CHAPTER 11
AUCKLAND’S HOUSING

A-Whare Noho O Takau Mākaurau
# Strategic Direction 11

**House All Aucklanders in Secure, Healthy Homes They Can Afford**

## Targets

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<td>Reduce the proportion of households which spend more than 30% of their income on housing costs from the average of 27% in 2011 to 20% in 2030</td>
<td>Maintain the proportion of people who own their own home to at least 64% (2006 baseline)</td>
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<td>Increase residential dwelling construction consents from 3,800 in 2011 to at least 10,000 on average per annum from 2020</td>
<td>Reduce the proportion of people living in households requiring at least one extra bedroom from 15.7% in 2006 to 10% by 2020</td>
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<td>Reduce preventable housing-related hospitalisation by 35% by 2020</td>
<td>End rough sleeping (primary homelessness) in Auckland by 2020</td>
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<td>Retrofit 40% of Auckland’s housing stock in need of retrofitting by 2030</td>
<td>Reduce the disparity in home ownership rates between Māori and Pacific peoples (2006) and the overall rate, to less than 10% by 2030 (2006 baseline)</td>
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## Priorities

1. Increase housing supply to meet demand
2. Increase housing choice to meet diverse preferences and needs
3. Improve the quality of existing and new housing
4. Improve housing affordability and the supply of affordable housing
Secure, healthy and affordable housing is fundamental to individual, family/whānau, community and economic well-being. A secure, stable home is the hub of family life and provides a foundation for building strong communities and financial security for families. An adequate supply of quality, affordable housing located near jobs or transport links, is a core requirement for society and the economy to function, and provides a good quality of life for everyone. Poorly designed, inefficient and unaffordable housing not only affects individuals and household well-being and expenses, but is a cost to us all in its impacts on health, social spending and the environment.

Auckland faces a housing crisis because of:

- a persistent under-supply of housing to meet demand
- a lack of housing choice
- poor-quality, unhealthy and overcrowded housing
- declining affordability and home ownership.

There is no single solution, nor a single sector to address these issues, and urgent, large-scale, bold, multi-sector action is required to:

- increase housing supply to meet demand
- increase housing choice to meet diverse preferences and needs
- increase the quality of existing and new housing
- improve housing affordability
- increase the supply of affordable housing.

Directives in this Chapter address these issues; actions to deliver the directives are included in Chapter 14: Implementation Framework. A primary vehicle for delivering on these directives is a proposed multi-sector Housing Strategic Action Plan.

Definition

There is no agreed New Zealand definition or measure of ‘affordable’ or ‘unaffordable’ housing. For the purposes of the Auckland Plan, we use two complementary measures: the 30% gross income benchmark, measuring whether a household pays more than 30% of its gross income on housing costs; and the Median Multiple Measure, which compares house price to income (see Priority 4).
Auckland’s population is projected to grow to between 2.2 and 2.5 million over the next 30 years. Around 400,000 additional dwellings will be required by 2040, which means that at least 13,000 additional houses have to be built each year. This is a huge challenge, given we already have a shortfall of about 10,000 homes, and current levels of house building are less than half the volume required. At present, only 5,000 consents for new homes are issued per year in Auckland, and not all these are necessarily built. Further, in New Zealand as a whole, only about 24,000 houses are built each year, and the rebuilding of Christchurch will take up a large part of national construction capacity.

The Auckland Council will ensure there is sufficient development capacity or ‘ready to go’ land for housing. This Plan provides for a staged release of land within the Rural Urban Boundary, with an average of 7 years’ unconstrained development capacity at any point in time, with a minimum of 5 years’ and a maximum of 10 years’ capacity. Unconstrained development is land that has operative zoning and is serviced with bulk infrastructure. This Plan provides greater certainty for developers about when and where development will occur over the next 30 years. As we already have a large shortfall in housing and a depressed development sector, it is unlikely that we can achieve the target of at least 13,000 new dwellings on average per year over the 30-year life of the plan, without urgent, bold, multi-sector action.
The complexity of amalgamating sufficient land for development and redevelopment in Auckland is a challenge, which will require a significant institutional response. The creation of urban development authorities, or similar vehicles with adequate legislative powers, could assist with land amalgamation. Several international examples illustrate the positive impact that urban development authorities and land agencies can make. There are several different models, with a range and mix of functions and powers, which may be relevant and adaptable to Auckland.

