Submission on the Inquiry into Housing Affordability

1. Thank you for the opportunity for the Auckland Regional Public Health Service (ARPHS) to provide a submission to the Inquiry into Housing Affordability.

2. The following submission represents the views of the Auckland Regional Public Health Service and does not necessarily reflect the views of the three District Health Boards it serves. Please refer to Appendix 1 for more information on ARPHS.

3. ARPHS understands that all submissions will be available under the Official Information Act 1982, except if grounds set out under the Act apply.

4. The primary contact point for this submission is:

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INTRODUCTION

5. ARPHS welcomes the Productivity Commission’s (the Commission) Inquiry into Housing Affordability. The importance and impact of housing on health is the prime reason why ARPHS has chosen to respond to the Commission’s Issues Paper, even though it can only assist the Commission’s deliberations with responses to a small number of the Commission’s questions.

6. ARPHS believes that any consideration of affordable housing should encompass more than just the cost of the home. Affordable housing needs to be:

   - Well-located.
   - Well-designed.
   - Appropriate to needs.
   - Integrated into communities.
   - Provide for people’s need for choice, security, safety and good health.

7. Affordable housing also needs a variety of typologies suitable for the range of family sizes in the region. This is likely to require a smaller percentage of two and three bedroom homes and a greater proportion of smaller and larger dwellings.

8. There is little point in providing affordable housing at the periphery of Auckland’s metropolitan area if residents in affordable homes face extended travel to work, education or other facilities and the costs associated with living in a peripheral location are greater than the saving in housing costs.

9. As the Royal Commission on Auckland Governance noted:

   “Lack of affordable housing is both a social and economic issue. Where Aucklanders can afford to live, the quality of their housing, and how much income they have left over after meeting housing costs affects people’s education, health, and employment. Housing costs may constrain Auckland’s economy by limiting housing options for low – to medium – paid workers and determining whether employees locate or remain in the region.”

   ARPHS hopes the Commission will consider and give appropriate weight to the impacts on health, social and economic factors of affordable housing in reaching its conclusions.

HOUSING AFFORDABILITY IN AUCKLAND

10. In 2003 the Auckland Regional Affordable Housing Strategy was prepared by the former Auckland Regional Council as part of the Regional Growth Strategy. Unfortunately this strategy has not resulted in sufficient affordable homes for the needs of the region’s inhabitants.

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11. A lack of affordable and adequate housing is a significant issue particularly within the Auckland region. Research\(^3\) in 2007 suggests that some 107,500 households within the Auckland region are faced with housing costs of greater than 30% of gross household income, an internationally-recognised measure of financial housing stress.

![Figure 1 Auckland Region – Stressed Households by Territorial Authority (Pre Auckland Governance Reform)\(^4\)](http://www.chranz.co.nz/pdfs/future-of-home-ownership-and-the-role-of-the-private-rental-market-in-auckland.pdf)

12. The recently released Cabinet Paper “Housing Affordability in Auckland”\(^5\) provides a good overview of housing affordability issues in the Auckland region. It is clear that housing affordability is deteriorating within the region.

13. The Commission’s inquiry follows that of the Commerce Select Committee in 2007, the Report of the House Price Unit in 2008 and the enactment and subsequent repeal of the Affordable Housing, Enabling Territorial Authorities Act. Throughout this period the housing market has failed to operate efficiently and provide sufficient supply to match demand at a price that is low enough to be affordable for the majority of consumers.

14. ARPHS hopes that the Commission’s inquiry into housing affordability will be the final inquiry into this issue before effective measures are taken to address the failure of the market to produce sufficient affordable homes.

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\(^4\) N.B. The geographic areas referred to correspond to the old Auckland territorial authorities.

HOUSING AND HEALTH

15. Poor housing conditions are associated with a wide range of health conditions including respiratory infections, asthma, lead poisoning, injuries, and poor mental health\(^6\),\(^7\). Secure and affordable housing improves the ability of households in greatest need to provide a stable environment for their children with consequent improvements in health, employment and educational outcomes\(^8\).

16. Housing, by virtue of its impact on health is of key interest to ARPHS. In its 2006 Report “Improving Health and Wellbeing: A Public Health Perspective for Local Authorities in the Auckland Region\(^9\)” (the SOPHAR Report) ARPHS explored the linkages between a range of factors, including housing, and population health. The SOPHAR Report built on ARPHS earlier report “Housing and Health: A Summary of Selected Research for Auckland Regional Public Health Services\(^10\)”. While affordability was not a focus for the SOPHAR Report, it does highlight the reasons why addressing housing affordability is so important. For ease of reference, the housing section of the SOPHAR Report is attached as Appendix 2.

17. The Centre for Housing Research’s paper ‘Children’s Housing Futures’\(^11\) highlights the importance of resolving children’s housing issues not only as a means to address concerns for their well-being during childhood but also as a pathway to ensuring their growth into productive engaged adults.

18. The high cost of housing leaves less money for other items essential to good health including a nutritious diet, primary health services, winter heating, education and transport. Housing needs to be affordable and of good quality to meet community needs.

