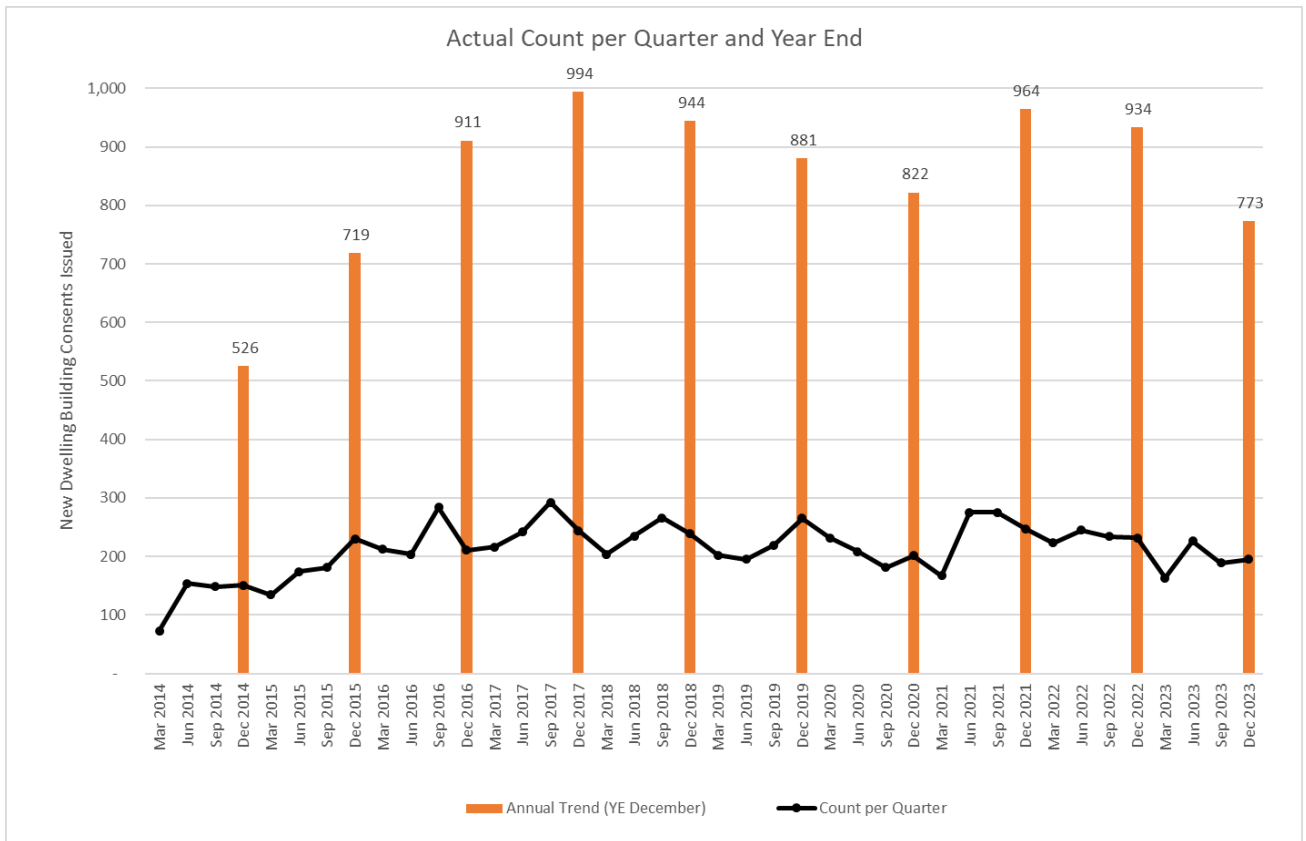
<sup>3</sup> <https://www.hud.govt.nz/stats-and-insights/change-in-housing-affordability-indicators/compare-regions/#tabset>