The Auckland Council influences housing supply through its planning, regulatory and consenting processes. For developers, the loss of equity and profit caused through delays can be more costly than the fees themselves. Time and costs across the entire development process need to be looked at. Processes can be streamlined to increase certainty around cost and timing. The Auckland Council could move to outcomes-based consenting and other incentives for development in existing urban areas, and zone land for development in new growth areas.

A Housing Strategic Action Plan will introduce actions to increase supply. They are to:

- establish urban development authorities or similar, and collaborate with central government and the private sector on the identification, assembling and releasing of large tracts of land
- review all policy, planning, regulatory and assessment processes to provide a simplified, speedier, ‘end-to-end’ planning regime
- fast-track developments, and/or mitigate development contributions and consent fees, for developments that increase the supply of a particular type of housing or ease overcrowding in targeted areas
- provide density bonuses as an incentive for intensification
- investigate auctioning rights to develop land, promoting competition between developers/land owners, (to reduce the uncertainty associated with development and reduce overall costs), and create a mechanism for an ordered release of land.

New Zealand’s building industry is small-scale and fragmented, with a lot of bespoke (one-off) design, construction skills shortages, and low productivity. All these factors impact on supply and house prices. Innovative approaches to improve the efficiency and speed of house construction (as recommended by the Productivity Commission) need immediate investigation and action, along with the encouragement of innovative building techniques and systems, such as well-designed, prefabricated modular housing.

The Auckland Council will work with the Productivity Partnership, a partnership between central government and the building and construction sector, which is supported by the Department of Building and Housing. The partnership aims to deliver longer-term improvements in skills and greater productivity. A 20% increase in productivity in the building and construction sector would boost annual GDP by around 2%, or more than $3 billion per year. In the medium term, this work is expected to support change within the industry, and a move to larger companies doing more standardised volume work, with fewer smaller companies doing the higher-end, commissioned work. This should increase productivity, reduce regulatory and building costs, and deliver better quality, more affordable buildings.

**DIRECTIVE 11.1**

Develop and deliver on a multi-sector Housing Strategic Action Plan to achieve the required increase in housing supply, including options to increase affordable housing supply for first home buyers.

**DIRECTIVE 11.2**

Improve access to first home ownership through advocacy by Auckland Council to central government.

* The Grattan Institute has evaluated several examples of agencies which have successfully encouraged private development in areas of urban renewal in Australia, which may also be relevant to Auckland. This involves both central and local government. Grattan Institute Getting the Housing We Want 2011.
Auckland’s households, families and communities are increasingly diverse. Housing must cater for different life stages, cultures and families/whānau of different sizes and types. Ideally, the mix of housing in a neighbourhood should allow people the choice of a suitable dwelling within the same community as they move through different life stages.

At the moment, Auckland has a considerable mismatch between the available housing stock and people’s needs, preferences and ability to pay.

Although the average household size has decreased, the size of a typical Auckland home is getting bigger (see Figure 11.1). Between 1991 and 2011, the average dwelling size (excluding apartments and flats) increased by 35% from 144m² to 220m² in floor area.

In the 1960s, 70% of homes had three bedrooms; since 2000, new homes are more likely to have four bedrooms, and 10% have five bedrooms or more.

