

Article for ADCOSS Community Networks Newsletter

Please Submit on “Using Land for Housing” – NZ Productivity Commission’s Draft Report

This draft report can be found on the productivity Commission’s Website www.productivity.govt.nz and the Cut to the Chase and Summary Versions are quite enough to respond to before August 4 2015.

ADCOSS welcomes the opportunity to comment on the draft report and recommendations. It raises many important issues and possible solutions to the shortage of housing in Auckland, particularly of healthy affordable homes. These issues and possible solutions affect the capacity of, and opportunities for, social and community housing providers and of developers, iwi, councils and other housing providers to provide supported healthy affordable housing and improve the lives of people, families and communities with whom we work.

We recognise the benefits of making a greater amount of appropriate land available for housing more cheaply, more quickly and with greater certainty. Our response, however, is framed by a number of considerations pertaining to affordable housing availability that are not sufficiently evident in the draft report nor the potential solutions recommended.

The first is the extent to which structural factors impact on individuals, families and communities causing poverty and serious disadvantage, including housing disadvantage, that are beyond the scope or ability of a land availability and delivery framework alone to solve. In our view it is these structural factors that are the prime cause of many people and families being disadvantaged, suffering poverty, unable to access secure healthy affordable housing and in need of support and assistance to access appropriate housing and from social services rather than being caused by individual deficiencies or weakness or inadequate or inappropriate land access policies. Greater acknowledgement is required in policy-making about the role of structural factors and of inequality as key determinants of health and well-being and therefore as drivers of demand for affordable healthy housing.

One apparent assumption, repeated through the report, is that the major impacts of Council, RMA and other controls on the zoning and release of land for housing are to delay the release of such land unnecessarily. The assumption is that the consequence is often to prevent enough housing land being made available, and to make the land and housing on it unnecessarily expensive. In our view this assumption is largely erroneous.

The true economic and social cost of housing has to include the costs of providing physical and social infrastructure. For both greenfields, in particular, but also brownfields, developments the total costs of effective provision of roading, public transport, water and wastewater services, power, gas, developed parkland, community and recreation facilities, libraries health centres, retail outlets and the like have to be taken into account by Council and other regulatory bodies. This comprehensive calculation of long term costs is needed in deciding whether it is cost effective and appropriate economically and socially to agree to use a particular area of land for housing at that

time, particularly if it is relatively remote from existing infrastructure and services. Environmental considerations are also very relevant if the land is subject to flooding, slips, pollution, is at risk from earthquake damage or sea level rise, or is particularly vital for horticultural production, mining, cultural or heritage purposes or to meet urban design and quality of life objectives. It is also vital that Councils and other regulators insist that before consents to build are granted they are satisfied the housing will be healthy, adequately insulated, energy efficient, accessible is not going to leak or be damp and is safe and for rental accommodation that meets the requirements of a Warrant of Fitness. Such a requirement for a Warrant of fitness for all rental accommodation needs to be acted on urgently.

Another apparent assumption is that restraints and controls on land use are the most important contributing factor in the failure to provide enough housing and at affordable prices. However, the costs of building materials and of building construction methods are much higher than in Australia and there needs to be Government intervention to diversify the sources and reduce the costs of building materials and their wastage and to co-ordinate building construction methods and processes. The cost of purchasing residential housing is far too high largely because the New Zealand tax structure excessively and inappropriately rewards investment in housing on a relatively tax free basis while considerably taxing more productive investment and wage and salary income. A capital gains tax, property tax or similar measure needs to be introduced to help get the purchase price of housing down to accessible levels for those on medium and low incomes.

The Government needs to abandon plans to sell off much of its social housing stock, including to overseas agencies, and instead needs to intervene to ensure that at least 10,000 affordable homes are built every year. Community Housing and Iwi housing providers need to be able to access income related rents for those tenants who would qualify for state housing. Central and local government and financial institutions need to provide and guarantee low interest loans for reputable community and iwi housing providers. Auckland and Christchurch Council's need to require all developments of more than 15 dwellings to include at least 15% of retained affordable housing through an inclusionary zoning requirement. Urban sprawl has unnecessarily increased the overall cost of infrastructure and of living generally and more intensification is required.

Richard Northey
Chair, Auckland District Council of Social Services