National Science Challenges

BUILDING BETTER HOMES, TOWNS AND CITIES

Ko ngā wā kāinga hei whakamāhorahora

GOOD HOMES FOR GOOD LIVES

Empowering housing decisions as we age

www.goodhomes.co.nz

Kay Saville-Smith

- Director – CRESA
- BBHTC NSC
  - Architecture of Decision-Making
  - Revitalising the Building Industry and Affordable Housing
  - Building Solutions for Affordable, Age Friendly Dwellings
- Ageing Well NSC – Life When Renting

National Science Challenges

AGEING WELL

Kia eke kairangi ki te taikaumātuatanga

Housing Challenges and Opportunities:

Research, Evidence and the Roles of Councils

Presentation to the
Housing Committee, Christchurch City Council, 10 September 2018

LIFE WHEN RENTING

AGEING WELL NATIONAL SCIENCE CHALLENGE

Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment

www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK

Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

BUILDING BETTER HOMES, TOWNS AND CITIES

Ko ngā wā kāinga hei whakamāhorahora

GOOD HOMES FOR GOOD LIVES

Empowering housing decisions as we age

www.goodhomes.co.nz

National Science Challenges

- Harnessing the scientific imagination for a better New Zealand
- Big Issues, Changes and Problems
- Solutions focused
- Positioning NZ for the Future

National Science Challenges

AGEING WELL

Kia eke kairangi ki te taikaumātuatanga

LIFE WHEN RENTING

AGEING WELL NATIONAL SCIENCE CHALLENGE

Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment

www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK

Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

Our Social, Economic and Environmental Futures are Bleak if the Housing Crisis is not Solved

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age
www.goodhomes.co.nz

BUILDING BETTER HOMES, TOWNS AND CITIES
Ko ngā wā kāinga hei whakamāhorahora

Resolution of NZs housing crisis depends on councils

- Councils have multiple roles
- Councils are charged with integrating social, economic and environmental wellbeing
- Councils are at the interface between individuals, communities and wellbeing
- Councils deal with the local, Government deals with individuals and aggregates

National Science Challenges
AGEING WELL
Kia eke kairangi ki te taikaumātuatanga

LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment
www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

Dimensions of the Housing Crisis

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age
www.goodhomes.co.nz

BUILDING BETTER HOMES, TOWNS AND CITIES
Ko ngā wā kāinga hei whakamāhorahora

- Not just homelessness but a burgeoning intermediate housing segment
- Misalignment between supply and demand
- A struggling building and development sector
  - Persistent non-compliance despite low code bar
  - Bankruptcy and instability
  - Focus on upper quartile of value
  - Unresponsive to changing demand
- Housing markets but chaotic housing system:
  - Reactive policy development and funding
  - Unresolved regulatory issues
  - Deskilling, dysfunction and lack of integration
  - Inability to recognise past change or future challenges

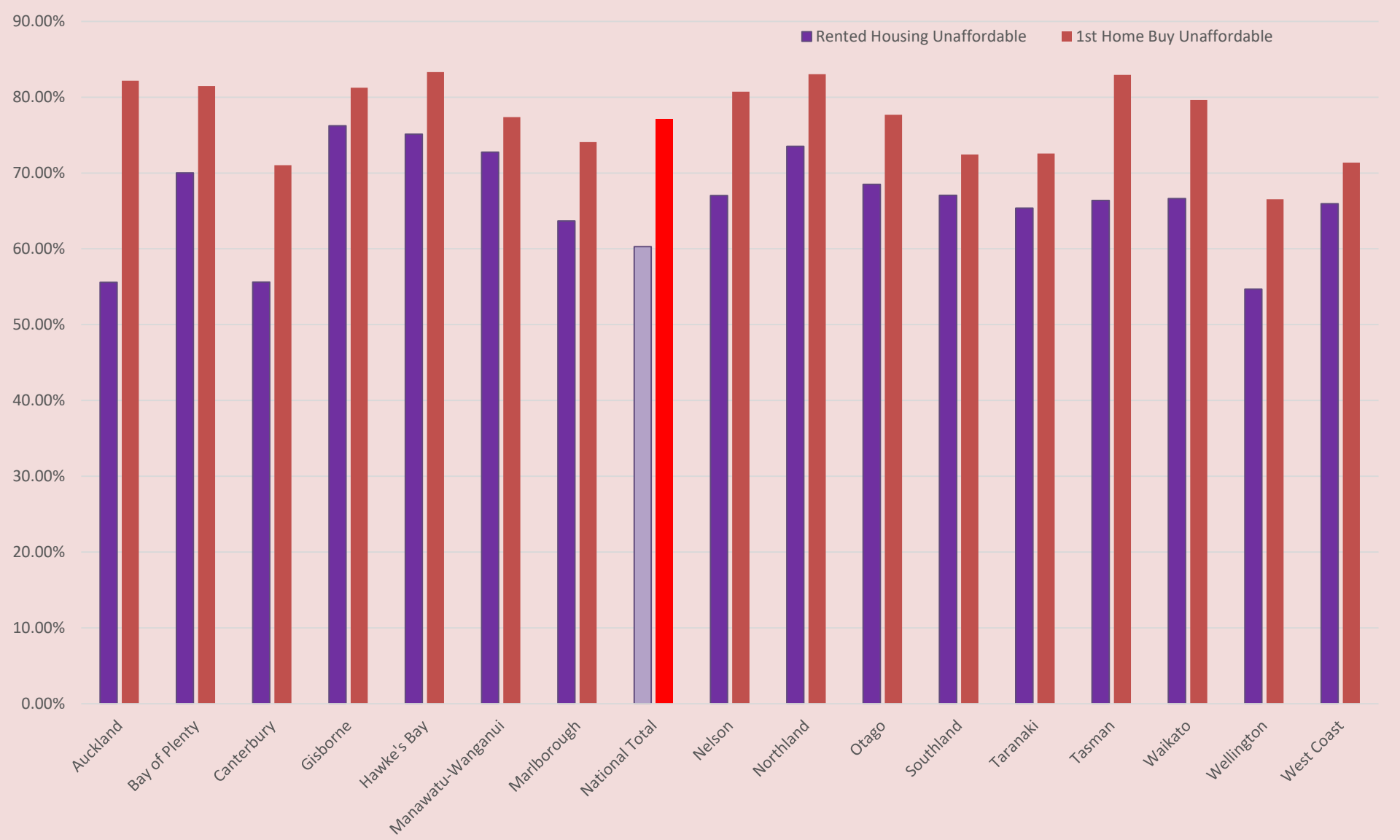
National Science Challenges
AGEING WELL
Kia eke kairangi ki te taikaumātuatanga

LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment
www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge



Official Housing Affordability Measure by Region March 2016

LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment

www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

Big Shifts Past and Future

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age
www.goodhomes.co.nz

BUILDING BETTER HOMES, TOWNS AND CITIES
Ko ngā wā kāinga hei whakamāhorahora

- Settlement planning moved to a liminal space:
  - RMA:
    - Effects based
    - Future embedded in the notion of accumulated effects
    - Marginalises social and economic effects
  - Rise of private restrictions on land use
- Housing assistance moved from investment to welfarism away from supply
- House price inflation
- Decline in production of affordable housing
- Tenure revolution
- Structural population ageing

National Science Challenges
AGEING WELL
Kia eke kairangi ki te taikaumātuatanga

LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment
www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

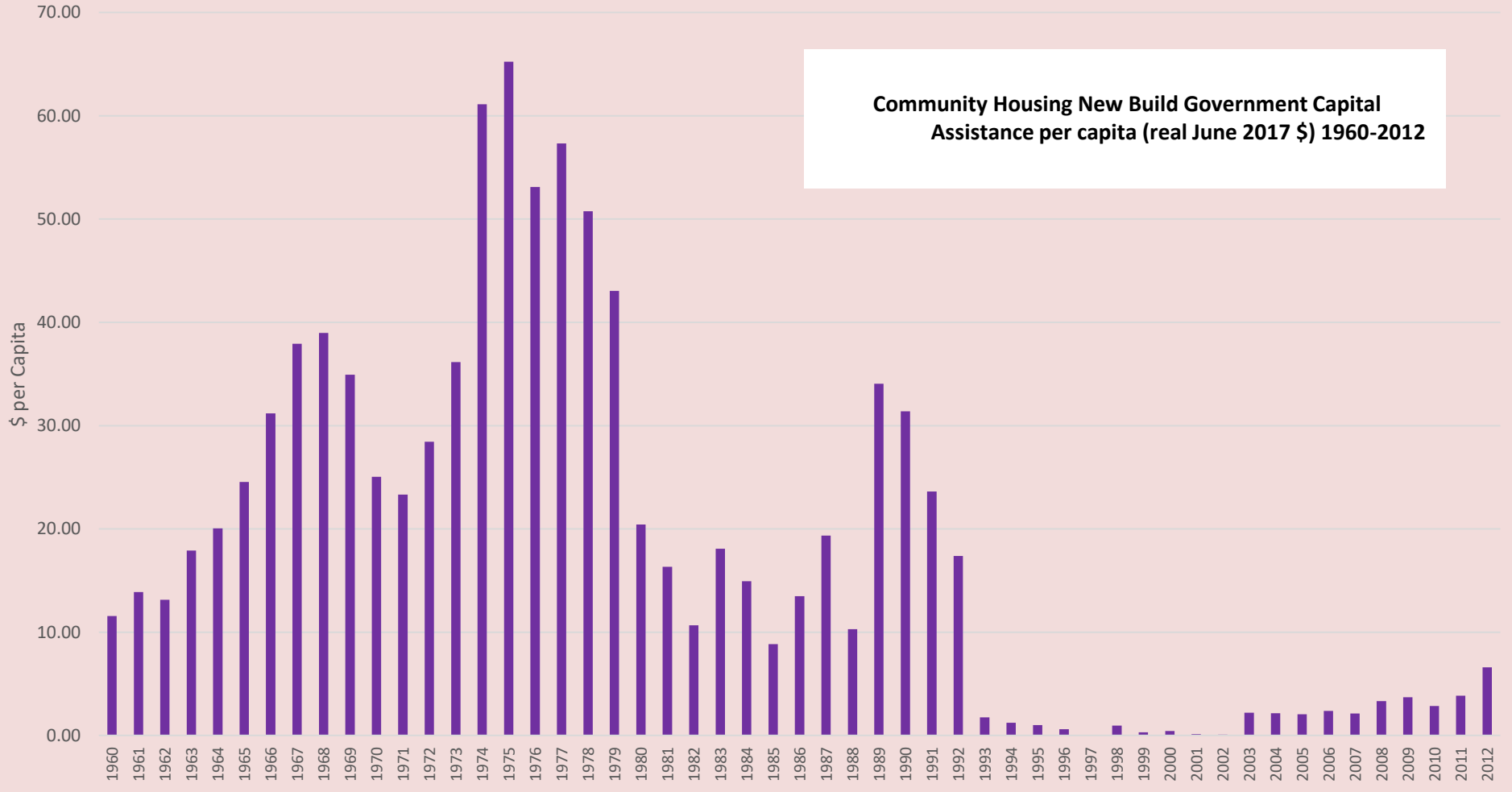
National Science Challenges

Big Shifts Past and Future

Housing Policy - Investment to Welfarism

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age

www.goodhomes.co.nz



LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment

www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

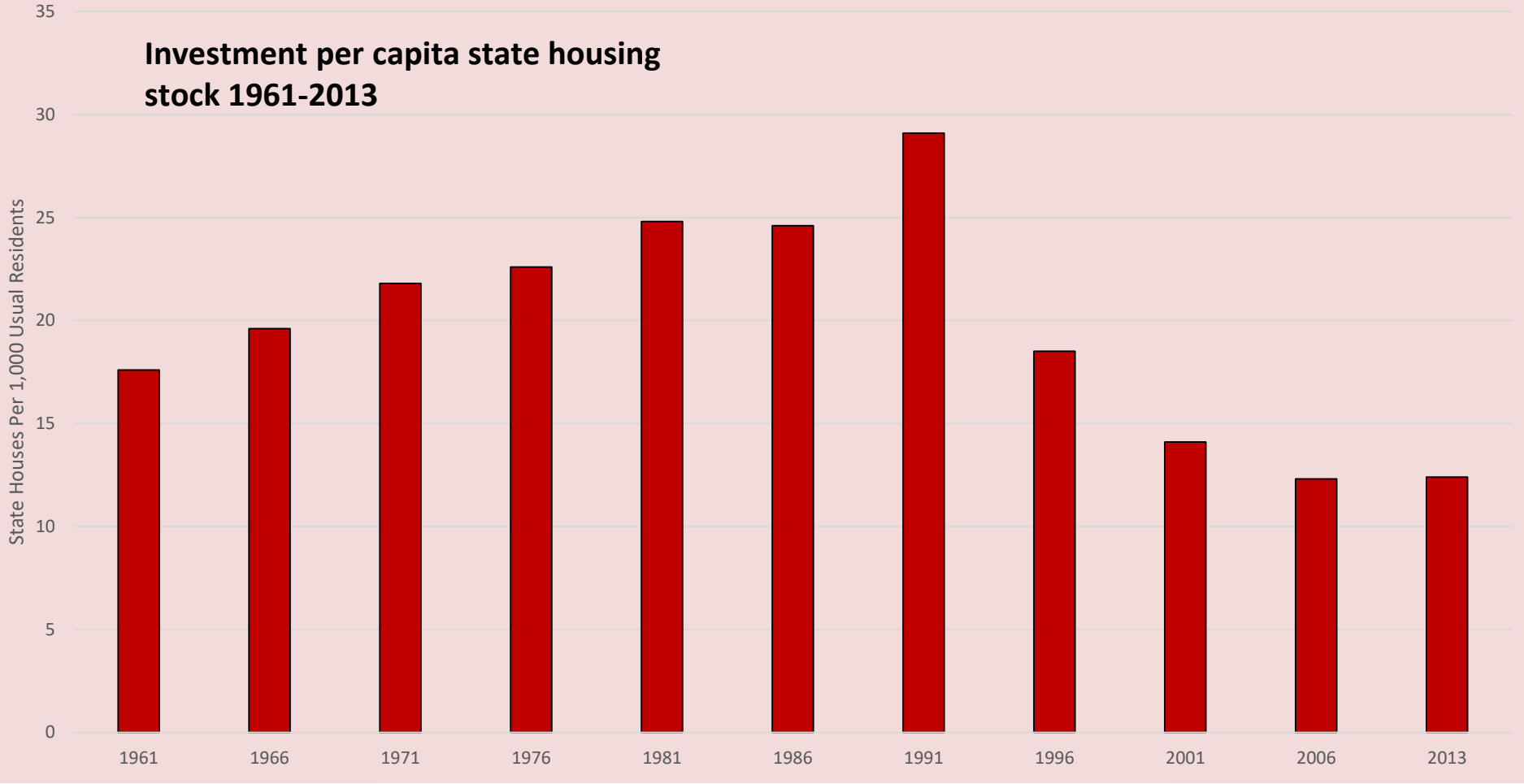
National Science Challenges

Big Shifts Past and Future

Housing Policy - Investment to Welfarism

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age

www.goodhomes.co.nz



LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment

www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

Big Shifts Past and Future

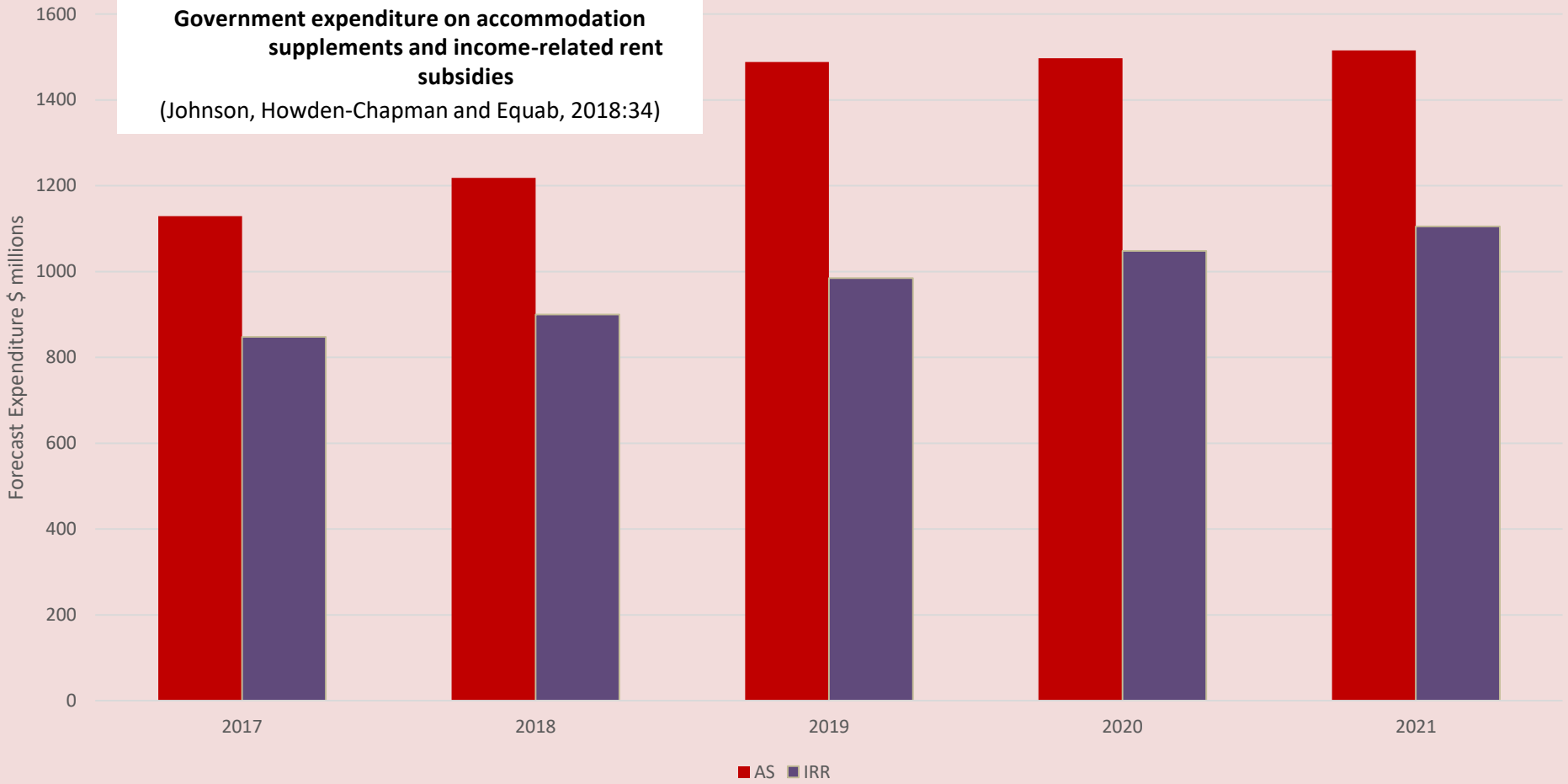
Housing Policy - Investment to Welfarism