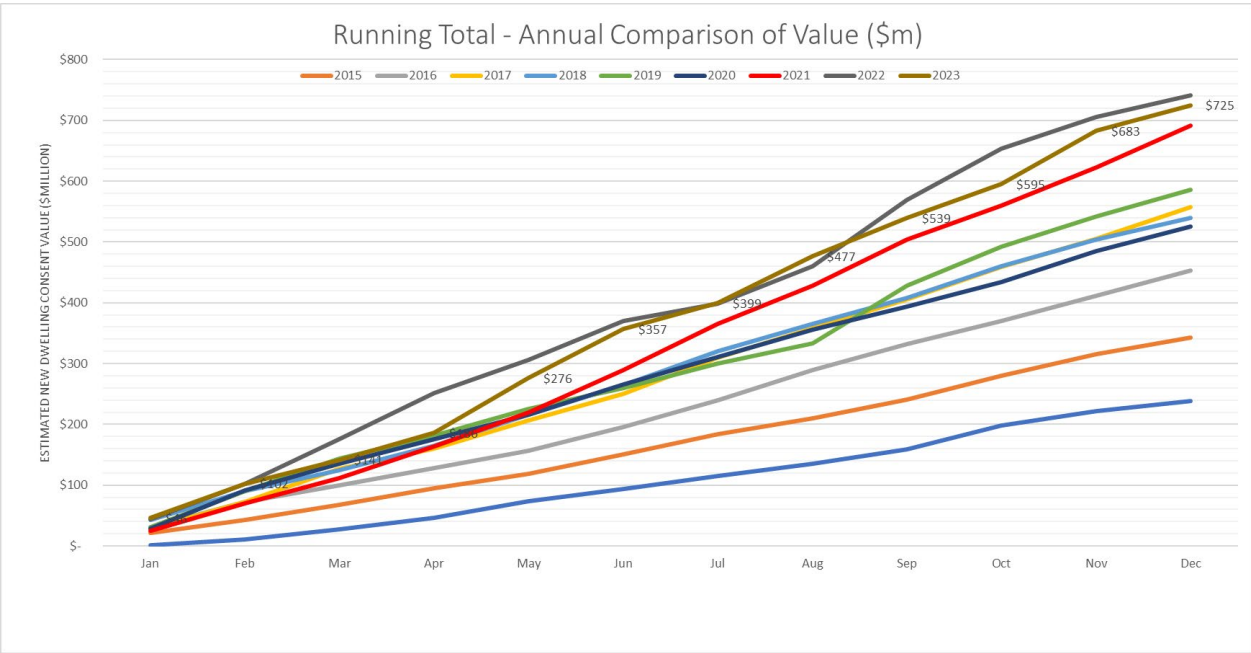
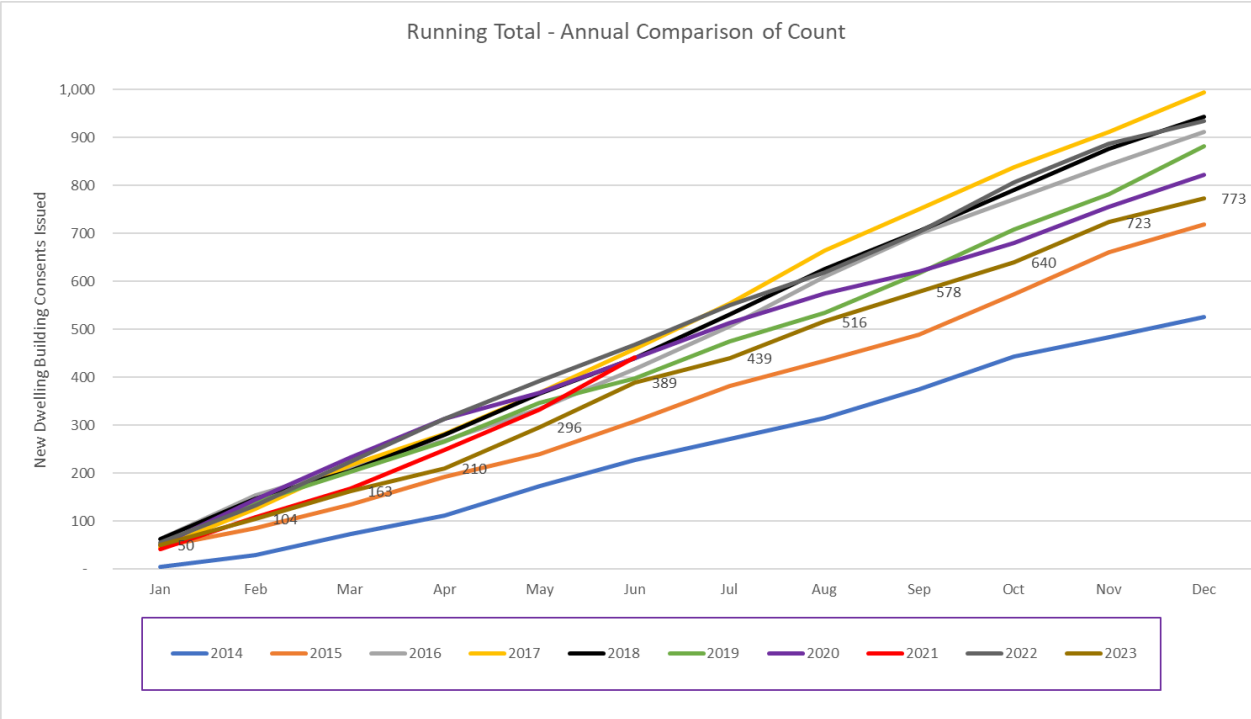


### 3 Building and Resource Consents

#### 3.1 New Dwelling Consents Issued

**About this indicator:** This indicator tracks the actual count of new dwelling building consents issued by QLDC each quarter and year (compiled from total district monthly data). Estimated value of consents is also monitored.





