

BRIEF | Intelligent Investment

Residual stock of new Auckland apartments

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In this first research brief of 2026, we take a closer look at the residual stock of new apartments in Auckland. Residual stock refers to new build apartments that have completed construction but are yet to find an owner, and as such, remain in the developers hands until they can off load them.

Around ten years ago, residual stock was rare as projects typically sold out during the construction phase. Market conditions soon changed with rising build costs, and with no stock left to sell, some developers came to the realisation that they had, in hindsight, presold their apartments a bit too cheap for the project to be profitable. It became more common after that for developers to hold onto a small number of units until the end which enabled them to be flexible with eventual sale pricing and capture some of the capital gain that was expected to accrue during the construction phase.

The housing market downturn over the past few years has contributed to an elevated volume of residual stock. This situation is undesirable to developers who are now stuck; they cannot extract profit from the development project to recycle into the next one. It is also difficult for off plan projects to compete for presales against something similar that is both brand new and ready now. As an extension to our monitoring of unsold stock among off plan projects, CBRE have also commenced monitoring of residual Auckland apartment stock.

Calculating residual stock

CBRE tracks all apartment projects in Auckland from inception to completion and beyond. To calculate residual stock, we have taken market (i.e. saleable) apartment projects completed during the past three years and updated the final presale volume prior to completion against current ownership records to see how many units remain under developer control, to comprise the residual stock of new build apartments.

- CBD: 7 units or 23% of stock completed during this time
- Fringe: 42 units or 13% of stock completed during this time
- Suburban: 472 units or 21% of stock completed during this time

For projects completed after 30th January 2023:

CBD Residual Stock

7 units

Fringe Residual Stock

42 units

Suburban Residual Stock

472 units

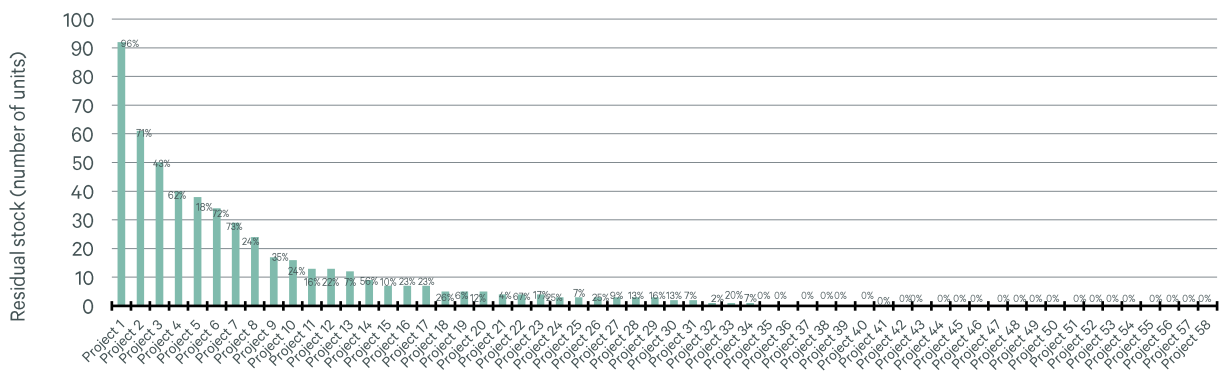
Our analysis shows that residual stock is minimal at 521 units or ~1% of the total Auckland apartment market. However, when viewed as a proportion of the 2,572 units that were completed, it is undoubtedly problematic at 20%. Developers usually take a 20% profit from a project and with the total proportion of residual stock in Auckland being equal to this, it is indicative of a real lack of feasibility in many locations and the significant risks associated with apartment development.

Although total residual stock across the 58 projects was 20%, there was significant project to project variation. Residual stock in projects ranges from zero (this being the figure for 24 projects) up to 92 units, with the average across all projects being 9. A common theme among projects with a high volume of residual stock is speculation on the developers part; in some cases, they had commenced their projects with no presales whatsoever. Others had been caught out by changing market conditions, having launched after the market peak in 2021 where presale volumes were much lower than before.

Clearing residual stock can take some time. Ones that have been successful at piecemeal sales have typically had a concerted marketing push and/or offered buyer incentives. Some have been suitable for bulk lot sales. A minority of projects are held up in legal wrangles, with the developer having gone into receivership.

Ultimately, residual stock is an important consideration when assessing the competitive environment of a potential new project, and CBRE will continue to closely monitor this part of the market and its impacts on new supply.

FIGURE 1: Residual stock in Auckland apartment projects completed in last 3 years (label indicates the proportion of units in the development that are currently residual)



Source: CBRE

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