19. If families are unable to afford appropriate housing it is likely to result in a number of outcomes:

- Occupation of poorer quality housing.
- Higher levels of crowding due to inability to afford housing of appropriate size, or two or more families sharing a dwelling.
- Greater distances between home and work, schools, community facilities etc.


\(^8\) Housing New Zealand Corporation, (2004). *Building the Future: Towards a New Zealand Housing Strategy: a discussion document* Wellington


\(^10\) Housing and Health - A summary of selected research for Auckland Regional Public Health services, 2005, ARPHS [http://www.arphs.govt.nz/publications/HealthyHousing/Healthy_Housing.asp](http://www.arphs.govt.nz/publications/HealthyHousing/Healthy_Housing.asp)

\(^11\) James B & Saville-Smith K (2010) Children’s Housing Futures, Public Policy and Research/CRESA for the Centre for Housing Research Aotearoa New Zealand
20. Household crowding is strongly associated with people living in areas of greater deprivation. Overcrowding contributes to communicable diseases such as tuberculosis, meningitis and rheumatic fever. The map below overlays tuberculosis cases and household crowding, by way of illustrating the correlation between the two variables.

![Map showing tuberculosis cases and household crowding](image)

**Figure 2 Overcrowding and TB Notification 2005-2010.**

21. The Auckland region is estimated to have 15.7% of households living in crowded accommodation\(^{12}\), this is higher than for any other region.

22. Housing (and its affordability) is one of a number of contributors to the social gradient to health status whereby poorer individuals have a lower life expectancy and lower expectations for disability free life than do more affluent households. The diagram below, although of UK origin, is equally applicable to New Zealand. It shows that life expectancy is ten years lower, and disease-free life expectancy is 24 years lower, in the most deprived compared with the wealthiest individuals.

Figure 3 Life Expectancy and Disability Free Life Expectancy (DFLE) at birth, persons by Neighbourhood Income Level

23. ARPHS hopes that the Commission’s report and the recommendations it contains will provide a clear pathway forward and provide an effective solution to enable the market to deliver sufficient numbers of affordable homes to solve Auckland’s housing crisis.

SPECIFIC COMMENTS ON THE COMMISSION’S ISSUES PAPER

24. As a public health agency ARPHS does not believe that it has information and expertise to contribute to all of the questions posed by the Commission. For that reason ARPHS has only chosen to respond to a limited number of questions.

Q1 How should the Commission think about the concept of housing affordability – its meaning and measurement? Should the Commission focus its work on affordability as it impacts on lower income households or should the focus be broader and examine the market as a whole?

25. ARPHS believes that the Commission should adopt the widely used; less than or equal to 30% of household income, as the limit for household expenditure when housing becomes unaffordable. This figure is widely used internationally and within New Zealand as a measure of affordability.

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While the figure of 30% of total income is suggested, ARPHS believes that it can mislead. There is little point in providing affordable housing at the periphery of Auckland’s metropolitan area if residents in affordable homes face extended travel to work, education or other facilities and the costs associated with living in a peripheral location are greater than the saving in housing costs.

For low income households the issue of maintenance is a further element to housing affordability.

Affordability of housing has a much wider impact than just on those suffering housing stress due to the proportion of their household income required for housing. Unaffordable housing has collateral impacts including:

- The costs of housing related ill health. These include:
  - Direct treatment costs for the health sector.
  - Reduced attendance at schools and other educational institutes, affecting student attainment with long term consequences for both the individuals and the economy (due to lower skill levels in adulthood)
  - Lost output for the productive sector.
- Affordable housing, if located at the periphery of the metropolitan region will contribute to:
  - Increased air pollution due to longer home – work distances – contributing to health, social and economic costs in the wider community.
  - Increased green house gas production due to longer home – work distances.
  - Increased traffic congestion with its consequential impacts on the productive sector.
  - Longer term health impacts in areas such as cardiovascular disease, obesity and type 2 diabetes levels from individuals being less active (i.e. driving rather than using active transport modes).

All of these costs should be included in any economic analysis that the Commission undertakes as part of its consideration of options it identifies to resolve housing affordability issues.

ARPHS believes that the Commission’s work should encompass the entire housing market, not just that relevant to lower income households. It is through understanding the dynamics of the total housing market that the Commission will be able to generate effective policies and actions to address housing affordability.

Q2 Does this stylised framework (Figure 1) capture all the important determinants of housing affordability? Are there others that are important?

While the stylised figure initially appears reasonable ARPHS believes that consideration should be given to modifying it as follows:

- Separating out “Availability and cost of finance” as a separate macro-influence. ARPHS believes that there is some evidence that the increased availability of finance during the early parts of this decade just created price inflation, without any corresponding response from the supply side of the equation to increase supply.
- Incorporating the following issues in the framework:
  - Supply side – increased preference of developers to build larger sized (floor area and number of bedrooms / bathrooms) houses.
Supply side – time – as it impacts on costs of development by extending the period before which any developer can expect a return on their investment.

Demand side – effect of government policies designed to help those suffering housing stress. ARPHS believes there is some evidence that initiatives, such as the accommodation supplement have acted as an inflationary mechanism to permit increased rents, and as such acted as a ‘transfer’ payment to private sector landlords rather than to increase rent affordability.

