

Auckland Community Housing Trust
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Using Land for Housing Inquiry
New Zealand Productivity Commission
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Submission on Using Land for Housing – NZ Productivity Commission Draft Report June 2015 - by the Auckland Community Housing Trust

INTRODUCTION

The Auckland Community Housing Trust (AHT) is a Charitable Trust set up in 2006, to provide affordable accommodation for people who require assistance, with priority to those with mental health issues.

The Trust is overseen by a Board of non-paid Trustees who meet monthly. The Trust's properties are managed by a paid property manager. AHT currently owns 27 properties, having recently sold 3 properties, and is now looking to purchase replacement properties to provide secure affordable healthy housing for upwards of one hundred Aucklanders.

The main income of the Trust is rents. The Trust in its formative stages received a \$923,000 donation from a housing trust that was winding up, and in 2012 received a private donation of \$23,500. Currently interest on the Trust's mortgages is subsidised by Housing NZ until October 2018. Housing NZ also provided a suspensory loan that is due to be forgiven in October 2018.

RESPONSE TO ISSUES AND RECOMMENDATIONS

The AHT welcomes the opportunity to comment on the draft report and recommendations. The factors influencing housing supply in Auckland, are many and varied, and the draft report raises many important issues and possible solutions. This submission focuses on the issues most relevant to AHT tenants and target groups. Our tenants are low income people who are unlikely ever to be able to access affordable rental accommodation in the private sector, and a number of them are recovering from or have on-going mental health issues.

Whilst we recognise the need to make more suitable land available for housing, cheaper, quicker and with greater certainty, we consider that the draft report does not pay sufficient attention to other important factors that impact on housing affordability. Our tenants are people who are often trapped in intergenerational cycles of disadvantage, compounded by mental and physical health issues and insufficient income and social support to help them improve their lives. The key concerns for our tenants are about accessing affordable, healthy and secure accommodation with access to specialist support services, where necessary, and access to transport, facilities and services that enable our tenants to find and keep employment and /or participate in community life.

PLANNING AND INFRASTRUCTRE

Housing affordability is not just about the cost of land and of construction of housing. The draft report recognises the importance of aligning housing developments with transport, but other important physical and social infrastructure needs include the costs of water and wastewater services, energy and telecommunications, parks and open space, community and recreation facilities and shopping. Low income people in general rely heavily on public transport and other public services, and it is of little benefit to them and may further disadvantage them if their "affordable" housing is far from transport, jobs, health services and other facilities. We support intensification as a way of reducing housing and infrastructure costs.

We agree that quality urban design can ameliorate social problems, but this must be part of a "whole of community" approach including the critical social infrastructure mentioned above.

We strongly support the development of "mixed" communities and a "holistic" regeneration approach, along the lines of the Tamaki Redevelopment concept, as beneficial for social well-being and cohesion-as long as overall social housing numbers are maintained and existing tenants are able to stay or return promptly and are not squeezed out through "gentrification".

We would support similar regeneration initiatives delivered through bodies like an Urban Regeneration Authority provided that it was publicly accountable and had adequate long-term funding.

We oppose covenants that exclude affordable or social housing for particular groups of people in any housing developments, and consider that provision of at least 10% affordable housing- retained in perpetuity- be mandatory in all developments of fifteen or more units.

We are concerned that the costs of building materials and of building construction materials are much higher than in Australia and there is evidence of excessive waste of materials and of time that would justify government intervention to diversify the resources and reduce the costs of materials, to co-ordinate building construction methods and processes and to upskill the workers involved.

We also support the recommendation that the Crown and also ports and airports, should pay rates on the land they own in order to encourage public agencies to use their land more efficiently and to release excess land for housing and infrastructure, particularly for schools and health facilities.

POLICY INTERVENTIONS

Key Government policy interventions that would significantly improve supply and affordability for low income and vulnerable people include:

- a commitment to at least 10,000 new affordable homes every year in Auckland.
- community housing and iwi housing providers to be able to access income related rents for those tenants who would qualify for state housing.
- Government, councils and financial institutions providing and guaranteeing low interest loans and bonds.
- people and companies should not be permitted to buy existing housing in New Zealand but only to build new homes.

Sub-standard, unhealthy rental housing has long been a concern for ACHT and other social and community housing providers. We are particularly concerned at reports that an increasing proportion of new houses are failing the minimum standards required by Council building inspectors. The recent new requirements on landlords regarding insulation and smoke alarms are welcome steps in the right direction, but should be implemented much sooner, and a mandatory Warrant of Fitness (or similar) for all rental accommodation needs to be introduced to capture recalcitrant

landlords and ensure adequate and consistent standards for healthy living. The New Zealand tax structure, particularly the general absence of a form of tax on capital gains, favours and encourages rental investment housing but there is no commensurate obligation on landlords to provide healthy, safe, secure accommodation.

We would also oppose the Government placing a blanket ban on minimum sizes for apartments, not requiring balconies and maximum heights, as these raise health and quality of life issues particularly for families with children and vulnerable people.

Security of tenancy is another important issue- frequent moves are detrimental to individual and family well-being, connection to community and children's education. There should be legal requirements such as a just cause for eviction, not encouraging vacant possession for landlords, and longer term tenancy agreements.

Yours sincerely

A handwritten signature in blue ink that reads "Richard Northey". The signature is fluid and cursive.

Richard Northey
Chair
Auckland Community Housing Trust

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