

Partitioning Big Houses for a bigger stock of affordable, fit for purpose homes

Introduction

New Zealand needs to significantly expand its housing stock. If it is to meet household growth evident over the last decade. The under-supply of housing is evident in persistently rising house prices and affordability problems in both rentals and owner occupation.

The problem of unmet housing demand has been largely framed in terms of access to and constraints on mortgage finance and arguments that land supply and land prices have inhibited dwelling production. Finance and land, along with the building industry's human resource and access to building materials, have all been recognised as resources critical to the expansion of New Zealand's housing stock. There is one resource, however, that has drawn very little attention from the public, politicians or researchers. That is, the resource to be found in already utilised residential land and residential houses. The potential supply from partitioning is huge. We estimate that around an additional 180,000 dwellings could be generated without impinging on greenfield sites or unutilised vacant residential land.

Estimate Rationale and Method

We used the approach of the Intergenerational Foundation in the United Kingdom which - dwellings with an excess of two bedrooms can be typified as having partitioning potential.

- 1 In New Zealand, dwellings have traditionally been larger than those in the United Kingdom.
- 2 The average New Zealand 3-bedroom home is around 40m² larger than an equivalent 3-bedroom dwelling in the United Kingdom. The average 4-bedroom house is around 186m².

The average size of a 5-bedroom house in New Zealand is almost 253m². But there is lots of variation (Figure 1 and Figure 2).