**Q6 What effects have price rises in housing had on the affordability of home ownership?**

31. There are numerous studies indicating that price rises have made home ownership less affordable and that the size of the intermediate market (whether defined broadly or narrowly) is growing across Auckland. Over time the price rises relative to movements in wages and salaries appear to be increasing.

**Q7 Are median price trends representative of trends within housing sub-markets?**

32. With all analytical techniques it is important to understand the limitations that particular choices create. The use of median prices has some value at the high-level for comparisons between separate urban areas (as used in the annual Demographia Survey). The use of medians can, however, easily mask differences between submarkets (whether classified by price or location). ARPHS believes it preferable that the most detailed level of analysis is undertaken in every possible case, and that the resulting more detailed sub-market data is used wherever possible. If it can be demonstrated that the median trend mirrors that in every sub-market, then a median price trend may be the easiest and most effective way of describing that particular market. If the use of median trends distorts the ‘rich picture’ that the data is capable of providing, medians should not be used.

**Q9 Why have different parts of New Zealand (cities and regions) experienced different trends in housing prices?**

33. There are a variety of explanations possible as to why different parts of New Zealand have experienced differing trends in house prices. The challenge will be to understand the impact of the multiplicity of potential contributing factors to those sub-national trends. The reality is likely to be that each factor impacts on a number of other factors that collectively set the price and that it is difficult to separate out the ‘confounding’ factors to understand the impact of a single cause. Studies, such as Demographia’s annual survey which reviews housing affordability in a range of cities internationally, assume that there is relationship between median land prices and median house prices. While there may be some correlation between the two variables, this does not provide evidence that increased land prices causes increased housing costs, or more importantly that it is the sole factor driving housing affordability. In the New Zealand context unless one can separate the confounding factors of: increasing house sizes, improved building standards resulting from the leaky homes crisis, market demand from property investors, finance availability etc. it is unwise to conclude that price movements are attributable to any single factor.

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14 For example: Auckland Spatial Plan: Government position papers on key policy issues, Commerce Select Committee Inquiry into Housing, DPMC Final Report of the House Price Unit, Centre for Housing Research reports.

Q10 **How should affordability for home buyers be defined and measured, both in principle and in practice (taking account of data availability)? Is it possible to assess affordability using a single measure?**

34. There are two primary elements in affordability. These are cost of purchase, and cost of occupancy. Cost of purchase is likely to be the prime measure of affordability, but the costs of occupancy, such as location (and transport) are also of relevance in assessing the true costs of occupancy. An affordable house located at the periphery of a large metropolitan area may not be quite as affordable if the costs of access to employment, health care, educational and social facilities are generated as a result of the house’s location. Some housing locations also carry the costs of increased risks from crime, gambling, alcohol and drugs as they are locations where poverty and accessibility to harmful substances is greater.

Q13 **Do they capture adequately the problems facing those on lower incomes or those in particular locations (such as the urban fringe or rural areas)?**

35. ARPHS believes that current measures do not fully capture the problems facing those on lower incomes and the flow on consequences of particular locations. A further dimension of housing affordability that current measures fail to capture is the link between affordability and household size. Figure 4 (derived from the 2006 census) shows the distribution in household sizes across the Auckland region.

![Figure 4 Household Size in the Auckland Region, 2006](image_url)

Over 7000 households have 8 or more members.

36. The reality of Auckland’s current demographic distribution is that the majority of these larger households will be Maori or Pacific households with low household incomes. For these households the affordability challenge will be far greater than smaller and more affluent ones. One way of resolving this challenge is occupation of a smaller dwelling than is desirable, with resulting household overcrowding and consequential greater health risks.
It is also important that when planning affordable housing options that these houses are not clustered together in neighbourhoods that are considered less desirable due to having multiple environmental disadvantages. Those who need the benefits of good local schools, health services and good housing are usually the least likely to experience them and inequalities are made worse. The negative impacts of concentrated socio-economic deprivation are one of the reasons behind the current Government’s involvement in the Tamaki Transformation Programme. This urban regeneration programme is designed to transform the Glen Innes, Point England and Panmure area of Auckland through a comprehensive and multifaceted programme, of which housing renewal and redevelopment is but one part.

Any consideration of affordable housing should also consider the impacts of aging on population demographics. Some older individuals may ‘trade down’ as a way of releasing equity from their homes. Such moves ‘free up’ larger homes for family use. There is evidence, however, that many older adults prefer to remain in the homes they have lived in while raising families and that this tendency exacerbates both housing supply issues and affordability.

Q19 To what extent are changes in home-ownership levels explained by changing tenure preferences? Have changes in the New Zealand rental market been a factor in explaining declining home-ownership rates?

39. ARPHS is not aware of any evidence to show that tenure preferences have changed over time.
40. ARPHS has prepared demographic profiles for each of the new Auckland Council local board areas. The Waitemata Board area, which covers the Auckland central business district, has a quite different age profile to that of any other board (the regional average is shown in the grey line on the profile).