**Latest Results:**

- There were 195 new dwelling consents issued in the December 2023 quarter. This is 6 more consents issued compared to the September 2023 quarter (3%).
- This is less than the same quarter a year ago (December 2022) where there were 232 dwelling consents issued.

- Over the last 12 months (YE December 2023), there have been a total of 773 new dwelling consents issued. This is a decrease of 161 consents (-17%) compared to the previous year (934 in YE December 2022).
- In terms of the estimated value of new dwelling consents, the total value by December 2023 was approximately \$725m, which is lower when compared to the previous year (\$741m in December 2022).
- The average value of consents issued in the December 2023 quarter was \$186,032,170. This was approximately \$13,814,751 higher than the average value in the December 2022 quarter and \$3,329,547 higher than the previous quarter (September 2023).
- The average value of a dwelling each quarter in December 2023 was \$784,946. This was \$82,018 higher than the average value a year ago (December 2022) (12%) and - \$39,221 higher than a quarter ago (September 2023) (5%).

### Commentary:

The 2023 value of dwelling consents is second highest year but lower than 2022 value when considering the annual comparison of value. The National Construction Pipeline Report 2023 released by Ministry of Business Innovation & Employment (MBIE)<sup>4</sup> notes that the Covid era of rapidly escalating home building costs looks to be over, but that does not mean it is getting cheaper to build. The report forecasts a reduction in residential building activity to a more sustainable level of demand that aligns with the sectors capacity to deliver buildings ready for occupation. Activity in the residential sector has been strong over the last couple of years due to historically low interest rates, however an increase in borrowing costs in mid-2022 has subsequently resulted in a drop in the number of new residential building consents.

### 3.2 New Dwelling Consents Issued by location

**About this indicator:** This indicator tracks the count proportion of housing development capacity that has been realised in previously urbanised areas (such as through infill housing or redevelopment) as well as land that was previously undeveloped (i.e. greenfield areas). This indicator will be assessed annually.

For the purpose of this indicator and as per three yearly housing business capacity assessments. Special Zones and/or Structure Plans identified within the Operative District Plan and the Proposed District Plan are treated as **greenfield**. The rest of the urban environment is treated as either infill/redevelopment, with the only exception being larger parcels that have not yet been previously developed/subdivided.

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<sup>4</sup> <https://www.mbie.govt.nz/dmsdocument/27910-national-construction-pipeline-report-2023>

**Infill:**

The number of additional dwellings that can be constructed within an existing urban area (not classified as a greenfield area) without the removal or demolition of any existing dwellings. Also includes additional development and/or subdivision on vacant (titled lots) not within a greenfield site.

**Redevelopment**

Redevelopment involves the demolition or removal of existing dwelling(s) on site and replacing with a greater number of dwellings on the same site without changes to the lot boundary. The assessment has been based on the SA2 Statistical Areas, within the Wakatipu and Upper Clutha Urban Environment and identifies residential subdivision consents issued between 01/01/2022 and 31/12/2022<sup>5</sup>.

**Residential Subdivision Consents –Development within the Urban Environment**

2023	Consent #	Greenfield	infill	redevelopment	Grand Total
<b>Wakatipu</b>	<b>37</b>	<b>693</b>	<b>82</b>	<b>0</b>	<b>774</b>
Arrowtown	1	0	0	0	0
Arthurs Point	4	109	0	0	109
Eastern Corridor	5	35	0	0	35
Frankton	5	0	6	0	6
Frankton Arm	4	15	1	0	16
Kelvin Heights	1	0	3	0	2
Quail Rise	2	4	0	0	4
Queenstown Central	0	0	0	0	0
Queenstown East	1	0	2	0	2
Southern Corridor	9	530	0	0	530
Sunshine Bay-Fernhill	3	0	3	0	3
Warren Park	2	0	67	0	67
<b>Upper Clutha</b>	<b>56</b>	<b>378</b>	<b>79</b>	<b>6</b>	<b>468</b>
Albert Town	9	0	10	0	10
Cardrona	11	17	22	0	44
Lake Hawea	8	179	6	0	185
Luggate	1	0	5	0	5
Wanaka Central	11	100	4	6	110