Figure 1 New Zealand House Sizes by Number of Bedrooms

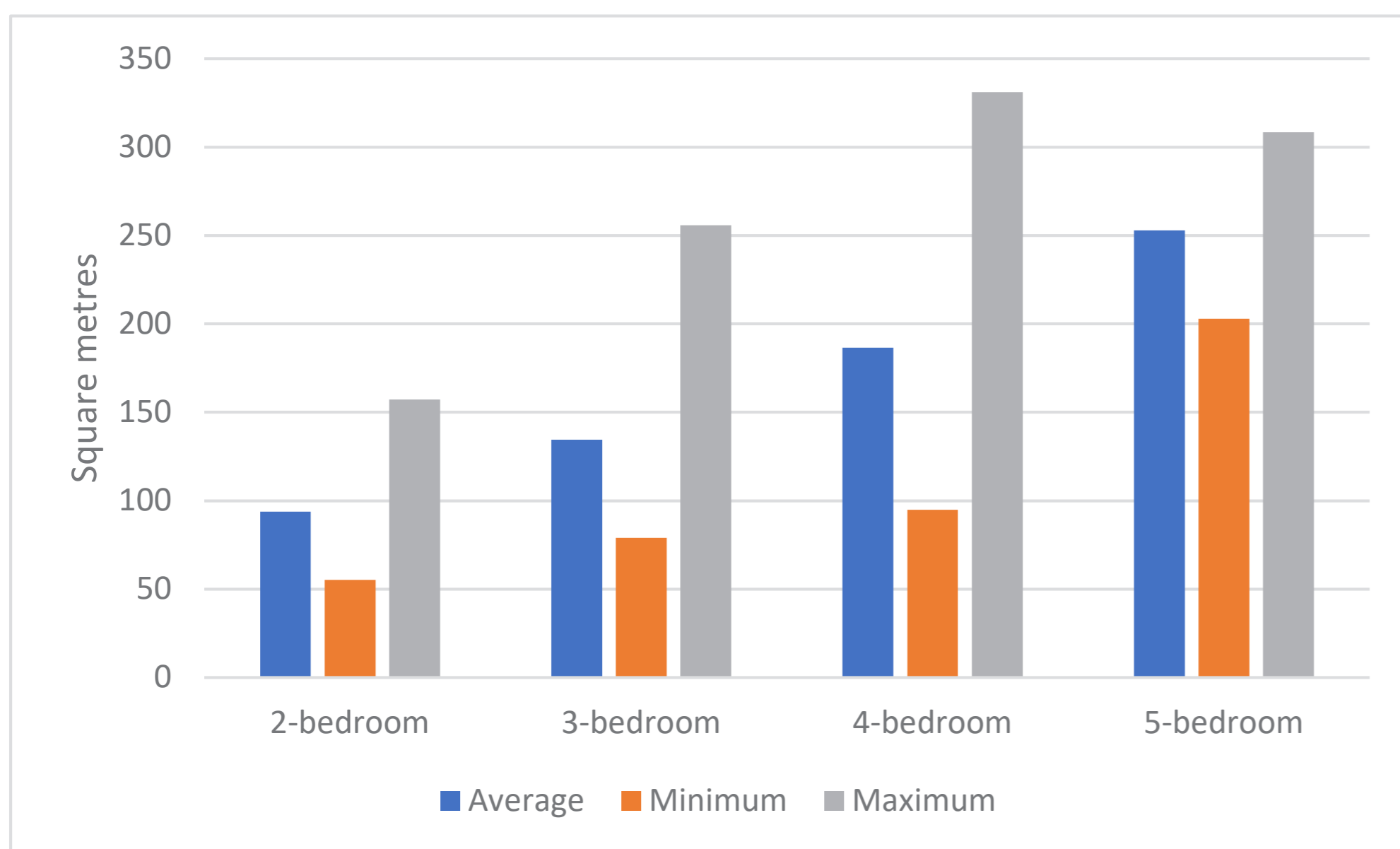
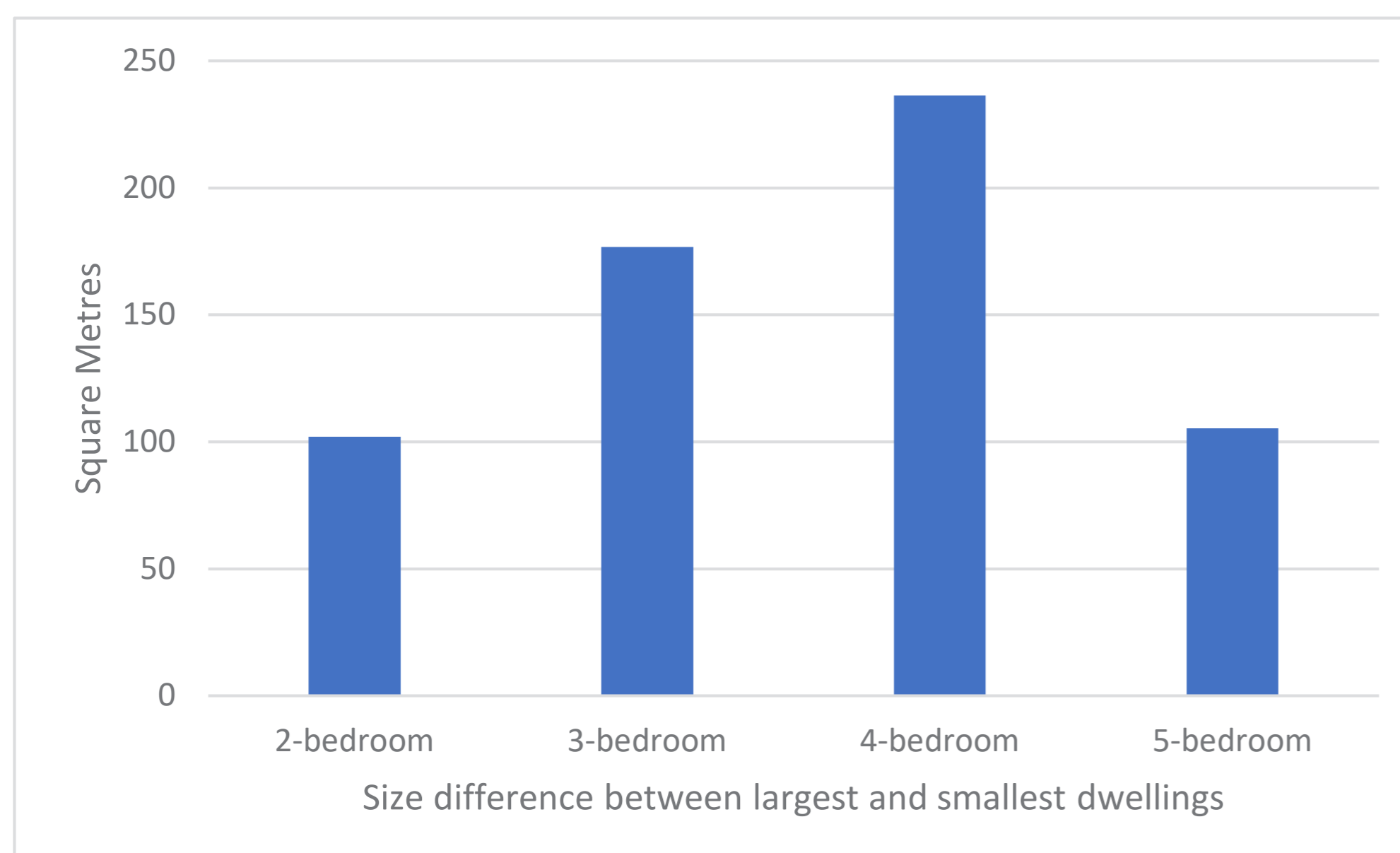