* Source of data is Auckland Council consents for stand-alone housing. This does not include flats and apartments because the data is not available on an individual unit basis.
The average New Zealand house is now slightly bigger than its North American equivalent, is second in size only to the Australian average house, and is more than twice the size of houses in many European countries. Over two thirds of Auckland’s current housing stock has three bedrooms or more, although nearly half of all households now consist of only one or two people. Larger houses also reflect changing social trends, such as the need for space within homes for technology, home office space, and storage. Currently expectations exceed households’ ability to pay. However, there are signs that expectations are changing.

Family types will continue to change over the next 30 years (see Figure 11.2). There will be a greater proportion of couples without children, and a smaller proportion of two-parent families with children. At the same time, there is growing demand for houses with more bedrooms for larger, or extended families. For some families this is a cultural preference or personal choice; for others, it is a result of low incomes and the inability to afford suitable housing. In the 2006 census, 15.7% of Auckland’s population was living in housing that required one or more additional bedrooms – a total of 190,017 people, of whom one third were children under 14 years.

Currently, persons with disabilities and their families and carers have very little housing choice. There is little purpose-built, accessible accommodation beyond that provided by social housing providers, and adaptations are difficult and expensive. Housing incorporating universal design principles should be part of the mix of typologies within neighbourhoods, to provide choice and inclusion for persons with disabilities.

Faced with limited options, many households are forced to make a series of trade-offs in their choice of housing. Recent research has identified the most important choice factors as family needs and commitments, social networks, access to employment, affordability, and quality.

For example, families and older people generally prefer to stay in or return to established neighbourhoods where family connections are a priority. They might trade size and amenity of a house for affordability and home ownership, or to be in a particular school zone. Some older people might trade size for a low-maintenance dwelling; others will prefer a larger house where family can stay over and they can have a garden. Persons with disabilities and their families may trade an accessible dwelling for access to transport, education and support services.

More research is needed on trends in housing preferences and trade-offs. Our current knowledge reinforces the need for flexibility and a range of housing choice within neighbourhoods, along with access to transport, employment, shops, parks and amenities. This means households have to make fewer trade-offs in their housing choices (see Chapter 1: Auckland’s People, and Chapter 10: Urban Auckland).
At present there is a limited but growing market for intensified housing. The reasons for this include the traditional New Zealand preference for detached homes, expectations of the size of housing that far exceed incomes, and examples of poorly designed apartments, especially in the CBD. Another major obstacle is that trading banks do not typically lend above 70% on unit-titled residential housing, such as apartments and terrace houses. This is partly because banking covenants (when banks borrow from other banks) generally prohibit loan-to-equity ratios greater than 70%, unless the bank (as the lender) can insure the risk part of the mortgage – which is anything above the 70% threshold. This is possible on fee-simple titles, but not unit-titled housing; insurance companies will not insure mortgages over 70%, so the banks cannot lend above this threshold. This makes it harder to borrow for a multi-unit title property, reinforcing the market for stand-alone homes and pushing up prices for fee-simple titled, stand-alone homes.

However, recent research by the Centre for Housing Research Aotearoa New Zealand (CHRANZ) found that people living in medium-density developments were generally satisfied with their homes and lifestyles. This is also largely true for residents of retirement villages in well-designed, medium-density, high-amenity living. This type of housing might become a preferred option for older people if they choose to downsize within their neighbourhood. Regulatory policies (such as those in the Unitary Plan) can ensure the appropriate location of retirement villages.
Hobsonville Point

Hobsonville Point, being developed by the Hobsonville Land Company (a Crown entity), includes examples of well-designed, energy-efficient, smaller dwellings (2 bedrooms) selling for under $400,000 (2012). Hobsonville Point shows that people are prepared to accept more affordable, attached, intensified houses, as long as these houses are well-designed, and the area has high amenity, and a range of housing types and values. This type of housing could provide entry to home ownership.

628. New Zealand’s development and building industry is still feeling the impact of the recent global financial crises. Banks remain reluctant to lend to small-scale New Zealand developers and builders with small profit margins, and will not finance speculative building or buying ‘off-the-plan’. This reinforces the practice of building low-risk, high-value, large homes, and restrains innovative design. The Auckland Council, central government or a development agency could work with a private developer and encourage innovation in the market, by providing examples of smaller, cheaper, well-designed, energy-efficient homes.