<sup>5</sup> Consent Monitoring Dashboard -

<https://qldc.maps.arcgis.com/apps/dashboards/414132222389444ca772142f7f08cf4c>

Wanaka North	7	82	1	0	83
Wanaka Waterfront	2	0	2	0	2
Wanaka West	7	0	29	0	29
<b>Grand Total</b>	<b>93</b>	<b>1071</b>	<b>161</b>	<b>7</b>	<b>1242</b>

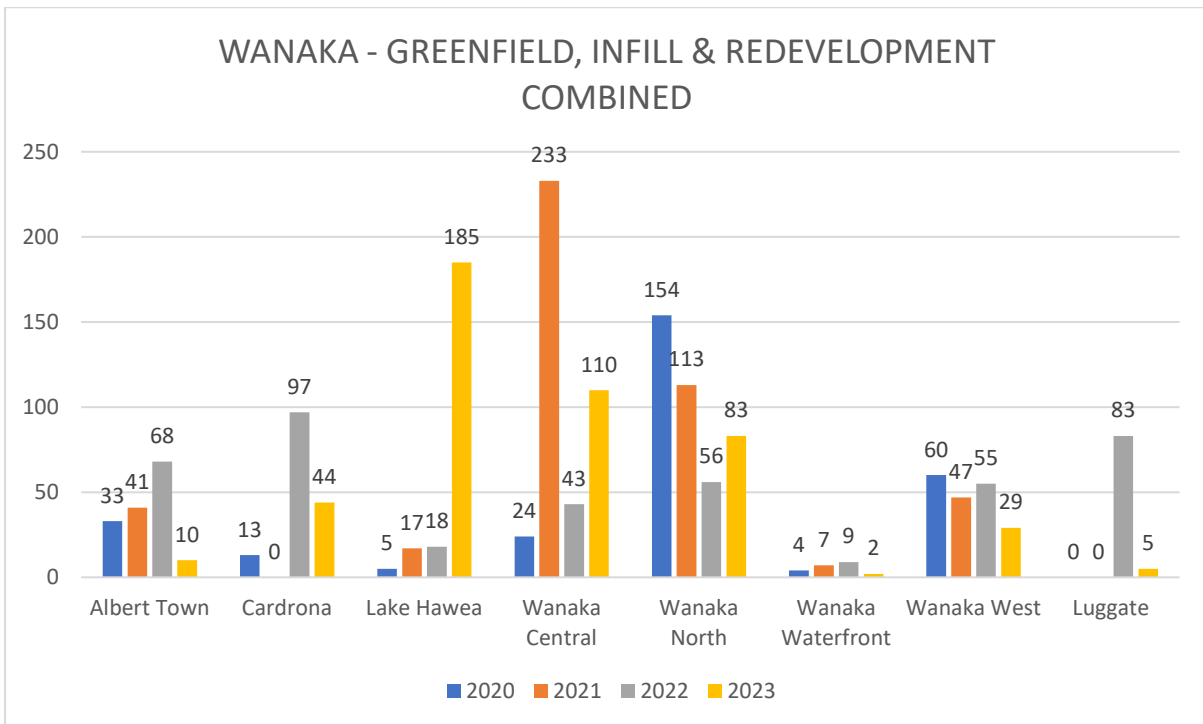
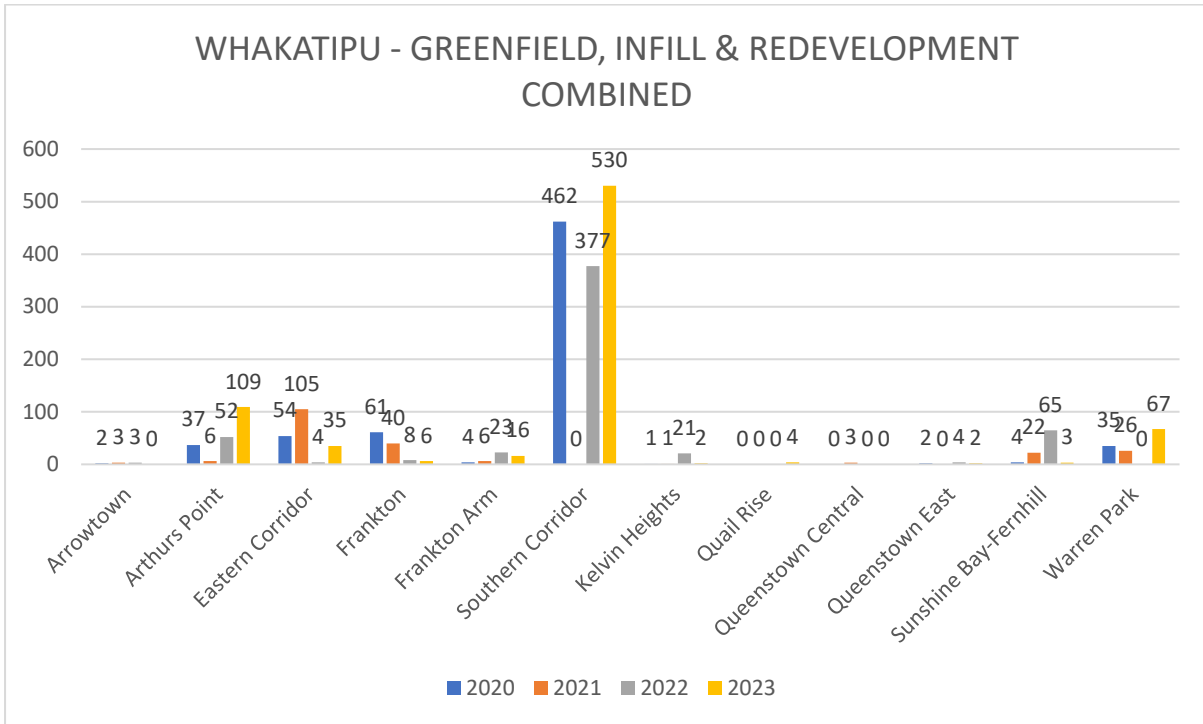
### Latest Results for the year ending 2023:

