



Tenants Advocates Network (TAN) Submission

Puka Matapaki: Tauākī Kaupapa Here A Te Kāwanatanga Mō Te Whakawhanake
Whare, Tāone Anō Hoki.

Government Policy Statement: Housing and Urban Development.

2nd August 2021

1. Introduction and general comments

TAN welcomes the opportunity to provide feedback on the Government's Policy Statement on Housing and Urban Development (SHUD). Please note that this is a revised submission and replaces the draft sent previously.

Tenant Advocates' Network

Formed in 2016 in response to changes in New Zealand's rental housing market, the TAN is a network comprising tenant advocate organisations aimed at supporting the rights, interests and welfare of tenants, particularly those in vulnerable situations or live in poor quality rental premises.

The current TAN organisations and representatives are as follows:

- *Manawatu Tenants Union*
- *Tenants Protection Association Auckland*
- *Tenants Protection Association Christchurch*
- *Wellington Renters United*
- *Citizens Advice Bureau National Office*
- *Community Law Centres o Aotearoa*
- *NZ University Students' Association*
- *Victoria University Students' Association*
- *Housing Advice Centre Palmerston North*
- *NZ Council of Christian Social Services*

The TAN operates by set guidelines, and is 'committed to promoting human rights to adequate housing, as defined by the Human Rights Commission's: security of tenure, habitability, accessibility, security of tenure, affordability, location, cultural adequacy and availability of services, materials, facilities and infrastructure.

While its focus is on rental housing, TAN has networks across community and public housing sectors. An inadequate supply of good quality housing (both rentals and ownership) for low income New Zealanders over three decades, alongside population increases, has created a multi-generational housing crisis.

Priority issues for TAN

Priorities are for affordable housing and for a state house building action plan. With 22,803 on the state housing waiting list, it is imperative that the government proceeds with a state house building programme.

The current model for addressing housing supply is through Kāinga Ora partnering with private developers in public-private partnerships. This is not State provision of housing, but state facilitated private development, in which public good in land and housing becomes transferred to privatized wealth.

The following are key issues for TAN member organisations for the Government's Statement on Housing and Urban Development.

- 1- Affordable housing across the housing continuum of ownership, social housing and tenancies.
- 2- Kāinga Ora as the primary provider of public housing, with an urgent programme of state house building.
- 3- Housing should include provision for specific communities (older people, disability)
- 4- Māori housing provision
- 5- Pasifika housing
- 6- Climate change and housing

The 6 Focus Areas of the GPS-HUD are relevant to rental housing issues:

- *Ensure that more affordable houses are being build*
- *Support resilient, inclusive and prosperous communities*
- *Prevent and reduce homelessness*
- *Provide homes that meet people's needs*
- *Invest in Māori-driven housing and urban solutions*
- *Re-establish housing's primary role as home rather than a financial asset".*

However these do not include a programme of state house building. This is required to meet the need for state housing.

1. Affordable Housing

Definition of 'affordable'

The Vision statement sets out to provide everyone with an 'affordable home' without any discussion on what constitutes 'affordability', and how this will be achieved across the housing continuum. The Ministry of Housing and Development Unit has developed an affordability measure using Statistics New Zealand household income data.¹

More clarity is needed around how the Government intends to address housing affordability across household incomes, size and needs. In New Zealand, in the year ended June 2020, 17 per cent of all households (homeowners and renters) and 27.1 per cent of renters spent 40 per cent or more of their household income on housing costs.²

A definition of housing affordability could be linked to an agreed percentage of disposable household income (i.e 30%) being spent on either rent or mortgage payments. Rent and lending controls are two important tools to address aspects of the housing crisis. It is unethical that the cost of a basic human right. Urgent action is needed now.

¹ Statistics NZ <https://www.hud.govt.nz/news-and-resources/statistics-and-research/housing-affordability-measure-ham/>

² Statistics NZ. Ibid

Affordable Housing includes both access to affordable home ownership, and affordable rentals. We consider that supply and rental affordability are linked at a systemic level and that the diminishing availability of rental housing is linked to the shortage of supply and to the investment in housing for capital gains, which skews rental housing towards profitability priorities, rather than social and public good provision. However the two forms of housing should be clearly distinguished as the issues are distinctive. Specifically, rental accommodation is much more insecure than ownership, and rent does not go towards equity in a home.