DIRECTIVE 11.3

Encourage a mix of dwelling types within neighbourhoods across Auckland, to reflect changing demographics, family structures and age groups.
Well-designed and well-constructed housing is critical for people’s well-being, not just for aesthetic and environmental reasons. As well as being safe, warm and dry, housing must provide a reasonable level of privacy (both visual and acoustic). Housing is one of the key determinants of health and there is a strong link between asthma and respiratory and contagious illness, and damp, poorly ventilated homes. (See Chapter 1: Auckland’s People)

Most of today’s housing stock will make up over half of Auckland’s housing in 2040. There are about 432,000 inadequately insulated homes within the Auckland area.* New Zealand’s housing stock is poorly insulated and difficult to heat, which is why the recent government programme Warm Up New Zealand was available to all income groups. The fuel and energy costs required to heat houses to acceptable temperatures can be particularly high for lower-income households. Those on the lowest incomes pay the greatest proportion of their income – almost 13% – on household energy.

Most landlords in Auckland are private individuals and the quality of the rental housing stock varies greatly. Rental stock includes boarding houses and caravan parks. Boarding houses provide an essential service, but some offer sub-standard accommodation for vulnerable tenants, who are often either unable or unwilling to exercise their legal rights. The Auckland Council, with other parties, will explore the possibility of legislative, regulatory or voluntary measures, such as a ‘warrant of fitness’ scheme, in order to improve the quality of private rental housing.

Well-designed and -constructed housing – sited to capture sun, and incorporating high-efficiency/low-emitting heating methods and solar water heating, high insulation standards, and efficient use of space – has definite benefits for households, such as better health and lower running costs. Sustainable design also has wider benefits, including improved air quality and greater energy efficiency, which in turn reduce greenhouse gas emissions.

* 294,000 houses in Auckland were built before 1979 – the first full year in which insulation was mandatory, and a further 138,000 were built between 1979 and 2000 – a period during which insulation standards were poor.
There is some concern that requiring more sustainable, energy-efficient dwellings may result in even higher house prices. However, Beacon Pathway pilot projects have shown it is possible for a dwelling to use less energy and water, to have a healthy indoor environment, to cost less to run, to use environmentally sustainable products and materials, and still be affordable. There are many examples of successful innovation in energy efficiency and higher-density affordable housing in Germany, Sweden and the United Kingdom.

The Auckland Council will therefore incentivise development that follows best practice urban design and environmental design principles. (See Chapter 10: Urban Auckland)

**DIRECTIVE 11.4**
Encourage and incentivise retrofitting of existing housing stock, and require new housing to be sited and designed to meet best practice urban design and sustainable housing principles.
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**PRIORITY 4**

**IMPROVE HOUSING AFFORDABILITY AND THE SUPPLY OF AFFORDABLE HOUSING**

**BOX 11.1 HOUSING DEFINITIONS**

**Housing affordability**

This is an aggregate term, referring to a household’s capacity to pay to rent or purchase a home without difficulty. Several factors influence affordability including:

**Supply side:**
- land supply and cost of land
- cost of building materials
- development cost
- construction costs
- the limited capacity of the building and construction industry to produce sufficient housing
- the economics of housing development of different types in different locations.

**Demand side:**
- gap between household income and cost of buying or renting a house
- restricted access to debt finance
- changed social and economic context, such as student loan debt
- an Accommodation Supplement that has not kept up with housing costs.

**Affordable housing**

New Zealand has no legislative or regulatory definition of affordable housing, but the term is generally used to refer to low- to moderate-income households requiring some form of assistance (a subsidy or intervention).