Figure 2 Variation in New Zealand House Sizes by Bedroom Numbers



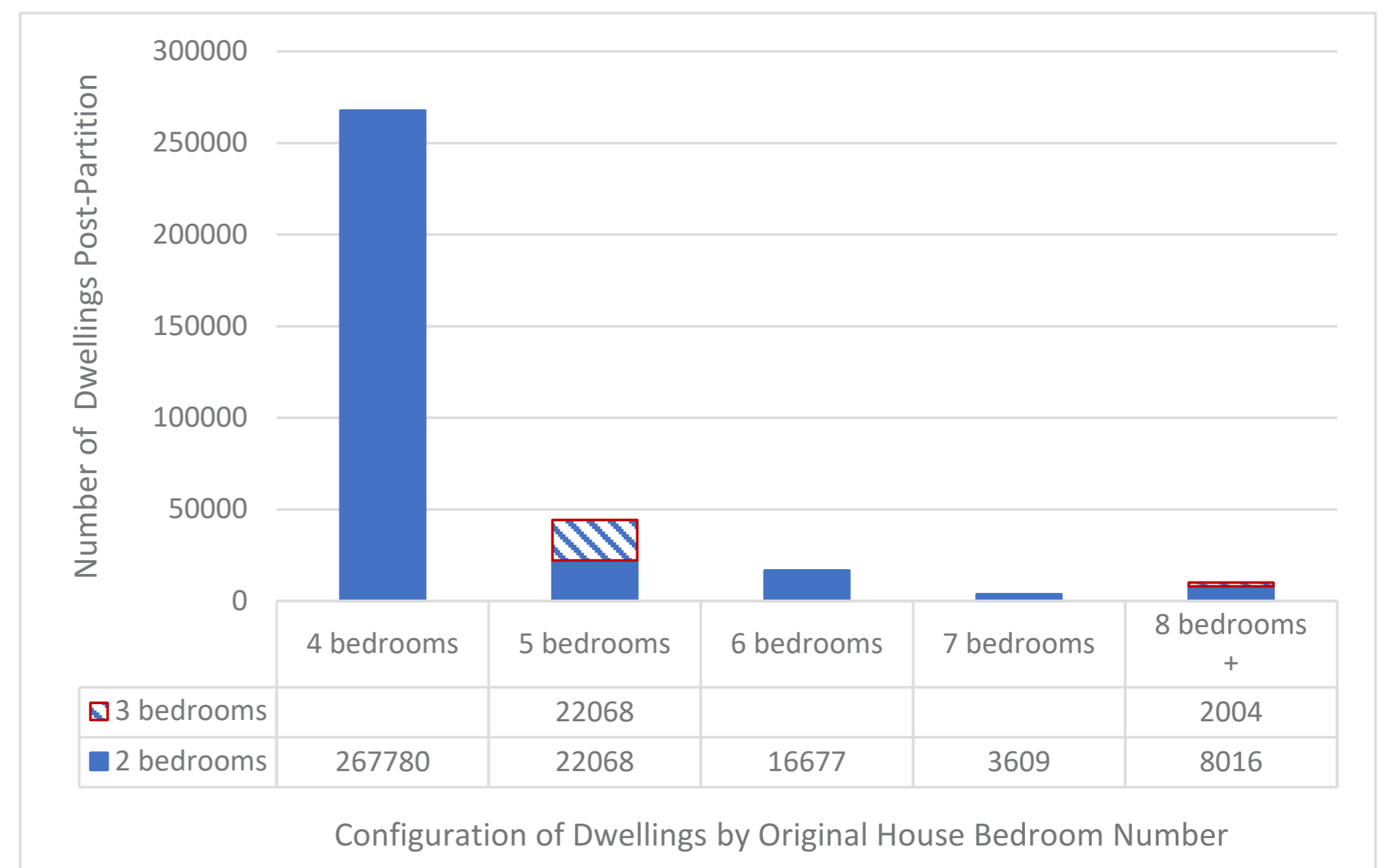
For this New Zealand estimate:

- Every person in the existing dwelling is assumed to require a separate bedroom and there must be two additional bedrooms for a dwelling to be typified as under-utilised; And,
- The potential partitionable dwelling must provide at least two bedrooms in each subsequent dwelling.

National Estimate of Dwellings Generated by Partitioning

Using 2013 census data around 12 percent of New Zealand's housing stock could be partitioned – over 180,000 dwellings. Even when restricting partitionable dwellings to households of 4 residents or less, around 164,000 dwellings are partitionable with a mix of 2-bedroom and a small number of 3-bedroom dwellings (Figure 3).