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age

www.goodhomes.co.nz

Government expenditure on accommodation supplements and income-related rent subsidies

(Johnson, Howden-Chapman and Equab, 2018:34)



LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment

www.cresa.co.nz

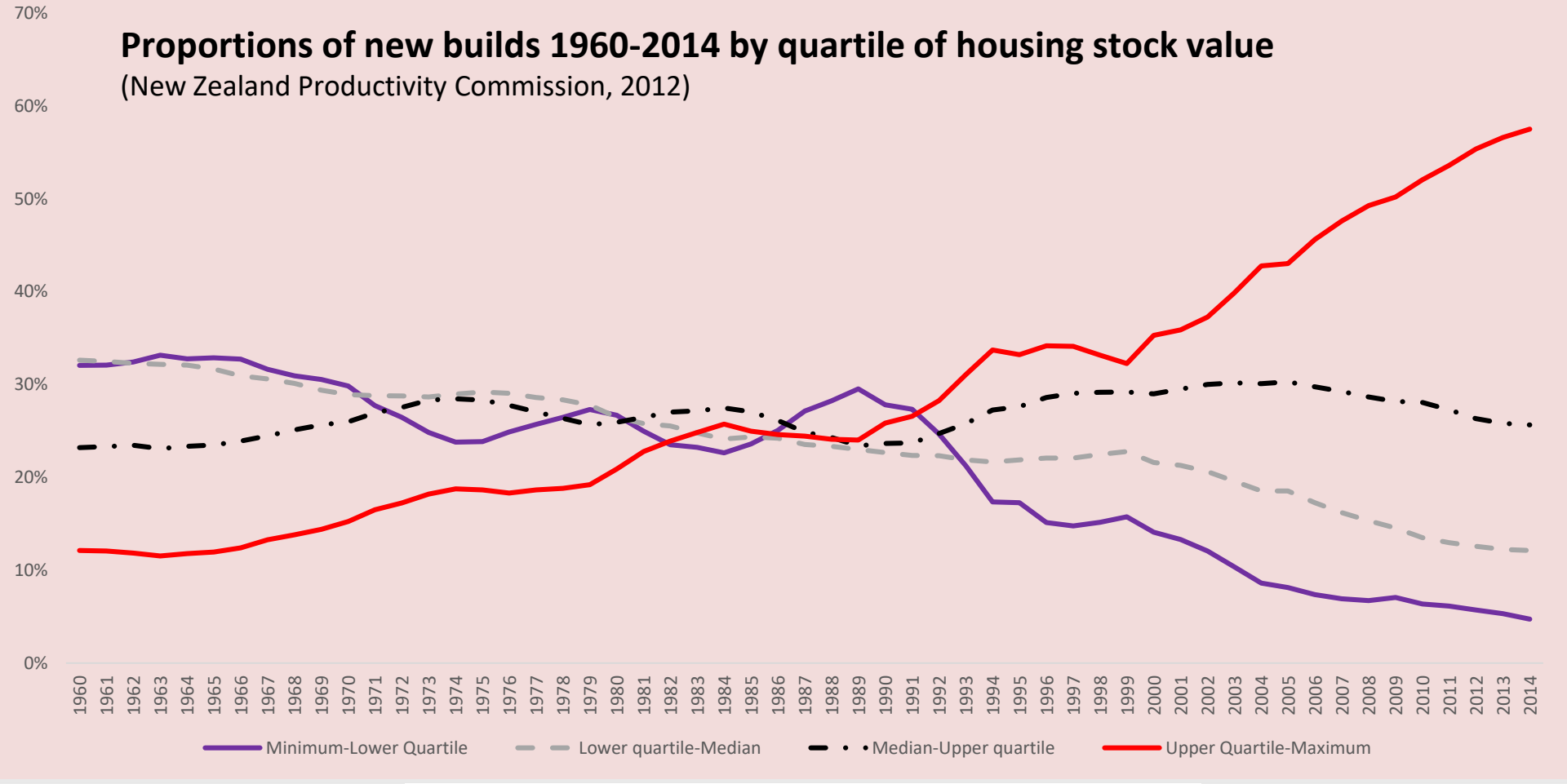
GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