Affordable housing is usually targeted at those in household income bands from 80% to 120% of the median household income (MHI), who are not eligible for social housing but still need assistance to either secure home ownership or a long-term rental in the market. (In 2012 the MHI in Auckland is approximately $72,000).

**Affordable living**

“...encompasses the costs of accessibility to work, schools, friends and family – recreation, both by way of the trade-offs households might have to make between dwelling location and transport costs, and in terms of the total demands housing and transport jointly make on household incomes” (Productivity Commission)

**Social housing**

Subsidised rental housing for people who are on the lowest incomes, unable to pay private market rates and unlikely to be able to own their home; or people who are vulnerable and/or have special needs. Social housing includes emergency housing, refuges, and supported group homes. Currently, the vast majority of social housing is provided by HNZC and is usually referred to as state housing. Social housing is also provided (to a much lesser extent) by Auckland Council (Housing for Older People) and the community housing sector.

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* The Canadian Crowding Index is used as it is sensitive to both household size and composition. The measure sets a bedroom requirement for households based on precise criteria. The Index does not take into account whether individuals or families perceive themselves to live in crowded housing. Perceptions of crowding are likely to vary, dependent on a number of factors, including cultural and social expectations.
Aucklanders on average spend a higher proportion of their income on housing than New Zealanders in any other region. There is no single measure of housing affordability in New Zealand, but one internationally used measure is that housing is unaffordable if housing costs make up more than 30% of a household’s gross income (see Figure 11.3). Applying this measure to Auckland households gives a sense of the magnitude of the housing affordability problem in Auckland, especially for low- to moderate-income households who are renting.

These graphs illustrate that about 28% of all households pay more than 30% of their gross income on housing, and that the problem is considerably worse for certain types of households. Specifically:

- 45% of rental households pay more than 30% of their gross income on housing costs
- as household income reduces, households are more likely to pay more than 30% of their gross household income on basic housing costs
- as many as 85,000 rental households earning less than $70,000, pay more than 30% on their housing costs
- of households in the $50,000-$70,000 band who own a home with a mortgage, 60% pay more than 30% of their income on housing costs.

A way of illustrating the size of the housing problem spatially is by applying the Median Multiple Measure (MMM) Housing Affordability in Auckland. The MMM takes the annual Median Household Income (MHI) and divides it by the Median House Price to obtain a measure of dwelling affordability relative to annual MHI. It is generally agreed that if the Median House Price is less than three times the annual MHI, it is ‘affordable’. If the Median House Price is more than three times the annual MHI, it is considered ‘unaffordable’. Map 11.1 shows housing affordability in Auckland. For Median House Price, average capital values in 2006 have been used as a proxy and annual MHI figures are from the 2006 census. In 2006, the annual MHI was approximately $64,000 – in 2012 annual MHI is approximately $72,000.

* Note Household Economic Survey’s limitations with small samples only providing rough estimates.

**39 selected HES expenditure categories
Map 11.1 clearly shows that, in most areas, housing is unaffordable for people on the MHI of the area. So although there are areas where housing is less expensive, it is still unaffordable for the median income households in those areas. The areas shaded in light brown are unaffordable, and those in red are very unaffordable for local households on the MHI. There are no shaded areas in yellow, which means that there are no affordable areas for local households on the MHI based on the data available. Grey hatching indicates areas where MHI is more than $100,000 and the ratio of affordability cannot be accurately calculated because of the way data is collected. However, some households in this category will also find their local area unaffordable.

For example, two employed people want to buy a house in the area where they have grown up. One is a qualified early childhood care worker with a salary of $45,000 p.a. and the other is a carer for older people working part-time, on a salary of $20,000 p.a. Their combined household income is $65,000. They want to buy a 3-bedroom house as they have three children. To economise on space, two children will share a bedroom. However, a house price in the lower quartile in this area is approximately $350,000 to $400,000, which is more than four times their combined income, and they would need a deposit of $60,000.