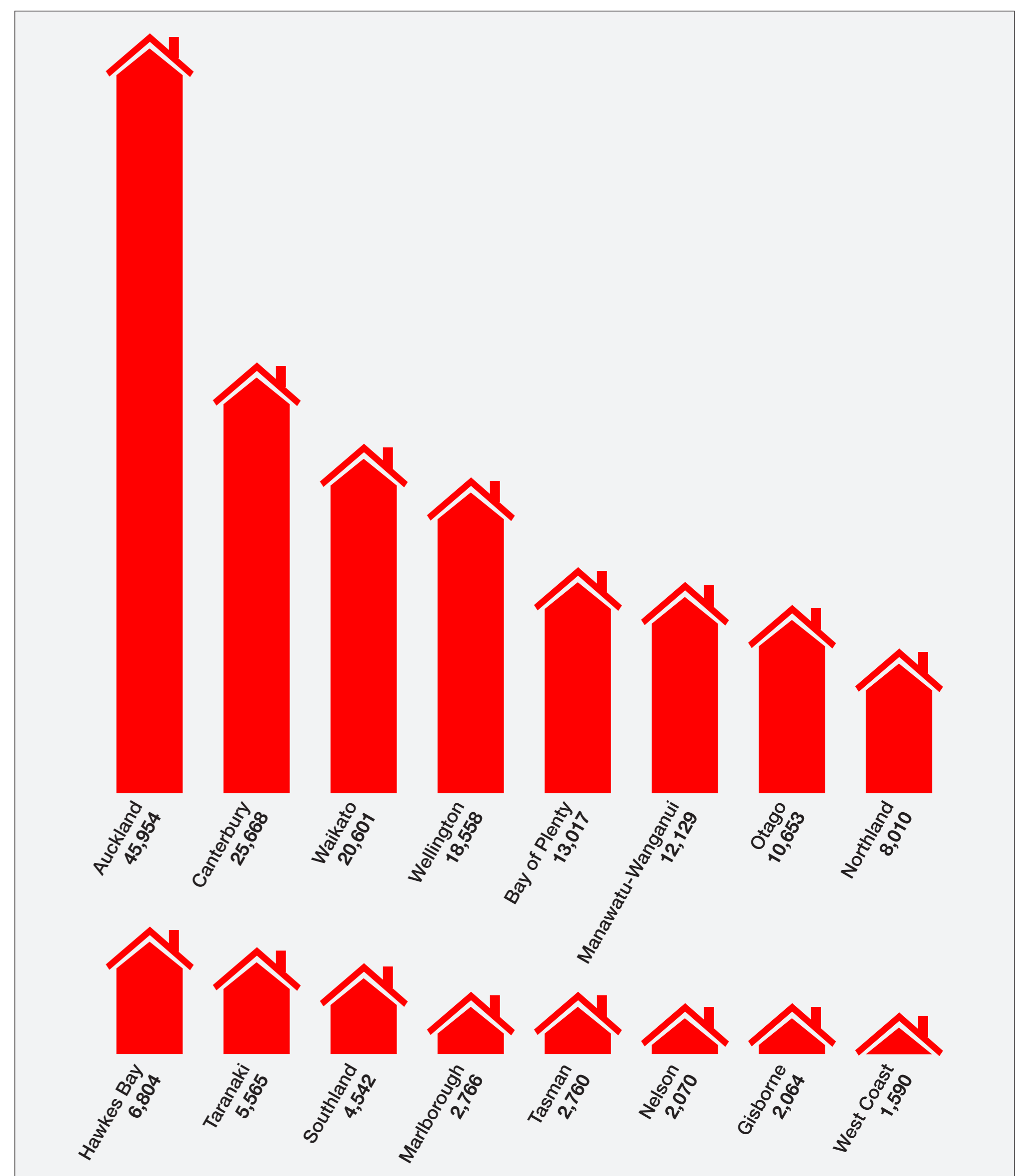
Figure 3 Dwellings Realised from Partitioning (less than 5 residents 2013 Census)



Regional Estimates of Dwellings with Potential for Partitioning

Partitionable stock estimates are set out in Figure 4.

Figure 4 Number of Partitionable Dwellings by Region (2013 Census)



1 Kingman, David, 2016, Unlocking England's "Hidden Homes": How Subdividing Large Homes Could Solve the Housing Crisis, The Intergenerational Foundation, London
2 Khajehzadeh, I., and Vale, B., 2016, "Large Housing in New Zealand: Are Bedrooms and Room Standards Still Good Definitions of New Zealand House Size?" Proceedings 9th Australasian Housing Researchers Conference, 17-19 February 2016, University of Auckland, Auckland.