Big Shifts Past and Future

Affordable Housing Supply

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age
www.goodhomes.co.nz



LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment
www.cresa.co.nz

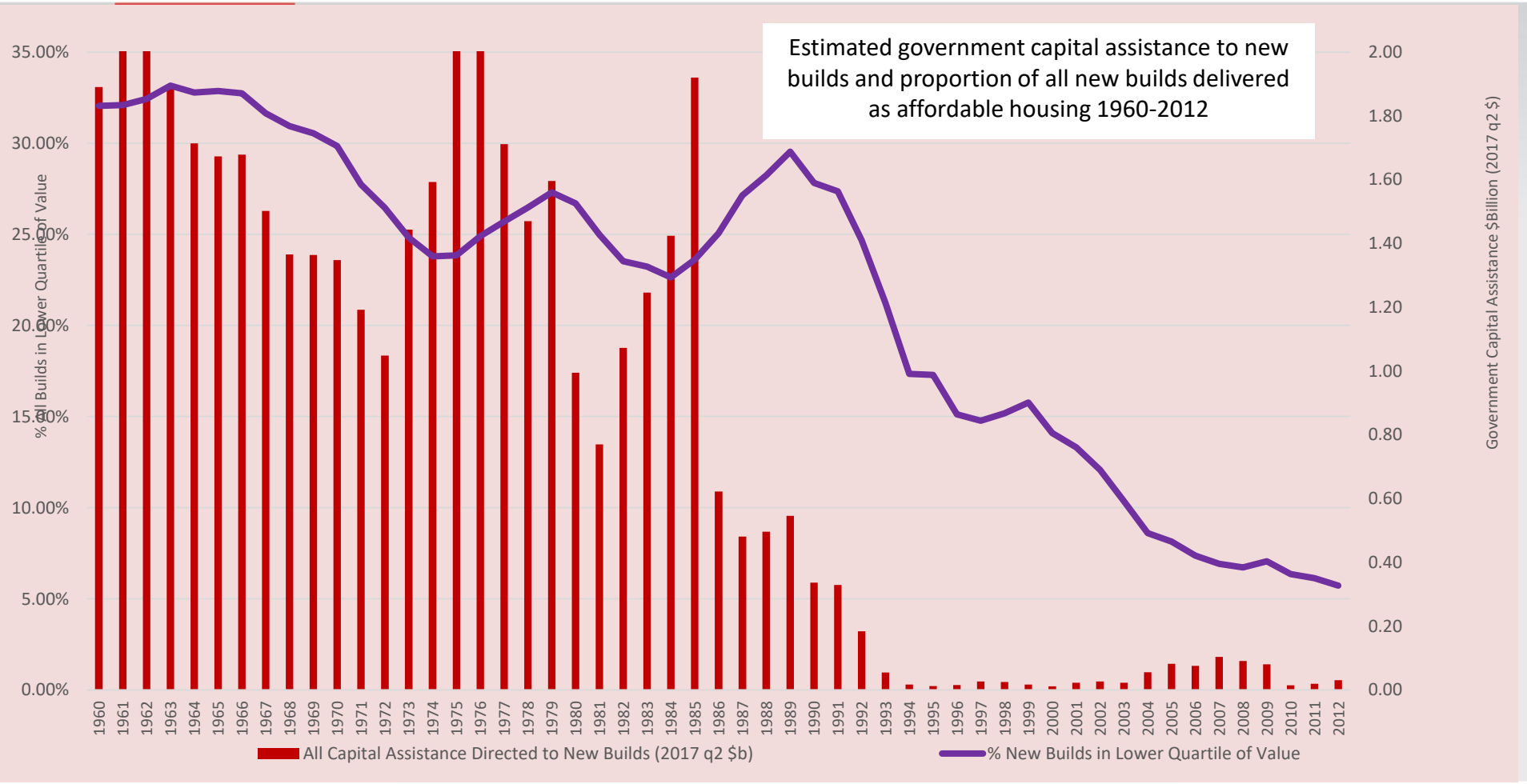
GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

Big Shifts Past and Future

Government Investment and Affordable Housing

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age
www.goodhomes.co.nz



LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment
www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

Big Shifts Past and Future

House Prices

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age
www.goodhomes.co.nz

BUILDING BETTER HOMES, TOWNS AND CITIES
Ko ngā wā kāinga hei whakamāhorahora

1990= $123bn

2000= $229bn

2010= $609bn

2015= $862bn

RBNZ (2016) Key Graphs 1990-2015 (Qtr3)

National Science Challenges

AGEING WELL
Kia eke kairangi ki te taikaumātuatanga

LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment
www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