Similarly, a nurse earning $80,000 and his/her partner are looking for a 2-bedroom dwelling (as they want to start a family), near the hospital because of shift work. The value of the dwelling could be $500,000; more than six times the nurse’s salary, and would require a deposit of $100,000.

Another way to look at housing affordability is to consider the number of people in paid employment trying to buy their first home. In Auckland, it has become more difficult to buy a home in the lowest quartile of house prices, when one or even two people are in paid employment. Research on the Auckland Region Housing Market showed that between 1996 and 2009, the number of people in paid employment unable to buy a home in the lowest quartile more than doubled, from 36,720 households to 77,110. This was measured when lending criteria included a 10% deposit. Now, the deposit required has increased to 20%, making home ownership even more difficult. If we apply the Median Multiple Measure to the number of projected households in Auckland, the housing problem will worsen. Table 11.1 illustrates household incomes and housing affordability from the 2006 census.*

* See Table 11.1 note
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MAP 11.1 HOUSING AFFORDABILITY - USING THE MEDIUM MULTIPLE MEASURE (2006 CAPITAL VALUES)

All data is at 2006 Meshblock Geography. Median House Price data is from previous Territorial Authority (TA) records and each TA had slightly different valuation systems and 3 yearly cycles.
This analysis indicates that if future households have a similar income profile to households in 2006, then of the 400,000 future households in 2040, only about 30% will be able to afford a house over $400,000 (in 2011 dollar terms). Another 30% will need a house in the $275,000 to $375,000 price range. There will be 40% who probably cannot afford to buy a house, but will need affordable rental accommodation. This would mean that:

| Additional households which would need a home in the $275,000 – $375,000 price range | 120,000 |
| Additional households which would need an affordable place to rent, because they are not able to buy a home | 160,000 |

Current median-priced homes are in the order of $450,000. A substantial number of dwellings need to be offered in the mid-priced range, if housing affordability is to be improved. This analysis provides only estimates, but it does give a strong signal of the severity of the problem in Auckland. The Auckland Region Housing Market Assessment Report also concluded that even households earning the median household income are being locked out of home ownership. This indicates that households which fall within the band of 80% to 120% of the median household income, are likely to need some sort of subsidised home ownership. The private sector undertakes the vast majority of housing development in Auckland, and this is appropriate. However, given these figures, and the depressed state of the development and construction sector at present, it is clear that public action will be required to encourage developers to build affordable homes within mixed tenure, mixed income communities.

Between 1991 and 2006 home ownership in Auckland declined from 74% to 64%. This decrease is similar to the figures for all New Zealand, which fell from 74% to 67% over the same period. Rates of home ownership are much lower for Pacific people and Māori than other groups: in 2006, 25.8% of Māori and 21% of Pacific people in Auckland owned, or partly owned, their own homes compared to 55.8% of Europeans and 36.7% of Asians. Although more people are choosing to rent long term, home ownership remains part of the New Zealand culture; it is an important barometer of household wealth creation, savings, standard of living in retirement, and intergenerational wealth. In New Zealand, investment in housing has proved a particularly attractive alternative to the share market (see Figure 11.4).

### Table 11.1 Income and Housing Affordability for the Auckland Region – Using Median Multiple Measure*

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<td>$20,000 or Less</td>
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<td>14%</td>
<td>$66,000</td>
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<td>$143,000</td>
<td>28%</td>
<td>$572,000</td>
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* The first column is 2006 data on income bands from the census.
* The second column is the 2006 income data updated approximately to 2010 figures.
* The third column is the per cent of households in each income band, according to the 2006 distribution of households.

** These figures are for individuals, not households.
The rental market does not currently provide the security and amenity households need. On average, tenants move every 2 years compared with every 5-6 years for home owners. This is costly and can adversely affect health, schooling, and work. Legislation, subsidies and other mechanisms should be explored to encourage large-scale rental investors to offer longer tenure options for rental accommodation.

