

TO:	Variation 2 Hearing Panel
FROM:	Nathan Stocker
DATE:	2 December 2022
SUBJECT:	RESPONSE TO HEARING PANEL REQUESTS

1 Background

This memo provides my response to the two requests made by the Variation 2 Hearing Panel on 1 December 2022.

2 Housing We'd Choose survey sample size

The Dunedin Housing Framework Predictions: The Housing We'd Choose research report was predominantly based on a survey of Dunedin households. This survey used a sample size of 770 households, as recommended by Research First, who undertook the research. Section 3.1.2 (demographics and analysis) of the Dunedin Housing We'd Choose report explains the use of this sample size:

With an achieved sample size of 770, the results have a margin of error of +/-3.5% at a 95% confidence level. The sample size also allows the sample to be split into multiple subsets that still offer evidentially compelling insights into housing preferences (such as wards, or suburbs).

This report can be found on the DCC website¹.

3 Reversal of housing shortfall

The demand figures included in my latest evidence (dated 27 October 2022) include a previously assessed latent demand for housing. This latent demand was the result of housing construction falling behind household growth and had been added to calculations of required housing capacity. However, due to the continued high number of homes constructed² and new data on recent population trends³, the recent shortfall of constructed homes has changed into a surplus (i.e. a greater number of homes have been constructed than required to respond to growth). This is outlined in Figure 1 below.

¹ https://www.dunedin.govt.nz/_data/assets/pdf_file/0009/758106/Housing-Wed-Choose-report.pdf

² Based on code compliance certificates (CCCs) issued for new homes. The demolition of existing homes was incorporated using DCC rating data to derive the net increase in homes resulting from each development.

³ Subnational population estimates: At 30 June 2022 (provisional), Statistics New Zealand (October 2022). Available at <https://www.stats.govt.nz/information-releases/subnational-population-estimates-at-30-june-2022-provisional>

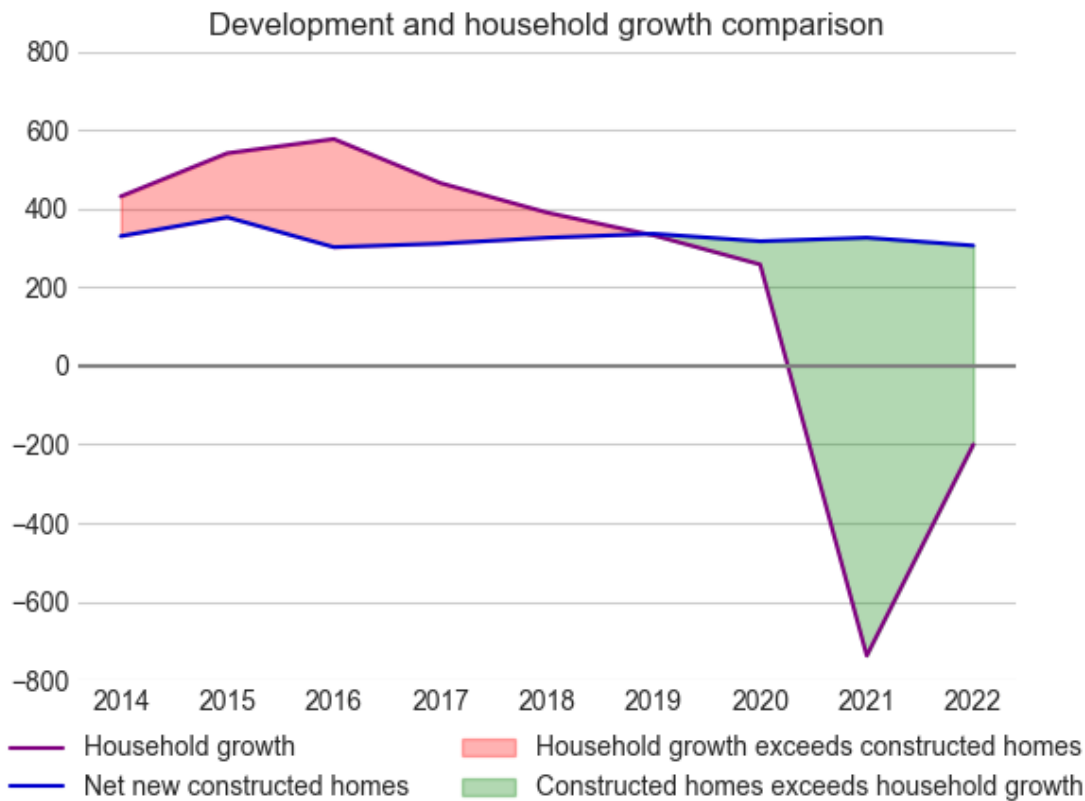


Figure 1: Development and household growth comparison

Due to this recent change, there is now no longer a need to consider latent demand in calculations of required capacity. The impact of this is shown in Table 1 below.

Table 1: Sufficiency of housing development capacity⁴

Timeframe	Short-term (2022-25)	Medium-term (2022-32)	Long-term (2022-52)
Capacity required ⁵	1,870	5,020	7,510
Development capacity based on operative provisions and zoning (surplus/deficit)	2,760 (+890)	5,380 (+360)	12,790 (+5,280)
Development capacity based on notified Variation 2 zoning ⁶ (surplus/deficit)	3,600 (+1,730)	6,210 (+1,190)	13,650 (+6,140)

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⁴ Capacity figures in this table are based on capacity that is plan-enabled, infrastructure-ready, feasible, and reasonably expected to be realised.

⁵ Incorporating 20% competitiveness margin over 2022-32 and 15% over 2032-2052, as required by the National Policy Statement on Urban Development (NPS-UD).

⁶ These figures incorporate the additional rezonings notified through Variation 2. It is recognised that these may differ from the rezonings approved through Variation 2 decisions.