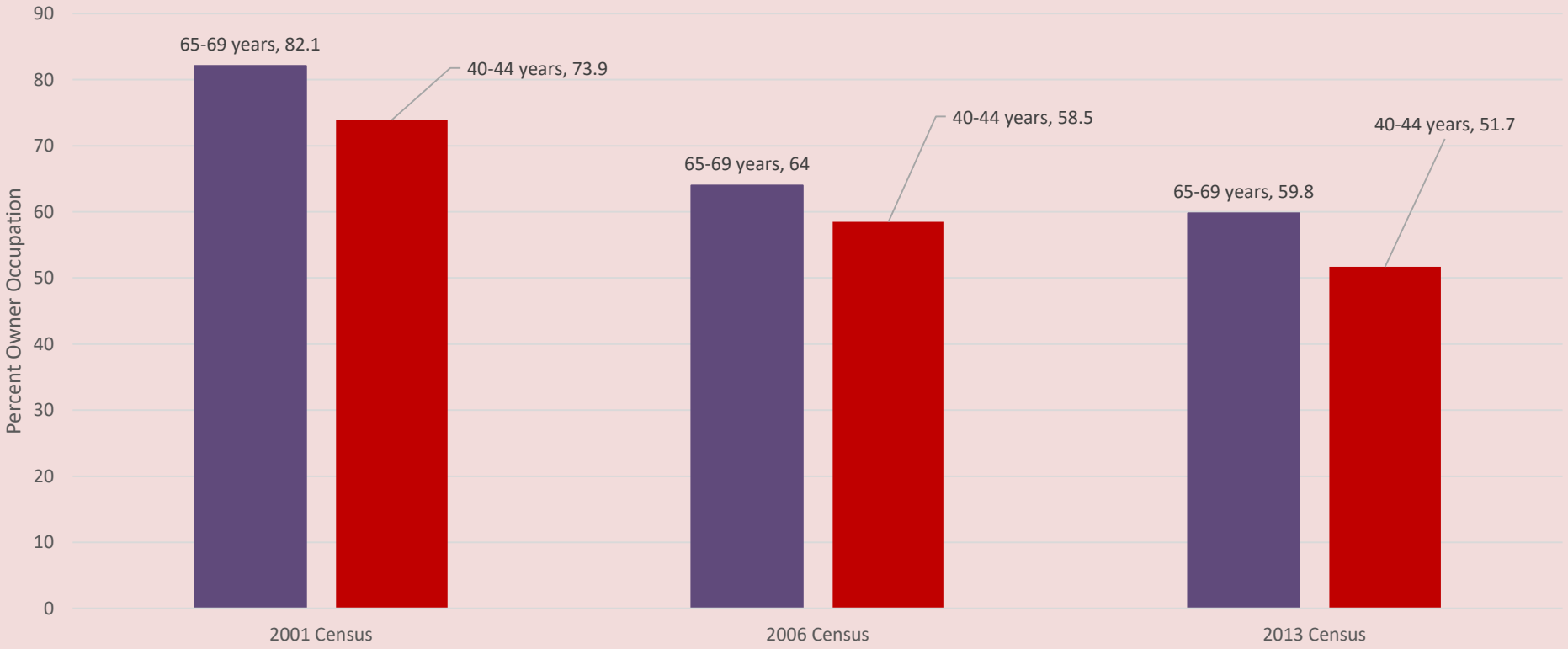
Big Shifts Past and Future

Tenure Revolution

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age

www.goodhomes.co.nz

% Population in Owner Occupation for Selected Ages 2001, 2006 and 2013 Censuses



LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment

www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

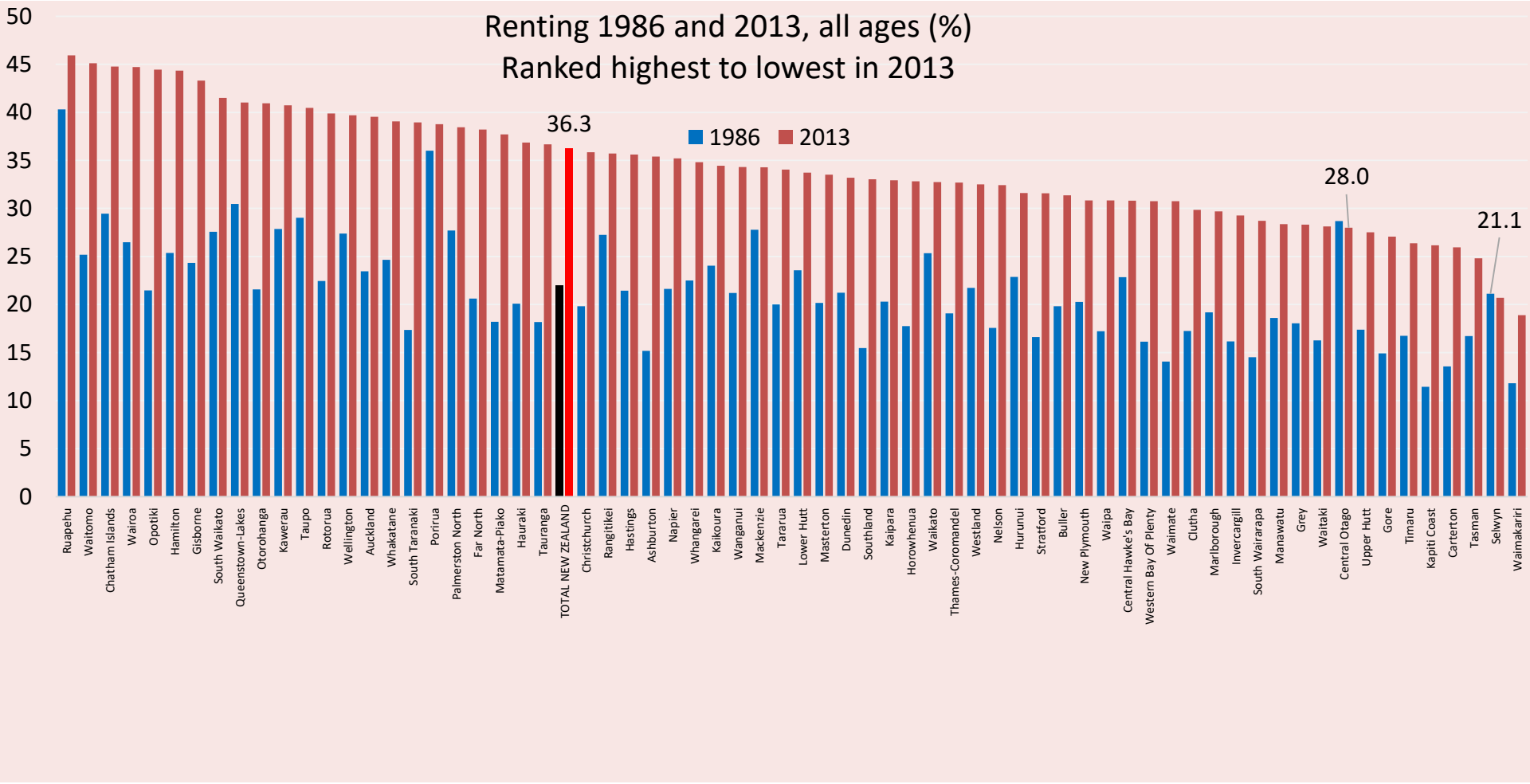
National Science Challenges

Big Shifts Past and Future

Tenure Revolution

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age

www.goodhomes.co.nz



LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment

www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

Big Shifts Past and Future

Tenure Revolution

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age

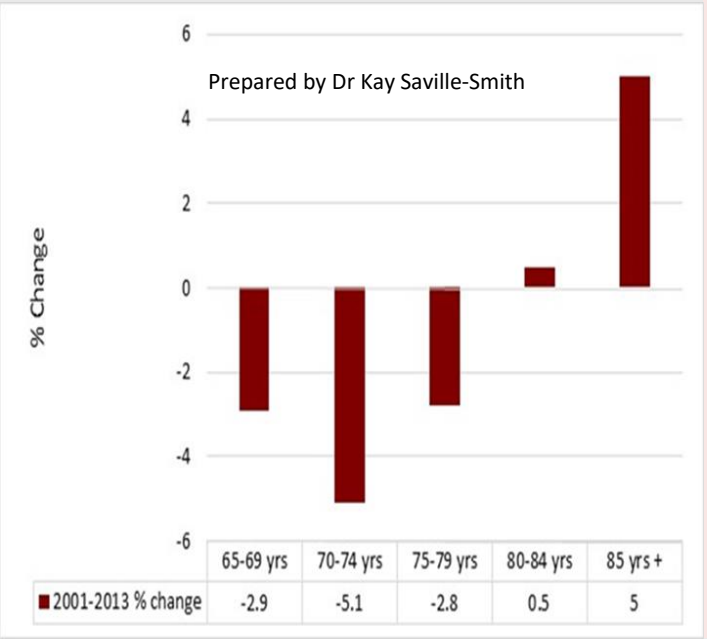
www.goodhomes.co.nz

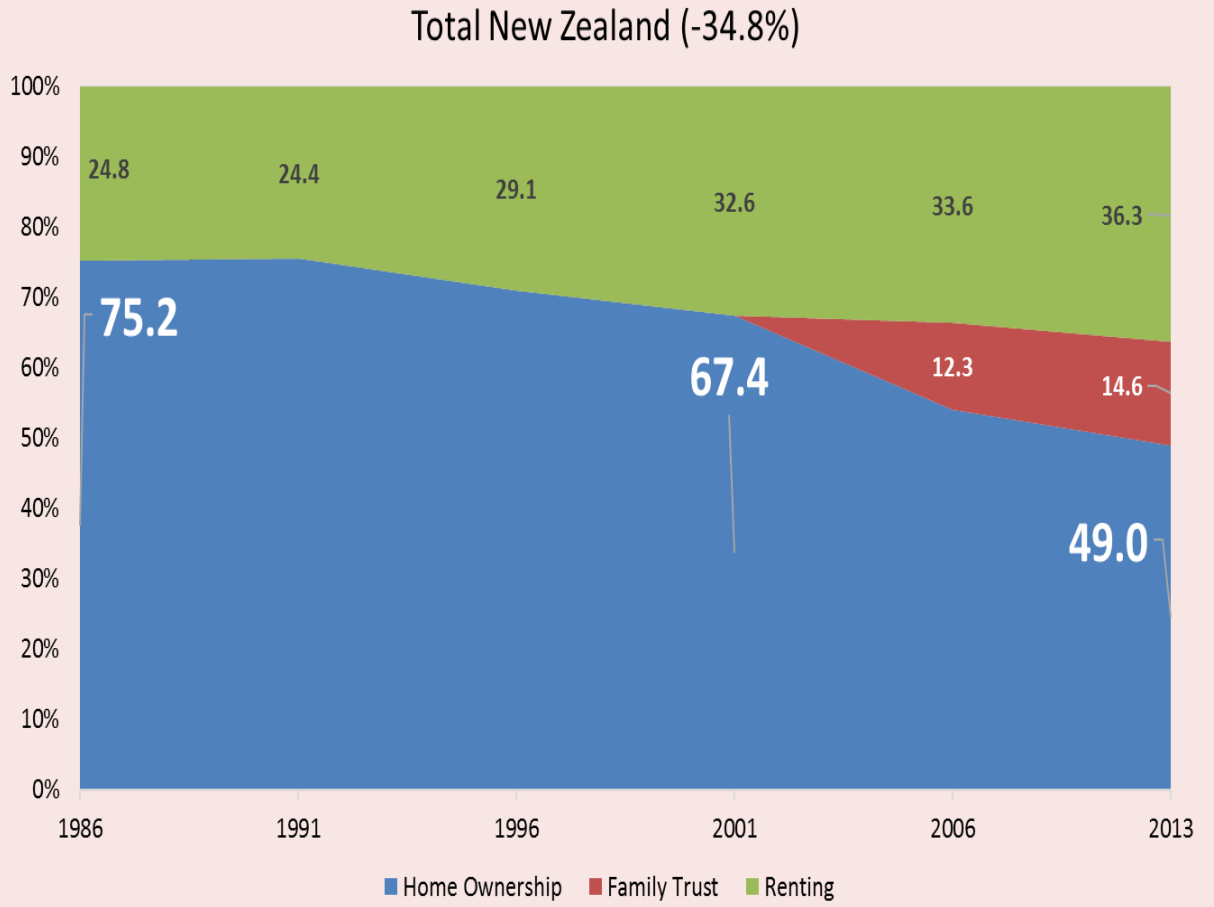
BUILDING BETTER HOMES, TOWNS AND CITIES

Ko ngā wā kāinga hei whakamāhorahora

Prepared by
Dr Natalie Jackson

Prepared by Dr Kay Saville-Smith





LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment

www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

Big Shifts Past and Future

Tenure Revolution

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age
www.goodhomes.co.nz

BUILDING BETTER HOMES, TOWNS AND CITIES
Ko ngā wā kāinga hei whakamāhorahora

Youngest Boomers renting

- 27.2% inNZ
- 32.4% in Hamilton
- 31.1% in Auckland
- 30.3% in Porirua
- 29.4% in Tauranga
- 27.1% in Christchurch

Oldest Boomers renting

- 17.9% in NZ
- 22% in Auckland
- 21.2% in Porirua
- 20.9% in Hamilton
- 20.1% in Lower Hutt
- 17.7% in Napier

National Science Challenges

AGEING WELL
Kia eke kairangi ki te taikaumātuatanga

LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment
www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