The shortage of social housing for the most vulnerable is also a serious issue. The official New Zealand definition (Statistics NZ) of ‘homelessness’ includes rough sleepers, people moving between temporary shelters (such as refuges, or the homes of friends and relatives), people in caravan parks, and people living in temporary accommodation without their own bathroom or kitchen. There are about 160 to 320 rough sleepers in the city centre. There is a serious lack of emergency housing in Auckland, especially for women, young people and Gay, Lesbian, Bisexual, Transgender and Intersex (GLBTI) people. This gap must be filled, to ensure adequate emergency housing across all population groups. More urgent, multi-agency collaboration is required, such as the Auckland Homeless Action Plan, in which the Auckland Council is a partner. The Council will seek central government support in dealing with homelessness and in adequately resourcing agencies dealing locally with homelessness issues.
Given this situation, state housing (social housing provided by central government through Housing New Zealand Corporation (HNZC)), plays a critical role. HNZC is the major provider of social housing, and a significant landlord in Auckland with around 30,600 properties. Over the next 5 years, HNZC intends to buy, lease, and sell properties in areas of high demand and reduce the concentration of state housing in areas of lower demand. Auckland, particularly the south, is acknowledged as an area of high demand. HNZC intends to add up to 1,400 new state homes in Auckland in the next 5 years. This is welcome. However, given the current and future scale of the housing crisis in Auckland, a much larger increase in social housing is required. The Auckland Council also supports decentralised, community-based HNZC support services as a vital service for HNZC tenants and others in housing need. These services should be part of a network of community hubs (see Chapter 1: Auckland’s People).

The community housing or ‘third’ sector is still very small in New Zealand. Generally this sector has focused on the households HNZC cannot accommodate, the most vulnerable, and those with special needs. However, this sector could be a major provider of affordable housing.

Recently, central government established the Social Housing Unit, which is responsible for investing in social housing projects and building the capacity of the community housing sector. Its aim is to create a more diverse and responsive sector, and increase the pool of affordable homes provided by that sector. This is in recognition of the community housing sector’s potential to be a major provider of affordable housing. There are many models overseas of shared equity schemes and other forms of assisted home ownership delivered through the community sector. The New Zealand Housing Foundation has a successful social enterprise model, making housing affordable for low- to median-income households in a sustainable way.
The Auckland Council has land holdings across Auckland, which can be leveraged in different ways to improve affordability. The Council already directly provides 1,480 units of social housing for low-income, older people, and regards facilitating affordable housing as part of its mandate. Through the Housing Strategic Action Plan, the Council intends to increase its own housing stock and, in consultation with partners, will adopt a 30-year target for new council housing.

There is significant scope for the Auckland Council to work with central government and other agencies to increase the supply of housing for low-income people and develop more mixed tenure, mixed income communities. The Tāmaki Transformation Project (see Box 11.2), an initiative of urban regeneration integrated with economic and social development, is one of several potential models for other areas that may not be attractive to the market without intervention. However, the well-being and stability of existing communities must be protected during redevelopment, by tenants being relocated within their own communities, where possible.

**BOX 11.2**

**TĀMAKI TRANSFORMATION PROGRAMME**

The Tāmaki Transformation Programme (TTP), led by a joint initiative involving central government, the Auckland Council and the local community, began as an opportunity for community renewal through the modernisation and redevelopment of state housing stock in Tāmaki (broadly comprising the suburbs of Glen Innes, Point England and Panmure).

The Tāmaki population of approximately 17,000 is projected to grow to 26,000 by 2031. There are 5,000 households, of which Housing New Zealand Corporation (HNZC) owns 56% of the housing stock.

The TTP is a 15- to 20-year regeneration initiative aimed at transforming Tāmaki into a thriving, prosperous place to live. Goals include increasing the number of houses, reducing high unemployment, and raising educational levels, skills and income.