![Waitemata Age Sex Pyramid (Pop 63,000)](image)

Figure 6 Waitemata Local Board Area - Auckland Council

41. This local board area has a substantial number of individuals in the 20 – 34 age group. Many of these individuals may be attending tertiary education facilities located in the CBD, or be young mobile professionals. This may mean that their tenure preference is more heavily weighted towards rental accommodation than the population norm, due to the limited duration of their expected residence in the CBD.

42. In any assessment that the Commission makes of tenure preferences sub-regional variations need to be understood before any conclusions are drawn.

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Q20  How should housing markets be defined in New Zealand? What are the key factors that distinguish housing sub-markets?

43. ARPHS believes that value may be added to the Commission’s report if the Commission has attempted to both define and account for housing sub-markets. The population distribution in the Waitemata local board area for Auckland’s CBD may be one factor that contributes to a separate housing sub-market. Unless sub-markets are understood, along with their characteristics and effects, the value of the Commission’s report in addressing the failure of the housing market to provide sufficient affordable, quality homes, will be reduced. 

Q25  Why is there little institutional investment in the private rental market in New Zealand?

44. New Zealand is unusual, compared to other countries, in that rental housing is primarily provided by Housing New Zealand and very small scale private investors. ARPHS believes that the Commission’s deliberations and recommendations will be fortified by including:
   - Consideration of the potential role of the third sector in providing housing.
   - Government’s desire to see an increase in the number of homes offered by social housing providers.

45. The potential expansion in the third sector may bring benefits in terms of the number and quality of rental houses available. Third sector tenancies may also bring more secure tenancies than those available in the private market. An increased demand for housing from the third sector may also further exacerbate the issues faced by families in the intermediate housing market.

Q28  What are the relative costs and benefits of intensification and expansion (greenfields development) to urban planning? What research literature and overseas developments are most relevant to New Zealand?

46. In the Auckland context the “Future Land Use and Transport Planning Project” by the former Auckland Regional Council provides an assessment of the differences between intensification and expansion. Scenario 1 is compact development, Scenario 4 is the current strategy and Scenario 5 is an expansive more sprawling approach to development.

47. The evaluation (see table 1 on the following page) suggests that a compact city (Scenario1) form delivers more benefits with fewer drawbacks than do either of the other scenarios. When considered solely from the public health viewpoint, sprawl delivers poorer health and well-being outcomes.

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23 McCann, B.A, Ewing R. Measuring the Health Effects of Sprawl, Smart Growth America, accessible at
http://www.smartgrowthamerica.org/report/HealthSprawl8.03.pdf
Table 1 - Evaluation results for the Auckland region of three differing scenarios for the future (Auckland Regional Council)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Scenario 1</th>
<th>Scenario 4</th>
<th>Scenario 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic wellbeing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved travel reliability</td>
<td>✓</td>
<td>0</td>
<td>×</td>
</tr>
<tr>
<td>Improved accessibility to economic activity</td>
<td>××</td>
<td>×</td>
<td>××</td>
</tr>
<tr>
<td>Improved access to labour pool</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>Increased productivity</td>
<td>✓ ✓</td>
<td>✓</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>To enable land extensive business sectors (Group 1) to grow in appropriate area</td>
<td>x</td>
<td>x</td>
<td>✓</td>
</tr>
<tr>
<td>Minimised infrastructure costs</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Protection of productive rural land</td>
<td>0</td>
<td>0</td>
<td>××</td>
</tr>
<tr>
<td>Energy resilience</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Feasibility from current market perspective</td>
<td>×××</td>
<td>x ×</td>
<td>✓ ✓</td>
</tr>
<tr>
<td><strong>Environmental wellbeing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced greenhouse gas emissions</td>
<td>××</td>
<td>××</td>
<td>×××</td>
</tr>
<tr>
<td>Protection or enhancement of marine values</td>
<td>x</td>
<td>x</td>
<td>×××</td>
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<tr>
<td>Protection or enhancement of stream corridors</td>
<td>x</td>
<td>x</td>
<td>×××</td>
</tr>
<tr>
<td>Identify, protect and enhance terrestrial ecosystems</td>
<td>x</td>
<td>x</td>
<td>×××</td>
</tr>
<tr>
<td>Avoidance of hazards</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Improved air quality (impact on public health)</td>
<td>××</td>
<td>××</td>
<td>x</td>
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<tr>
<td>Water quality and human health</td>
<td>××</td>
<td>××</td>
<td>x</td>
</tr>
<tr>
<td><strong>Social wellbeing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved accessibility</td>
<td>✓ ✓</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td>Improved accessibility for deprived households</td>
<td>✓ ✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Housing choice</td>
<td>✓</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>Ageing in place</td>
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<td>0</td>
</tr>
<tr>
<td>Greater housing affordability</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Improved levels of physical activity</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
<td>✓</td>
</tr>
<tr>
<td>Improved access to local employment opportunities</td>
<td>0</td>
<td>0</td>
<td>××</td>
</tr>
<tr>
<td><strong>Cultural wellbeing</strong></td>
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<td></td>
</tr>
<tr>
<td>Protection of cultural heritage, cultural landscapes and wahi tapu</td>
<td>0</td>
<td>0</td>
<td>x</td>
</tr>
<tr>
<td>Economic opportunities for tangata whenua</td>
<td>✓</td>
<td>✓</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>Preserving the maori</td>
<td>x</td>
<td>x</td>
<td>××</td>
</tr>
</tbody>
</table>

| (✓) | Neutral: nil/negligible impact |
| (✓ ✓) | Small positive (negative) impact |
| (✓ ××) | Moderate positive (negative) impact |
| (✓ ✓ ✓) | Strong positive (negative) impact |

48. “The way we plan our cities and towns affects the health of New Zealanders. There is a strong link between urban design and aspects of poor health that place a large burden on our communities and health services.”