The consultation emphasises that affordable housing will be provided through regulation. TAN advocates for affordable house building through direct State provision

Housing supply:

“[We] expect to see ‘more affordable homes are being built and available to rent and buy in locations that are well connected to jobs, services, and each other” (GPS-HUD p. 33)

- a. TAN advocates for ‘universal design’ requirements for investment in urban development projects. Investment in both ‘affordable’ and ‘housing of choice’ needs to emphasize low carbon building, renewable energy systems, low water use building as meeting the requirements of intergenerational wellbeing (See section 3.7 below)
- b. Affordable housing through participation in Spatial Planning needs to link with Natural and Built Environment and Strategic Planning legislation
- d. Provide alternatives to individual ownership and limitations to accessing mortgage finance through shared ownership, rent to buy, or leasehold arrangements

Affordable Tenancies

Rental regulation is needed to address affordability. The following are identified as tenancy issues.

- i. Regulation of property managers. Consultation on property management regulation is under way and housing networks are investigating rent control.
- ii. Introduce a rental warrant of fitness, with further tenancy protections so that renters are protected from living in unhealthy, inaccessible and unsafe houses
- iii. Fair rent: RTA puts limits on frequency of rent rises. There is a need for limits on the amount allowed for rent rises. For example by setting a rents at a percentage of income, such as 25%, and by tying increases to inflation. The average income to rent ratio is 35%. But those earning \$60 k pay 40 % in rent.
- iv. Some people are not covered by the RTA – flatmates, private boarders. Protections are needed for these groups.
- v. Unaffordable rentals is a major issue for students. Studylink pays \$237, the average rent is \$250 in Wellington.

A case study of housing in Porirua shows the declining availability of rental houses. Since 2013 the rental housing stock in Porirua has fallen from 2709 in 2012 to 2598 in April 2021 – as in the following graph: (Source: MBIE, Sense Partners)

IN APRIL 2021, LESS THAN 1% OF THE RENTAL STOCK WAS VACANT



3. The role of Kainga Ora as Provider of Public Housing

TAN notes the reference in the GPS-HUD to expanding housing providers:

“We also need to recognise that the market by itself will not deliver these outcomes, and there needs to be a much more deliberate and enduring role for government to facilitate and help deliver the shift in housing quality that we need. However, this doesn’t mean that government should be or will be the default housing provider and primary source of funding. We need to get much better at using government investment and action as leverage to attract private and philanthropic capital (for example, Community Finance) to support the growth of non-government providers, for example, our important and growing cohort of community and Māori housing providers.” (GPS-HUD Consultation document).

The current dominant model for addressing housing supply is through Kāinga Ora partnering with private developers in public-private partnerships. This is not State provision of housing, but state facilitated private development, in which public good in land and housing becomes transferred to privatized wealth. We refer to queries about this model and alternative options.

The Porirua Housing Trust provides a case-study of the effect of public-private partnerships. Rebuilds are hotspots for investors. In the Public-Private partnership model the government plays a role in providing land (in some cases with houses to be demolished). Land is sold to developers who may build properties with no requirements for affordability. In Porirua the new properties are advertised at \$1m with the advantage of being 15 min from Wgton with Transmission gully motorway opening. The effect is pushing up the price of houses in Porirua. Porirua people have to move out of their community as the houses are no longer affordable.

Sam Stubbs of Simplicity Investments noted that 14,000 houses are demolished each year in New Zealand. Intensification policies in urban areas mean that one demolished house may be replaced by 5 new houses. Stubbs asks whether these are on brown sites which would be better used for housing (closer to transport, places of work etc), or are they spreading out urban areas and taking over agricultural land for housing on city fringes? This leads to the construction of more roads, longer commute times and increased CO₂ emissions.

He argues for ACC, Kiwisaver providers and Superannuation fund to invest in public housing, as is done in other countries, to increase the supply.³

Our analysis of the public-private partnership model is not to demonize developers and investors; rather to emphasise the need for state house building⁴

TAN members emphasise the need for a paradigm shift in housing supply policy. The paradigm shift needed is from market delivery to state delivery. The current definition of public housing is (properties owned or leased by Kainga Ora) and community housing providers

³ Sam Stubbs: <https://www.stuff.co.nz/business/opinion-analysis/300214284/kiwisaver-money-should-be-invested-in-providing-rental-housing>

⁴ Child Poverty Action group: <https://www.cpag.org.nz/news/government-housing-package-ignores-elephant/>

(CHPs) that can be tenanted by people who are eligible for public housing. The main criteria to qualify for public housing is serious housing need. This is assessed by Work and Income. Income related Rents (set at 25% of income) is a subsidy available for people in social housing.

In contrast, the Accommodation Supplement is available for private rentals. While necessary for meeting the costs of housing to make up the shortfall of low incomes,. It also acts as a subsidy to landlords, and provides rental property owners with a guaranteed income.

Currently government settings perversely favour investment in housing which is then utilized for rental accommodation. Without capital gains tax and with low interest rates investment in the housing market is a priority option.

Chloe Swarbrick (March 2021) drew attention to research commissioned by the NZ Herald that shows that 30% of the homes in New Zealand are owned by people who own at least four and up to 20 or more houses. This investment profile exposes an issue of inequity arising from the lack of availability of house supply: The wealthiest 10% of New Zealanders own 59% of the wealth in New Zealand.