#### Overall:

- 93 residential subdivision consents with a cumulative total of 1242 lots consented.
- 62% of development approved is within the Wakatipu Ward compared with 38% in the Upper Clutha.
- Greenfield development accounts for 86% of new residential lots or units created, with infill at 13% and redevelopment 0.5%.
- The Southern Corridor (Jacks Point Zone) accounted for 49% of greenfield, totalling 530 consented residential sections, followed by the Lake Hawea at 17% (179 lots).
- Infill accounts for 13% of development, with the largest amount occurring within the Warren Park SA2 (Nga Tahu development) (67 lots).
- Redevelopment accounts for 0.5% of development, with redevelopment occurring in Wanaka Central SA2 (6 lots).

#### Comparison to previous years

- Less residential subdivision consents consented compared to both 2022 and 2021 (93 vs 140 & 109)
- The cumulative total of 1242 is more than the number of lots consented in 2022 (984) and 2021 (670).
- During 2023 and 2022, Whakatipu ward accounted for the majority of subdivision development, which is a switch from 2021 when it was the Upper Clutha ward.
- Greenfield development continues to account for the majority of development within the district as per previous years. Infill and redevelopment continue to only account for a smaller percentage of overall consented development (13.5%).
- Development in Whakatipu is located in three key areas outside of Queenstown Central area (Arthurs Point, eastern corridor and southern corridor). Development in Wanaka is more evenly spread out across the areas.