<table>
<thead>
<tr>
<th>Publication</th>
<th>Areas (within spatial planning) that have an impact on health outcomes</th>
<th>Spatial planning policy areas to be addressed</th>
</tr>
</thead>
</table>
| The Kings Fund, NHS London Healthy Urban Development Unit | ▪ Provision of (safe and easily accessible) space for increased exercise- and moderate exercise improves health outcomes  
▪ Reduction in traffic reduces air pollution  
▪ Green spaces improves mental health and increased physical activity  
▪ Traffic interventions reduce accidents  
▪ Improving insulation and heating in houses improved health and wellbeing | ▪ Air pollution  
▪ Noise pollution  
▪ Lack of safe community spaces  
▪ Poor/unsafe access to food shops/health services  
▪ Cold and damp housing  
▪ Heat waves  
▪ Road traffic accidents  
▪ Sedentary lifestyles  
▪ Poor land use mix failing to encourage local employment  
▪ Poor housing/building design  
▪ Flooding |
| The Marmot Review Team (for the National Institute for Health and Clinical Excellence) | ▪ Pollution  
▪ Green and Open space  
▪ Transport  
▪ Food  
▪ Housing  
▪ Community participation  
▪ Social isolation | ▪ Improving action travel  
▪ Improving access to good quality open and green spaces  
▪ Improving the quality of food in local neighbourhoods  
▪ Improving the energy efficiency of housing  
▪ Support locally developed, evidence based community regeneration programmes  
▪ Fully integrate the planning of transport, housing, environmental and health systems |
| Public Health Advisory Committee (PHAC) | ▪ Features of urban sprawl promote:  
  - Physical inactivity and associated diseases  
  - Road traffic injuries: Traffic accidents are strongly associated with certain features e.g. multi-lane streets, high traffic volume and high vehicle speed  
  - Greater emissions and air pollution from urban transport  
  - Poor environment for active transport | ▪ Develop urban infrastructure that promotes active transport  
▪ Develop features of urban form that promote positive health outcomes (e.g. a controlled number of alcohol outlets, and increased quality of and access to open spaces) |

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25 Boyce T and Patel S. The health impacts of spatial planning decision. The King’s Fund. London Healthy Urban Development Unit. 2009
<table>
<thead>
<tr>
<th>Publication</th>
<th>Areas (within spatial planning) that have an impact on health outcomes</th>
<th>Spatial planning policy areas to be addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>- Sprawl which increase respiratory disease and cardiac conditions</td>
<td>• Attempt to build explicit consideration of human health into environmental standards, regulations and initiatives</td>
</tr>
<tr>
<td></td>
<td>- Poor diet and associated diseases: Residents living furthest from multinational fast-food outlets have greater vegetable intake.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Low density development:</td>
<td>• Provide health services in locations where they can be easily accessed by active and public transport</td>
</tr>
<tr>
<td></td>
<td>- People can be socially isolated and have reduced social cohesion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Location and density of alcohol outlets:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Increased rates of injury and violent crime in areas with a high density of alcohol outlets.</td>
<td></td>
</tr>
</tbody>
</table>

| Auckland Regional Public Health Service (ARPHS) | Urban Development | Develop a regional framework for coordinating health and sustainable development planning and decision making that looks to: |
|                                                 | Transport        | • Decrease air pollution                      |
| ‘Improving Health and Wellbeing: A Public Health Perspective for Local Authorities in the Auckland Region’ Report | Food, drink and tobacco | • Improve water quality (drinking and recreational) monitoring systems |
| Auckland 2006                                  | These factors impact on issues such as: | • Increase physical activity through active transport and open space use |
|                                                 |   - Adequate and affordable housing | • Improve the quality and affordability of housing. |
|                                                 |   - Access to transport and employment | • Reduce environmental hazards |
|                                                 |   - Access to health facilities |   |
|                                                 |   - Injury and crime prevention |   |
|                                                 |   - Air pollution |   |
|                                                 |   - Noise |   |
|                                                 |   - Water quality (drinking and recreational) |   |
|                                                 |   - Access to food (fresh v takeaways) |   |
|                                                 |   - Access to alcohol |   |

49. As the Commission may be aware, Auckland Council is preparing its first spatial plan for Auckland. ARPHS and the three District Health Boards in the region responded to “Auckland Unleashed - the Auckland Plan Discussion Document” providing more detailed commentary around the health implications of spatial planning for Auckland. This feedback provides a wider overview of the inter-relationship between urban planning and health.