Less than a third of the homes in New Zealand are owned by people who own only one house.

There may be a perverse outcome of the Bright-line removal of interest deductions from tax policy to curb the investment market. Less private investment in property for rentals may reduce the supply of rentals and therefore push up the price of rental accommodation.⁵

With the reality of over 22,000 on waiting lists for State Houses, meaning for those unable to enter the private housing accommodation,

This submission focusses on the tenancy issues for housing. We acknowledge the important role of Community Housing Providers, and the need for policy to facilitate the role of community providers as part of the mix of building supply, and as a contribution to affordable, community focussed and social support in social housing. Of the 15,000 homes provided by Community Housing providers, a quarter are for rental accommodation. Overall Community Housing Providers contribute 13.5% of state houses.⁶ We note mention of this provision in the Consultation document, and the need for more specific policy in regard to recognition of land contributions and in support for access to finance. Never-the-less we note this this is another form of public-private partnerships, albeit that the not-for-profit sector is driven by providing affordable housing, with social support and community values in housing development. However this sector cannot address the scale of need for state housing. We reiterate the urgent need for state building policy.

We have a historic legacy of state housing that has been dismantled. In the 1930s and 1940s New Zealand had an extensive publicly funded state housing system. The failure to maintain and invest in

⁵ Bryce Edwards, 27 March 2021: <https://www.nzherald.co.nz/nz/politics/political-roundup-housing-announcement-a-blow-for-those-at-the-bottom/6LWN2MRSOGXTAV32QRJ6F5NH6I/>

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⁶ HUD's quarterly report March 2021. Of the 73,847 public houses, 9,949 of these houses were provided by 59 registered Community Housing Providers (13.47% of total state housing provision).

state housing has led to the critical shortage of quality, affordable and secure housing and an increase of rents by 37% over the last 10 years.⁷ The Government’s housing statement acknowledges the market has failed low income households to secure a quality and affordable home. In contrast, the housing policy of the 1930s and 1940s provided for large scale and publicly funded building of state homes and was a successful housing model.

There is a chorus of voices and from across the ideological spectrum that argue for the a large scale state house building initiative, deploying the advantages of economies of scale which include low emissions and renewable energy future proofing building, with the proviso of not building low income ghettos, but deploying diversified models of housing.

The building of publicly funded and owned state homes on an industrial scale is one of the key recommendations made by the Welfare Expert Advisory Group.⁸

2. Include specific communities (older people and people with disability).

Older People

New Zealand has an ageing population set to increase as we live longer as baby boomers born between 1946 to 1965 moving into the 65+ age group [NZCCSS report: How are people faring in communities. August 2014]. Whilst the majority of this group are buffered from poverty largely due to high rates of home ownership, there is a growing issue of older New Zealanders who have either never owned their own home or who have entered retirement renting their home. ‘Aging in place’ for this group is a predominately private rental accommodation.

Increases in rental costs experienced across the country have placed enormous financial stress on older people. At the same time rates of homeownership is declining across New Zealand. Housing policies need to be future proofed. All housing plans must include age friendly (and disability friendly) housing across the ownership-tenure continuum. Government must consult directly with older people to ensure housing policies reflect this need.

People with disabilities

“It’s worrying that the housing we need to live for the future isn’t being build and even if it was I couldn’t afford it” A quote from the Disability Connect

The housing needs of people with disabilities are not being met. The findings of a recent study by Disability Connect entitle “[Where will we live in the future](#)” drew on the lived experience of people with a range of disabilities, and found many face major challenges finding appropriate housing. TAN supports the reports recommendation set a goal to use universal design for 100% of new public homes. This would also address the changing needs of older people needs as we age. We also strongly support extensive consultation with the disability sector on the housing needs of its members.

⁷ Statistics NZ

⁸ Welfare Expert Advisory Group (WEAG) Recommendation 29.

<http://www.weag.govt.nz/assets/documents/WEAG-report/aed960c3ce/WEAG-Report.pdf>

3. Maori housing provision

We begin with an historical review of the impacts on Māori and whanau from changes in housing costs and note the disproportionate impact that almost half of the children impacted by poverty after housing costs, are Māori.

In 1986, around half of Māori children lived in an owner-occupied dwelling. By 2013, the proportion had declined to 38.5 percent of Māori children. Māori home ownership fell by 20 percent.⁹ The actual individual homeownership rate from 1986-2013 reduced to 28 percent for Māori.