The Government, together with Auckland Council, has established an Interim Tāmaki Transformation Board (ITTB) and is working to set up an urban regeneration development entity (URDE). The Tāmaki area is an ideal location for intensification: it is close to Auckland’s CBD (13km), has good accessibility to the eastern railway line, is near the Tāmaki Estuary, and has many single dwellings on large sections that could be redeveloped.

It is envisaged that over 20 years an URDE could almost double the number of housing units through optimising land use and existing housing stock, and private housing development. The number of social housing units would not reduce, but could be managed by HNZC and third sector providers. A number of broader social outcomes could be delivered. The URDE would be actively involved in economic development and support Tāmaki residents to obtain skills, knowledge and employment opportunities, and dramatically reduce benefit dependency.

The TTP could be a model for other regeneration initiatives in Auckland over the 30-year life of this Plan.
**LAND AND ASSETS**

Some options being considered are:
- leveraging Auckland Council-owned land and assets through partnerships, joint ventures and similar participation in redevelopment authorities
- leasing
- selling
- Council-led development.

**PLANNING AND REGULATION**

In addition to providing sufficient unconstrained development capacity, options include:
- reviewing regulatory and assessment processes to provide a simplified, speedier and less costly consent process
- through the Unitary Plan and Local Area Plans, requiring developments to provide a mix of dwelling sizes and types
- fast-tracking developments and/or mitigating development contributions and consent fees for developments to increase the supply of a particular type of housing, or ease overcrowding in targeted areas
- providing density bonuses as an incentive for affordable housing
- auctioning of development rights to landowners. This would reduce the uncertainty associated with development, and therefore reduce overall costs, and create a mechanism for an ordered release of land*
- considering other options such as betterment levies, which capture for the community a proportion of the uplift in value that accrues to individual developers as a result of a change of use or development. Local or central government could choose to assign a proportion or all of the revenue collected to subsidise affordable housing; in the same way, it could decide to assign the revenue raised to another community good.

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**DIRECTIVE 11.5**

Auckland Council commits to working with others to urgently investigate and use the whole range of possible housing development vehicles, policy and regulatory tools, that would increase the supply of affordable housing in Auckland.
The Auckland Council will urgently develop a Housing Strategic Action Plan to deliver the high-level directions on housing in the Auckland Plan. The Auckland Council will actively explore all the mechanisms within its statutory mandate that will contribute to increasing the supply of affordable housing and improve housing affordability. This will require collaboration with central government, the development sector, the community housing sector, iwi and others to develop practical solutions. The Council will advocate to central government to improve access to first home ownership.

Pacific peoples are also amongst the lowest income groups. They often live in extended families, and have the highest incidence of overcrowding. They also make up a significant proportion of state housing tenants. The adverse impacts on health, education and family well-being are well documented (see Chapter 1: Auckland’s People). The former HNZC Healthy Housing programme particularly benefited Pacific peoples, as it built, converted or extended homes to provide more bedrooms and communal areas for larger families. The principles of the project, and Pacific design, should continue to be reflected in HNZC’s new buildings and renovations, and be encouraged in the private sector. The Auckland Council will also investigate solutions such as minor household units or modular housing, to ease overcrowding and increase choice. To date, government home ownership schemes have had limited success with Pacific communities. Home financing schemes also need to be flexible and culturally appropriate for Pacific peoples.

An increase in the supply of affordable and social housing will benefit Māori, who feature disproportionately in lower-income brackets, and as state housing tenants. However, establishing papakāinga, including housing, is an important cultural aspiration for iwi. (see Chapter 2: Auckland’s Māori). All parties must work together to remove barriers and support the development of papakāinga, including papakāinga housing, on both traditional and non-traditional Māori land and general land.

Support Māori to achieve affordable, healthy and sustainable housing which meets their specific needs.

Directives:

**Directives 11.6**

Explore all options to reduce homelessness, in partnership between the Auckland Council, central government and the community sector.

**Directives 11.7**

Increase housing supply and choice that meets Pacific people’s specific needs.