50. It is disappointing that the Commission’s Issues Paper only sought further information on the relative costs and benefits of intensification and expansion around the issues of:

- Competitiveness and economic growth.
- Environmental objectives.

ARPHS believes that the relative costs and benefits for health outcomes should also be considered as part of the Commission’s inquiry.

Q42 What infrastructure costs should be recovered through infrastructure charges? Should the costs of providing services such as schools, parks and libraries be recovered via infrastructure charges?

51. ARPHS is uncomfortable with the classification of infrastructure into economic and social infrastructure. This definition appears arbitrary and misleading, for example:

- Schools are classified in the Issues Paper as social infrastructure, but it is equally valid to view them as economic infrastructure as they help provide the skilled labour input into economic growth.
- Water and wastewater services to a private dwelling don’t appear to deliver much in the way of direct economic benefit, but deliver social and health benefits around communicable disease risk control.

52. For the purposes of the Commission’s inquiry it may be more useful to classify infrastructure into that provided by, and funded by the local authority e.g. wastewater systems and that other infrastructure that is either funded by central government e.g. schools, state highways, or funded by the private sector e.g. telecommunications.

Q52 To what extent does the building code encourage or accommodate medium to high density housing?

53. Without attempting to comment on the detail of the Building Code, ARPHS believes it is important that the Code has differing standards for medium to high density housing. From the health perspective higher density living can raise issues around noise, natural light, children’s play areas etc. Explicit consideration of these issues is necessary for a development to be successful and attractive over its lifecycle.

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Q83 What are the benefits of owning rather than renting a home, and visa versa? Given the choice, is the preference for renting over home ownership becoming more common in New Zealand?

54. ARPHS believes that one of the key benefits of owning rather than renting is security of tenure. As noted previously it is not aware of any evidence to support a belief that amongst those who can afford to buy there is an increasing preference for renting. What evidence ARPHS is aware of supports the view that home ownership is still the majority of the population’s preferred tenure. As the recent Centre for Housing Research Aotearoa New Zealand report notes:

“They prefer home ownership to the rental market largely because the rental market does not provide them with the amenity and security that they see as necessary to their households’ wellbeing. However most younger households see those housing preferences as unobtainable.”

55. ARPHS notes that there is some evidence that tenants suffer increased ill health compared with owner occupiers, with tenants having higher death rates from cardiovascular conditions. All types of occupancy present health risks if occupiers are living in poor quality damp or crowded buildings, or if the cost of housing puts the household under housing stress, with inadequate remaining income to meet basic needs.

56. Tenure type becomes more of a health and societal issue when one considers the rate of tenancy churn amongst tenants. Figures from the Residential Tenancies Act Review show that:

- 15 months or less is the average duration of a tenancy.
- 50% end within 10 months
- 33% end within 6 months
- 13% end within 3 months

57. People in rental accommodation are more likely to be sole parent households and couples with children. These groups are more likely to be living in hardship and suffering the effects of poor health. The ‘social dislocation’ caused by multiple changes of address (if tenants move more than one or two streets) is likely to adversely impact on a range of parameters such as:

- Social cohesion
- Educational attainment for children
- Employment duration
- Access to health care

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33 The New Zealand Rental Housing Market http://www.dhb.govt.nz/hta-long-form-rental-housing-market
58. There is evidence to suggest that high proportions of children changing schools outside normal year end changes, adversely affect the performance of the entire school. Frequent changes to address also affect the success of health screening programmes such as the National Cervical Screening Programme where it is much more challenging to ensure that individuals are pro-actively invited for regular screening. A recent Australian report analysing a number of factors around social cohesion concludes that there is a “strong positive association between stability in housing and various aspects of social connectedness, whilst mobility is negatively related with social connectedness.” This is supported by a US study that expressed the view that “home ownership produces a range of desirable outcomes including socially healthier children, better neighbourhoods and greater civic participation.” Within New Zealand, social capital and home ownership have been found to be positively associated.

CONCLUSION

59. ARPHS believes that any consideration of affordable housing should encompass more than just the cost of the home. Affordable housing needs to be:

- Well-located.
- Well-designed.
- Appropriate to needs.
- Integrated into communities.
- Provide for people’s need for choice, security, safety and good health.

60. Affordable housing also needs a variety of typologies suitable for the range of family sizes in the region. This is likely to require a smaller percentage of two and three bedroom homes and a greater proportion of smaller and larger dwellings. Larger families will benefit from houses with more room in order to improve physical and mental health. This is especially important for children, as their educational attainment and physical health are heavily influenced by where and how they live.

61. A range of societal and individual benefits will flow from improving housing affordability. Benefits will include:

- Improved outcomes for children by improving their health and enabling better participation in education.
- Positive impacts on the local economy through the employment created and relatively ‘high proportion’ of local inputs likely to be used and also reduced absenteeism from work.
- Positive impacts on inequities by reducing the proportion of household income needed to pay for accommodation for poorer families.

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62. In its deliberations and recommendations ARPHS believes that the Commission should ensure it understands the collateral impacts of housing on health and wider societal outcomes.

63. ARPHS believes that the costs and benefits to government, the economy and individuals from improving housing related health status should be explicitly considered in the Commission's report.

