

New Housing Affordability Model

Summary Document | February 2026



Purpose Statement

This mahi, led by the Waikato Wellbeing Project, aims to create more affordable housing in the Waikato.

Prepared for:



Prepared by:



What is it

The Waikato Housing Affordability Model is an easy-to-use interactive tool that combines real development and construction costs with market values to provide an informed guide of the cost of delivering different housing typologies in the Waikato. It also determines what the end purchaser would likely need to pay to purchase the property. It then compares the purchase price with median household incomes to assess the degree of affordability. The model can also be used to identify what an affordable home looks like across the region.

Why is it important?

Many organisations play a pivotal role in shaping the housing that gets built, yet few have a true understanding of the real costs behind different housing typologies or how these costs influence overall affordability. If improving housing affordability is one of the most pressing challenges facing our communities, then every decisionmaker should be equipped to understand how their choices either advance or undermine that goal.

The model strengthens decision making across the region by helping councils, policymakers, and stakeholders understand the true cost of delivering different housing types and how these align with local incomes. This evidence based approach supports policies and strategies grounded in real market conditions.

This gives a clear view of which price points are being enabled and which aren't so they can target interventions to improve affordability.



Who Can Benefit from using the Affordability Tool

Local and Central Government

Planners of all types can use the tool to ensure housing developments meet local affordability thresholds and reflect community needs. Policy teams in particular gain evidence-based insights to shape housing strategies and zoning decisions.

Economic development officers can assess how affordability impacts regional growth and workforce attraction, supporting long-term planning. Elected members can benefit from a clearer understanding of what affordability looks like, helping inform decisions across all areas of Council.

The Waikato's Housing Sector

Regional housing advocacy groups and Non-profit organisations can use the tool's data to push for equitable housing policies and highlight affordability gaps.

Less Benefit for Developers and Builders

While broadly useful, the tool is not expected to be widely adopted by the development and building industry. These professionals typically have detailed knowledge of land and construction costs within their specific segment of the market. Their focus is often on individual projects and site-specific feasibility rather than regional affordability trends.

How does it work?

The tool is designed to be customisable allowing users to model real-world housing scenarios across the Waikato region.

Here's what you can do:

- **Select Location:** Choose a Territorial Authority within Waikato
- **Choose Housing Typology:** Standalone house, townhouse, duplex, or apartment, single or multi-storey.
- **Customise Features:** Garage, extra bathroom or ensuite, additional bedroom, or study.
- **Select Build Quality:** Standard, mid-range, or premium.
- **Specify Development Type:** Infill or greenfield.
- **Set Land Size:** Small, medium, or large section.

Example of Scenarios

Three-bedroom standalone in Matamata-Piako

Input Selector	
Location	Matamata Piako
Type of Home	Stand Alone
Number of Bedrooms	3
Multistorey Home	No
Garage	None
Second Bathroom/Ensuite	No
Extra Bedroom	No
Study/Office	No
Infill/Brownfield	Yes
Specification	Low
Land Size	Medium

Selected House and Land Value		
	Size	Value
Dwelling	85m ²	\$ 305,000
Land	189m ²	\$ 190,000
House & Land Value		\$ 495,000
Required Household Income		\$ 101,110
Matamata Pia Median Household Income		\$ 97,033

Two-Bedroom Duplex in Hamilton

Input Selector	
Location	Hamilton City
Type of Home	Duplex
Number of Bedrooms	2
Multistorey Home	No
Garage	None
Second Bathroom/Ensuite	No
Extra Bedroom	No
Study/Office	No
Infill/Brownfield	Yes
Specification	Low
Land Size	Medium

Selected House and Land Value		
	Size	Value
Dwelling	65m ²	\$ 235,000
Land	137m ²	\$ 245,000
House & Land Value		\$ 480,000
Required Household Income		\$ 98,046
Hamilton City Median Household Income		\$ 102,657

Four Bedroom standalone in Cambridge

Input Selector	
Location	Waipa
Type of Home	Stand Alone
Number of Bedrooms	4
Multistorey Home	No
Garage	Double
Second Bathroom/Ensuite	No
Extra Bedroom	No
Study/Office	No
Infill/Brownfield	Yes
Specification	Low
Land Size	Medium

Selected House and Land Value		
	Size	Value
Dwelling	138m ²	\$ 485,000
Land	307m ²	\$ 430,000
House & Land Value		\$ 915,000
Required Household Income		\$ 186,901
Waipa Median Household Income		\$ 106,053

How was it built?

The housing affordability tool was custom-built in Excel by Veros who are experienced in development feasibility and project delivery in the Waikato and across New Zealand. It combines verified data sources with real-world delivery costs, drawing on:

- Official datasets (e.g., Statistics New Zealand)
- Local authority planning documents
- Council fees and charges, including development contributions
- Expert evidence prepared for Tauranga City Council, tested through Plan Change 33 and Variation 1
- Veros' internal cost database covering greenfield, medium-density, infill, and apartment projects
- Direct input from active developers, civil contractors, and builders to confirm market rates

The cost database reflects delivered and live projects across Hamilton, Waipā, Matamata-Piako, South Waikato, and Thames-Coromandel districts. Model assumptions are grounded in current procurement, contract pricing, and actual development costs rather than theoretical benchmarks. All inputs were normalised for consistency in escalation, GST, and margins.

Limitations

The model provides insights into housing costs and affordability across the Waikato region, but its outputs are indicative only. Actual costs can vary due to site conditions, design choices, and market fluctuations.

Land values are based on titled sections and averaged at the Territorial Authority level. These figures are broad indicators and do not reflect the full

range within each area. For example, Hamilton City has a much wider spread of land values than Matamata-Piako District. In addition, construction costs are based on housing typologies but can differ significantly between locations and projects. Factors such as contractor pricing, material availability, and design complexity influence actual costs. The tool should therefore be used as a guide, not a detailed feasibility assessment.

Finally, the accuracy of the tool depends on the currency of its underlying data. If the backend information is not regularly maintained or updated, the outputs will become outdated and lose relevance for decision making. Ongoing maintenance and data updates are essential to ensure the tool remains reliable and useful for decision-making.

Next steps for implementation

The following steps are recommended:

- **Assign Ownership:** Determine which organisation will own and manage the model. This includes responsibility for hosting, maintaining, and updating the tool, as well as coordinating stakeholder engagement and education.
- **Develop a Dedicated Website:** Build a public-facing website to ensure the calculator is accessible and transparent to anyone who wants to use it. The site should include the model itself, guidance on how to use it, key data inputs and assumptions, and clear limitations and disclaimers.
- **Stakeholder Education and Rollout:** Deliver a mix of online and in-person presentations tailored to different audiences to demonstrate how to use the calculator, explain the data and methodology behind it and discuss implications for policy and planning. Target groups include Council planners, Engineering and infrastructure teams, Elected members, Executive leadership teams. Other key stakeholders involved in the delivery of affordable housing can be engaged with to promote the model and its use.



