

# BNZ's Tony Alexander argues building 422,000 houses in Auckland over 25 years requires a volume of building that previously took 161 years to achieve

Posted in [Property](#) August 05, 2016 - 12:36pm, [Gareth Vaughan](#)



Image sourced from [Shutterstock.com](#)

The plan set out in Auckland's proposed Unitary Plan to build 422,000 houses will require a rate of building over 25 years that it previously took 161 years to achieve in the City of Sails, BNZ chief economist Tony Alexander says.

In his [Weekly Overview report](#) Alexander notes the Unitary Plan's aim for 422,000 extra houses to be built over the next 25 years requires an annual construction rate 2.5 times higher than the average achieved over the past 25 years. Canterbury achieved 1.5 times post-earthquake.

"Look at this another way. As at the 2013 census there were 509,000 dwellings in Auckland. In 2001 there were about 420,000. The plan is another 422,000 in the next 25 years, in other words doing in 25 years what it took 161 years to do following the designation of Auckland as the country's capital by the first Governor William Hobson in 1840," Alexander says.

"That target looks highly unachievable unless we invite a few of the tens of thousands now unemployed migrant construction workers in Middle Eastern countries to help out, for more than the US\$324 a month they earn in the likes of Saudi Arabia. That is not going to happen. Expect more efforts next year from the Reserve Bank to ration mortgage lending to those with the biggest deposits and the highest incomes."

"Nevertheless, house building is going to get stronger and this is reflected in the most recent ANZ Business Outlook Survey where a net 52.2% of respondents said they expect to see higher levels of residential construction in the coming year. This was near double June's net 28.6% positive, and above the ten year average of 25%," Alexander says.