Yours sincerely

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Auckland Regional Public Health Service

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Medical Officer of Health
Auckland Regional Public Health Service
Appendix 1 - Auckland Regional Public Health Service

Auckland Regional Public Health Service (ARPHS) provides public health services for the three district health boards (DHBs) in the Auckland region (Auckland, Counties Manukau and Waitemata District Health Boards), with the primary governance mechanism for the Service resting with Auckland District Health Board.

ARPHS has a statutory obligation under the New Zealand Public Health and Disability Act 2000 to improve, promote and protect the health of people and communities in the Auckland region. The Medical Officer of Health has an enforcement and regulatory role under the Health Act 1956 and other legislative designations to protect the health of the community.

ARPHS’ primary role is to improve population health. It actively seeks to influence any initiatives or proposals that may affect population health in the Auckland region to maximise their positive impact and minimise possible negative effects on population health.

The Auckland region faces a number of public health challenges through changing demographics, increasingly diverse communities, increasing incidence of lifestyle-related health conditions such as obesity and type 2 diabetes, outstanding infrastructure needs, the balancing of transport needs, and the reconciliation of urban design and urban intensification issues.
Appendix 2 Extract from SOPHAR Report

1.1 HOUSING

Health issue
Internationally, several health conditions have been associated with substandard housing conditions including respiratory infections, asthma, lead poisoning in older houses painted with lead-based paint, injuries and mental illness (Krieger & Higgins, 2002). Many of the aspects of housing that have been linked with health are most likely to occur in (often older) homes that do not meet current building standards.

The prevention of injuries in the home is important, even though evidence for the effectiveness of interventions is limited, as injuries are a significant cause of death and hospitalisation in New Zealand (Bennett, Wong, & Coggan, 2003). Unintentional injury is a leading cause of death and hospitalisation for New Zealand children (Safekids, 2005a) and children along with older people suffer the highest incidence of home injuries (Bennett et al., 2003).

Determinants
Housing is an important determinant of health and wellbeing. Factors that impact directly or indirectly on health and wellbeing include: location (e.g. access to employment and facilities), physical quality, level of crowding (measured by number of people per bedroom), construction and maintenance, and cost (percentage of household expenditure). Links between housing conditions and health and wellbeing are summarised below in Table 1.

Table 1: Links between housing conditions and health and wellbeing*

<table>
<thead>
<tr>
<th></th>
<th>Infectious disease</th>
<th>Respiratory health</th>
<th>Other chronic conditions</th>
<th>Injuries/poisonings</th>
<th>Psychosocial health</th>
<th>Cultural health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substandard housing</td>
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<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Crowding</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Cold</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Damp and mouldy</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faulty heating sources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Pollutants and pests</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Noise</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monocultural housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Lack of shelter</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td></td>
<td>●</td>
</tr>
</tbody>
</table>

*Reproduced from (Rankine, 2005)

Exposure to lead-based paint can be a risk in New Zealand houses built before 1980. Lead exposure is more of a risk if the paint is in poor condition, if people are carrying
out renovations or if small children chew materials that have been painted with lead-based paint (Ministry of Health, 1998).

People living in cold, damp and crowded housing is also a significant health issue which may lead to an increased incidence of respiratory disease and infectious diseases such as tuberculosis, acute rheumatic fever, and meningococcal disease (Statistics New Zealand, 2003). Houses built in New Zealand prior to 1978 were not required to have insulation. A phone survey in the Auckland region found that 57% of houses had ceiling insulation and 44% had wall insulation, while an estimated 23% had no insulation (Wilton, 2005). This lack of insulation makes houses difficult to heat. Many New Zealand houses are colder than WHO recommendations (Public Health Advisory Committee, 2002). A study of New Zealand homes (Howden-Chapman, Crane, Baker, Cunningham, & Matheson, 2004) found that insulating houses improved people’s health. Children and adults in insulated homes reported fewer general practice visits, fewer sick days off work or school and were admitted to hospital for respiratory conditions less frequently than people who lived in noninsulated homes (P Howden-Chapman et al., 2004).

Housing-related injuries can be caused by a range of factors (Rankine, 2005) that include: poor maintenance, lack of fences, exposed heating sources, unprotected high windows, balconies and stairs, faulty wiring and appliances, poor storage, breakable window glass, flammable materials, and a lack of working smoke alarms.

Newer houses can be airtight with inadequate ventilation, which allows toxic fungi to grow (Public Health Advisory Committee, 2002). Issues with some high-rise apartments in Auckland include inadequate ventilation, insufficient storage space, lack of kitchen space and noise (Heslop et al., 2004). A survey of medium-density residential developments identified the following potential issues: privacy, location of rubbish collection and location of laundries and toilets (Turner, Hewitt, Wagner, Su, & Davies, 2004). Concerns have also been raised regarding the small size of some apartments (Martin, 2003).