The following are specific points for Māori housing

1. The GPS-HUD needs to have a clear purpose statement in respect of Māori housing linked to a Te Tiriti o Waitangi statement such as 'give effect to Te Tiiti o Waitangi'. This would be consistent with the Natural and Built Environment (exposure draft) purpose of 'Give effect to (the principles) of Te Tiriti o Waitangi.
2. Te Tiriti o Waitangi provides a framework for Māori self-determination of housing provision, and may require a Māori Housing Authority
3. Self-determining Māori housing aims include:
 - a) that barriers to building on Te Ture Whenua land and Māori owned land be removed (while access to finance is one barrier, there are land-related barriers such as rural land categories and sewage requirements which are generally intended to protect agricultural land, but which also prevent consents for papakāinga housing).
 - b) Provide central and local government support to iwi and Māori to enable papakāinga on iwi and Māori owned whenua in rural and urban environments
 - c) Government investment and support for increasing iwi and Māori capability to provide housing solutions, including via Treaty of Waitangi post-settlement governance entities
 - d) That water infrastructure and water supply to marae, customary and urban papakāinga, Māori land owners, be provided at no charge. This is often the key to development options.

4. Pasifika Housing

Dedicated attention needs to be given to Pasifika housing. Pacific Peoples are identified as facing the highest levels of housing insecurity in NZ.

Across the total population, and between 1986 – 2013, the fall in the percent of Pacific peoples with home ownership was much faster for Pasifika peoples than for the total population. Pasifika peoples' ownership fell by 34.8 percent.¹⁰

In 1986, around half of Pasifika children lived in an owner-occupied dwelling. By 2013, the proportion had declined to 28.4 percent of Pacific children. However, the actual individual homeownership rate over the same period, reduced to 19 percent Pasifika peoples.¹¹

⁹ CEO and Sector Leaders Forum. 30 July 2021. Submission to GPS-HUD consultation. P. 5.

¹⁰ CEO and Sector Leaders Forum. 30 July 2021. Submission to GPS-HUD consultation. P. 5.

¹¹ Census data http://nzdotstat.stats.govt.nz/wbos/Index.aspx?_ga=2.181434535.165777961.1516222762-1025093187.1510003368 Figure in Johnson, A., Howden-Chapman, P. and Eaqub, S. (2018) A Stocktake of New Zealand's Housing. Wellington: New Zealand Government p.14

We refer to Matanikolo, a Tongan social housing initiative under the auspices of Lotofale'ia Methodist Church in Mangere as a valuable reference for Pacific led housing with community development principles for social housing.¹² Matanikolo offers affordable social housing with rents as set at a proportion of income, and with social support for tenants in keeping with the community housing philosophy of community dimensions of housing provision.

In respect of 'partnering with Pasifika communities', we note the importance of recognizing the diverse Pacific nations in Aotearoa.

Recommendations re Pasifika Housing:

- a. Establish a dedicated authority for partnering with Pacific Peoples.
- b. Provide access to housing, including tenancies, suitable for extended fanau living.
- c. Partnering should involve housing provision supported by schemes such as rent-to-buy or shared equity as well as supporting access to finance
- d. Develop an action plan for ownership, social housing and tenancy options suitable for extended fanau and multiple generational living
- e. Engage with Pasifika housing organizations to identify needs and implement policy to support housing for Pacific communities
- f. Carry out consultation and policy for partnering with Pacific Organizations and churches house provision.

7. Climate change and housing

Housing supply should be part of the solution to climate change New Zealand's commitments to a zero-carbon economy.

TAN supports the opportunity for building supply to have regulatory requirements and financial support for house building aligned with zero carbon goals, and for the social dimension of climate change and zero carbon goals to be referenced in housing policy.

- That all housing, both affordable and 'housing of choice' be built to standards of universal design, and in accordance with zero carbon goals
- Build houses with low emissions materials and renewable energy systems
- Water storage and low water use systems. Waste water and sewage reticulation
- Guidelines for consents for low emissions building with renewable energy infrastructure.
- Requirement for building be done in accordance with the NPS-UD density planning requirements for climate change mitigation

TAN identifies a range of systemic housing issues in keeping with the multiple dimensions of social, environmental, cultural and economic wellbeing. Given the longevity and investment dimensions of housing provision these include intergenerational wellbeing as an orienting focus for housing policy.

Thank you for the opportunity for engagement in the development of housing policy.

Ngā mihi nui



¹² Matanikolo: <https://airedaleproperty.org.nz/matanikolo-housing-project/>
http://www.communityhousing.org.nz/Downloads/Assets/Download/13325/1/Mantanikolo_a_place_to_call_home_-_Airedale_Housing_Works_article.pdf
- <https://www.beehive.govt.nz/release/ministers-open-m%C4%81ngere-housing-development>

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and on behalf of TAN member organizations including:

Manawatū Tenants Union, Tenants Protection Association Auckland, Renters United Citizens Advice Bureau National Office, NZ Council of Christian Social Services