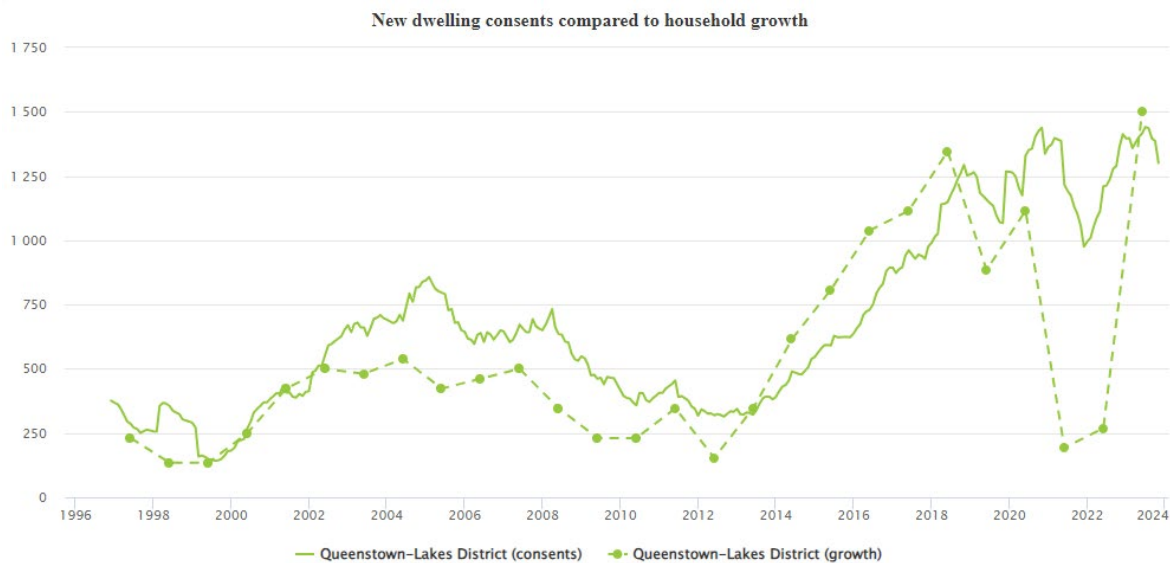


**Commentary:**

Greenfield development accounts for the majority of new residential development, with the majority occurring within the Wakatipu, mainly within the southern corridor (Hanley’s Farm and Jacks Point). Infill and redevelopment only account for 14% of all new residential sections or units created, with the majority of infill occurring within the Wakatipu, redevelopment only accounts for 1% of overall development and is occurring mainly in the Upper Clutha. Upper Clutha has more subdivision consents issued (56 vs 37 in Wakatipu) however the consents issued in Wakatipu tend to be of a greater scale and resulted in larger amounts of residential sections or units created (Southern corridor and Arthurs Point).

**3.3 New Dwelling Consents vs Household Growth**

**About this indicator:** This indicator approximates the demand for, and supply of, new dwellings. It measures changes in demand and how responsive supply is. The number of new dwelling building consents is lagged by six months (presented as a 12-month rolling average), to account for the time taken from consenting to completion. It is used as a proxy for supply. The most recent resident population (updated each June), divided by the local average housing size, is used as a proxy for demand.



**About this indicator:** This indicator contains new dwelling consents up to November 2023 and estimated household growth up to May 2023. Due to built in lags, care is needed when comparing new dwelling consent data with the previous indicator.

**Latest Results:**

- Up until 2018, consents and growth had relatively kept pace (with consents levels just under actual growth)

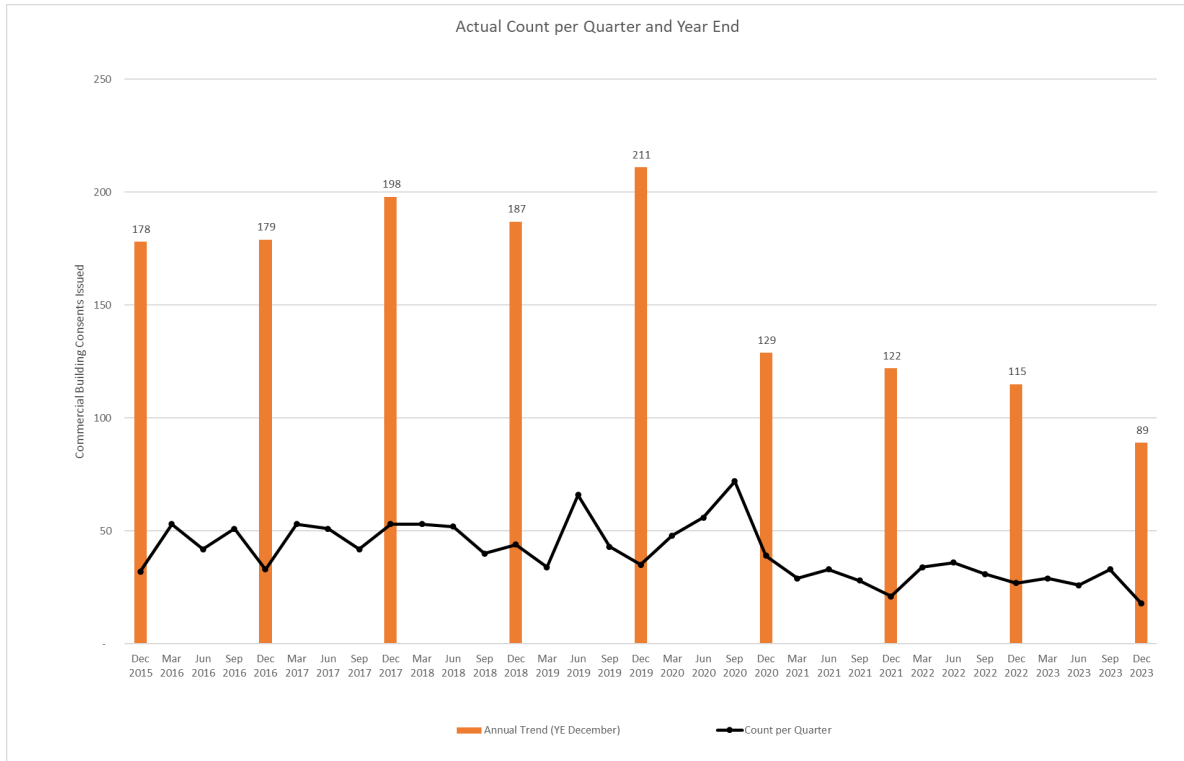
- Between 2021 and 2022, there was a sharp decrease in both number of consents and household growth from its high point in mid-2020. Household growth has now climbed to the highest recorded levels since 2019.
- Currently, growth appears to be higher than actual demand (consents) by 199.
- There was a drop in growth and consent applications in 2022 which is likely due to the residual effects of Covid-19 and may reflect the lack of international visitors to the district (see commentary below). However, consent application numbers have now increased back to pre-covid times and growth appears to be at the highest it has ever been.
- The number of consents has climbed since January 2022 and now at 1301.
- Consent numbers and household growth were equal in May 2023 caught up to each other in April 2024 at 1042 but consent numbers have fallen since.