There is some limited evidence linking household crowding and health outcomes. However, crowding is usually associated with other health determinants including low income (Baker, Milosevic, Blakely, & Howden-Chapman, 2004). There is good evidence linking crowding and infectious disease rates (particularly infectious respiratory illnesses). Among infectious diseases in New Zealand, infectious respiratory illnesses account for the highest proportion of hospitalisations and deaths (Mills, Tobias, & Baker, 2002). An association between household crowding and rates of meningococcal disease has been demonstrated in New Zealand (Baker et al., 2000). Other diseases linked to household crowding in studies internationally include rheumatic fever and tuberculosis (Baker, Goodyear, & Howden-Chapman, 2004).

The high cost of housing in the Auckland region impacts on health and wellbeing through reducing the amount of income households can spend on food, heating, health services, education and transport (Rankine, 2005). Housing needs to be affordable and it has been estimated that 23% of households in the Auckland region are paying in excess of 40% of their net income on housing costs (DTZ Research, 2004). The high cost of housing means that some people are sharing houses resulting in crowding. A lack of affordable houses suitable for large or extended families may also contribute to crowding in households. From Census 2001 data, houses tended to have three bedrooms and 80% of inner city multi-unit dwellings had two or fewer bedrooms (Statistics New Zealand, 2005a). A report on the social implications of intensive housing in the Auckland region found that to date,
intensification in the Auckland region has made housing more accessible for some
groups but has not reduced the housing costs of those most in need (Syme,
McGregor, & Mead, 2005).

Recent commentary from Australia (Randolph, 2005) has raised two issues that may
need to be considered for housing developments in Auckland. The first issue is that
given that much of the higher density housing has been sold into the investment
market, the developments may have been designed to suit the needs of an investor
rather than the prospective tenants. Information from New Zealand suggests that
people living in higher density dwellings tend to be tenants rather than owner-
occupiers (Dixon & Dupuis, 2003; Statistics New Zealand, 2005a; Vallance, Perkins,
& Moore, 2003). Secondly, higher density housing needs to be made more suitable
for families than is currently the case.

Rapid urban development also has an impact on existing communities
(Parliamentary Commissioner for the Environment, 1998; Vallance et al., 2003) and
there is a need to consider their health and wellbeing as well as that of the future
residents when assessing the impacts of urban development. For example, urban
intensification may increase the level of noise that a residential community is
exposed to and increase traffic thus contributing to a range of negative health
impacts. Additionally, concerns have been raised by existing communities that urban
intensification will create slums (Dixon & Dupuis, 2003; Syme et al., 2005; Vallance
et al., 2003).

A recent literature review (Syme et al., 2005) concluded that social problems would
be less likely to occur if intensive housing is well designed (internal and external
living spaces), well located (i.e. accessible to a range of services and activities), and
meets the needs of a diverse range of households in terms of income and
demographics and is not associated with one particular group in society. Connected
communities are more likely to develop if there are opportunities for people to meet
and interact. In higher density developments, this interaction may be encouraged
and facilitated by the provision of common areas and shared facilities (Randolph,
2005).
Action
Ensuring that houses are insulated (P Howden-Chapman et al., 2004), are not crowded, and have adequate facilities for cooking and hygiene will help to prevent the spread of infectious disease. Examples of interventions to reduce injury include fencing of swimming pools (drownings), appropriate design and supervision of driveways (drive-over deaths) and a range of design considerations to prevent falls, which commonly occur at home (Accident Compensation Corporation, 2005).

Possible actions local authorities could take to address affordable housing include implementing the *Auckland Regional Affordable Housing Strategy* (Auckland Regional Growth Forum, 2003) and the creation of ‘inclusionary zoning’. Inclusionary zoning would require developers to incorporate affordable housing within new housing developments (Brown, 2001).

There is some concern that there may not have been enough regulation of the quality and design of some of the intensive housing built to date (Dixon & Dupuis, 2003; Heslop et al., 2004). For example, in a report prepared for the Building Industry Association, Heslop *et al.* (2004, p.1) observed that “there has been little direct control by territorial authorities of design and durability aspects of this new form of housing.” Some of the issues identified with construction methods in higher density housing also occur in single dwellings (Hunn, Bond, & Kernohan, 2002).

Some of the concerns related to higher density dwellings and building quality generally are being addressed through amendments to the Building Act 2004, the Building Code, and through district plan changes, which provide guidance for internal noise control, size, provision of facilities such as kitchens and bathrooms, building setback and height, and outdoor living areas. Minimum standards for residential apartments in central Auckland have recently been proposed (Clinton Bird Urban Design Limited, 2005). The Auckland Regional Council has recently prepared a discussion paper that identifies the key building quality issues associated with apartments and multi-unit housing which need to be addressed through review of the Building Code (Auckland Regional Council, 2005c). Other local authority-led initiatives, such as Auckland City Council’s urban design panel, also have potential to improve the quality of future intensive housing developments. There may need to be monitoring of the existing housing stock to identify and mitigate impacts on the health and wellbeing of residents.

Further information on the links between housing and health and wellbeing can be accessed from the ARPHS publication *Housing and Health in Auckland* (Rankine, 2005) [http://www.arphs.govt.nz/publications/HealthyHousing/Healthy_Housing.asp](http://www.arphs.govt.nz/publications/HealthyHousing/Healthy_Housing.asp)