**Commentary:**

Since June 2013, household and new dwelling growth in QLD have been relatively close. That is, supply kept pace with resident demand (or vice versa) and consent and household growth have increased at generally the same rate. However, not all dwellings being built are available for resident households (i.e. they may be used for holiday homes, for non-local residents – including seasonal workers - or used for residential visitor accommodation). Care is therefore needed, as the two indicators are not directly comparable. Rising sales and rent prices indicate strong dwelling demand that may not be being met by the market.

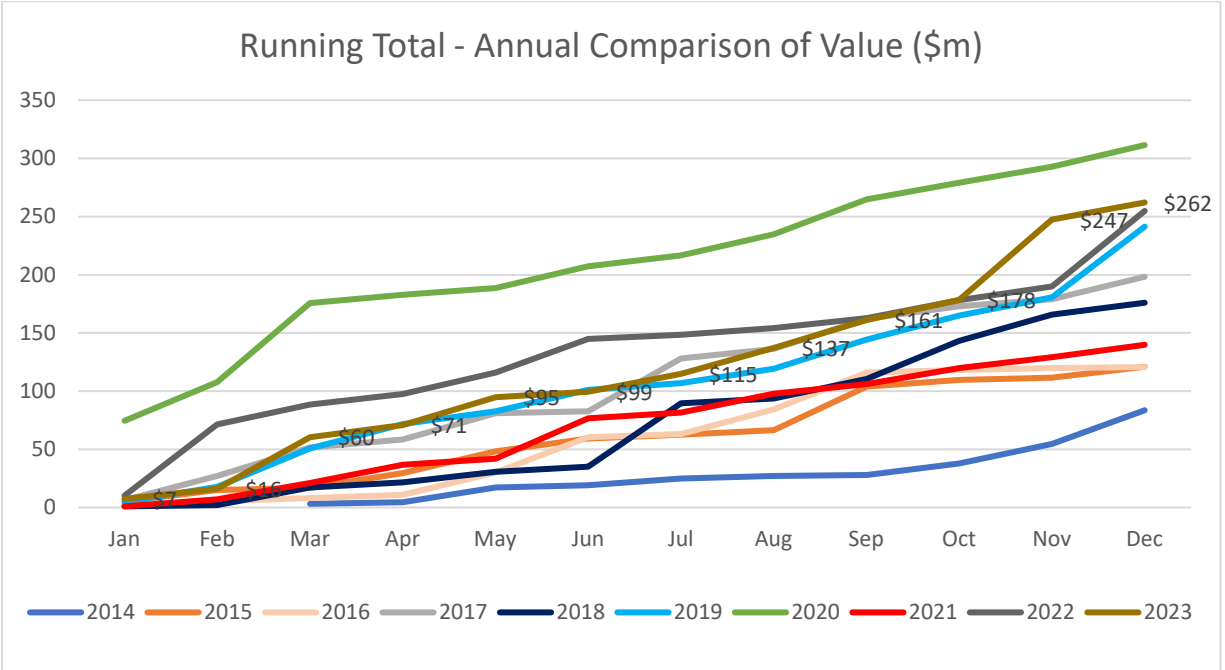
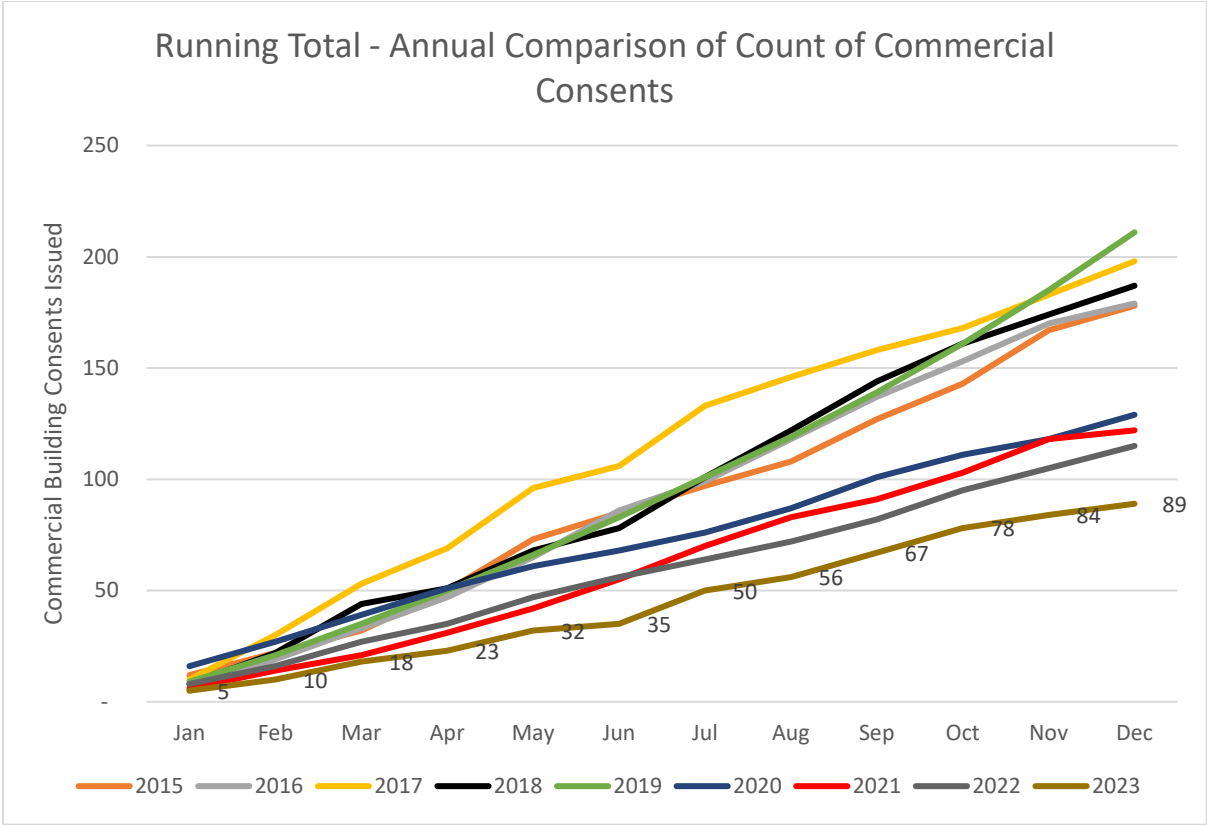
### 3.4 Commercial Building Consents Issued

**About this indicator:** This indicator tracks the actual count of commercial building consents issued by QLDC each quarter and year (compiled from total district monthly data). Estimated value of consents is also monitored.



#### Latest Results:

- There were 22 commercial building consents issued in the December 2023 quarter. This is 10 less consents issued compared to the September 2023 quarter (-31%).
- This is a decrease when compared to a year ago (December 2022) where there were 33 commercial building consents issued.
- Over the last 12 months (YE December 2023), there have been a total of 89 commercial building consents issued. This is a decrease of 7 consents (-6%) compared to the previous year (115 in YE December 2022).
- The average **value of consents** for the December 2022 quarter was approximately \$101m, an increase of \$8,804,470 from the December quarter in 2022 (\$92m).
- The average **value of a commercial build** issued in the December 2022 quarter was \$4,592,362. This was approximately \$1,797,590 (39%) higher than the average value in the December 2022 and \$2,664,226 higher than the previous quarter (September 2023).
- There has been a decrease in number of commercial building consents issued but at a higher average value of consents.



**Commentary:**

Commercial buildings have a less steady supply increase and are heavily influenced by a smaller number of large developments in new greenfield or brownfield commercial zones. Consent value is strongly influenced by the type of consent with greater variability in commercial consents than residential consents. Overall, 2023 sits slightly lower than 2022 for most of the year with a sudden rise in November and December to finish at second highest year when comparing the value of all commercial consents issued since 2014 (2020 being the highest).

However, this is not an indication of continued growth, given that the count of consents is the lowest of all years on record. Construction businesses have been experiencing higher demand for building activity, continuing supply-chain issues, and higher labour costs which have pushed up the costs of building activity. Additionally, 2022 saw the Reserve Bank continually raising the official cash rate to offset inflation all of which are tipped to put New Zealand in recession in 2023. All of these are drivers in reducing confidence and slowing down growth which is seen in the low consent numbers but high value of consents.