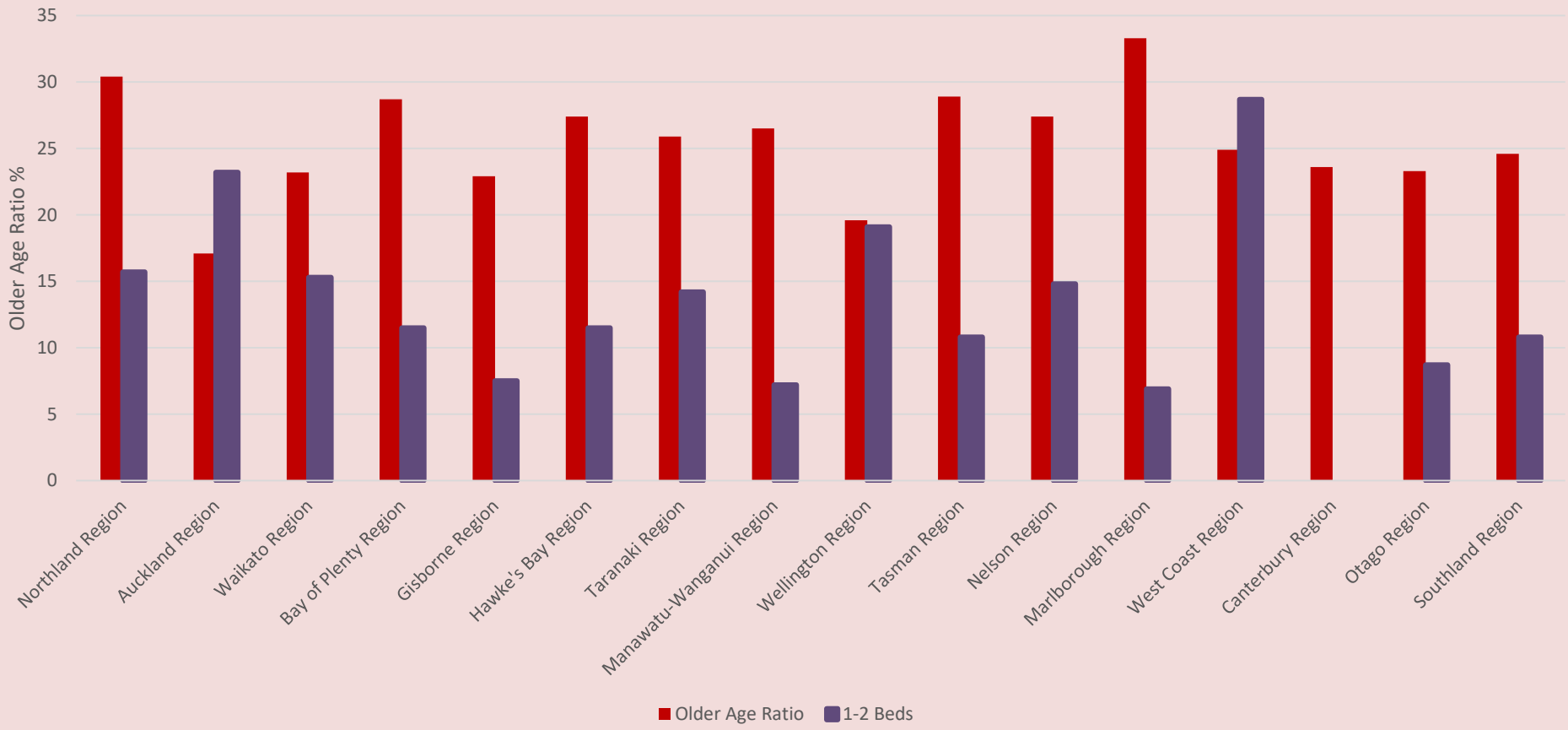
Big Shifts Past and Future

Structural Ageing

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age

www.goodhomes.co.nz

Regional Older Age Ratios and % Added Stock 2001-2013 1-2 Bedrooms



LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment

www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

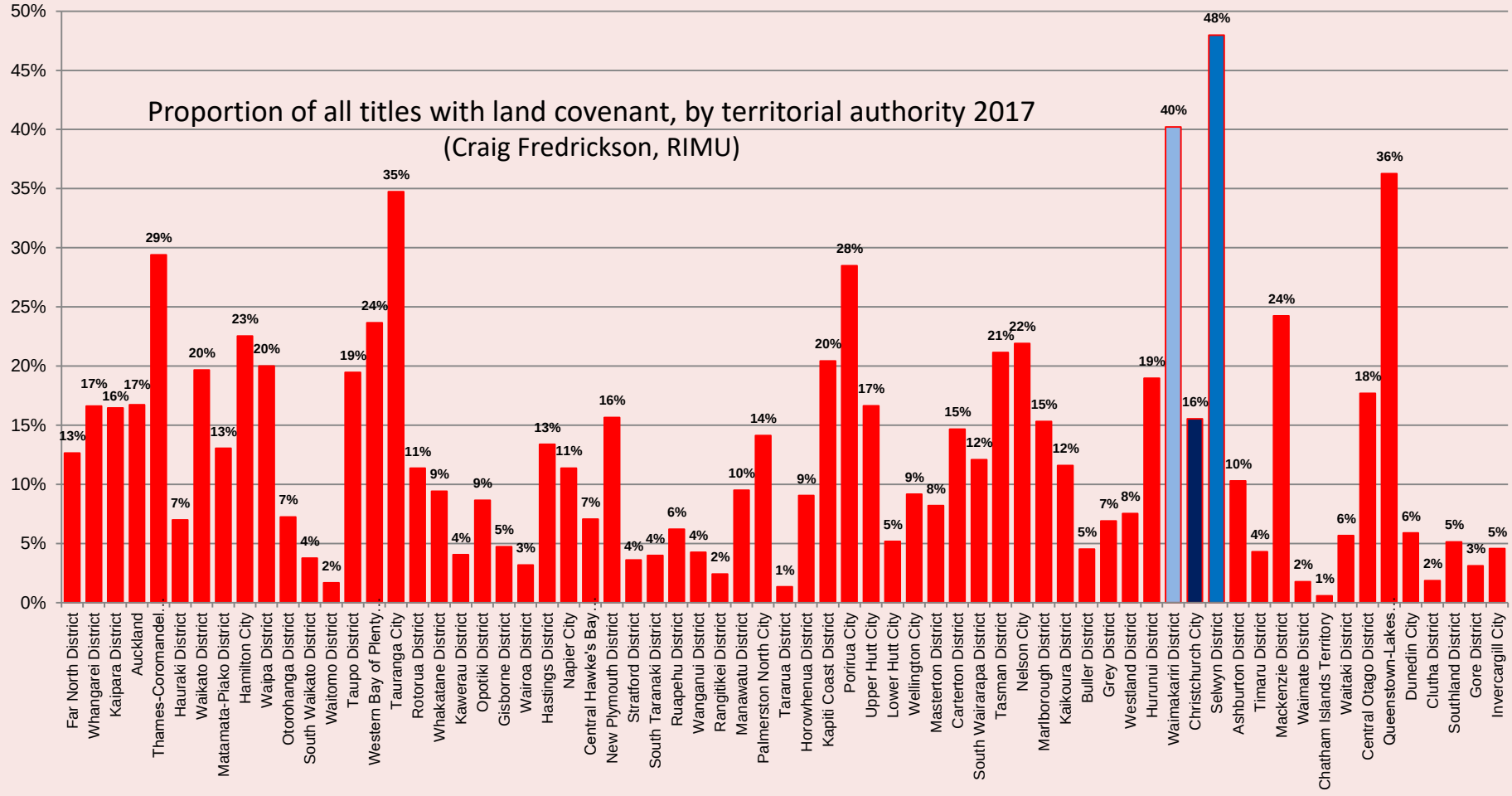
National Science Challenges

Big Shifts Past and Future

Private Restrictions on Land Use

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age

www.goodhomes.co.nz



LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment

www.cresa.co.nz

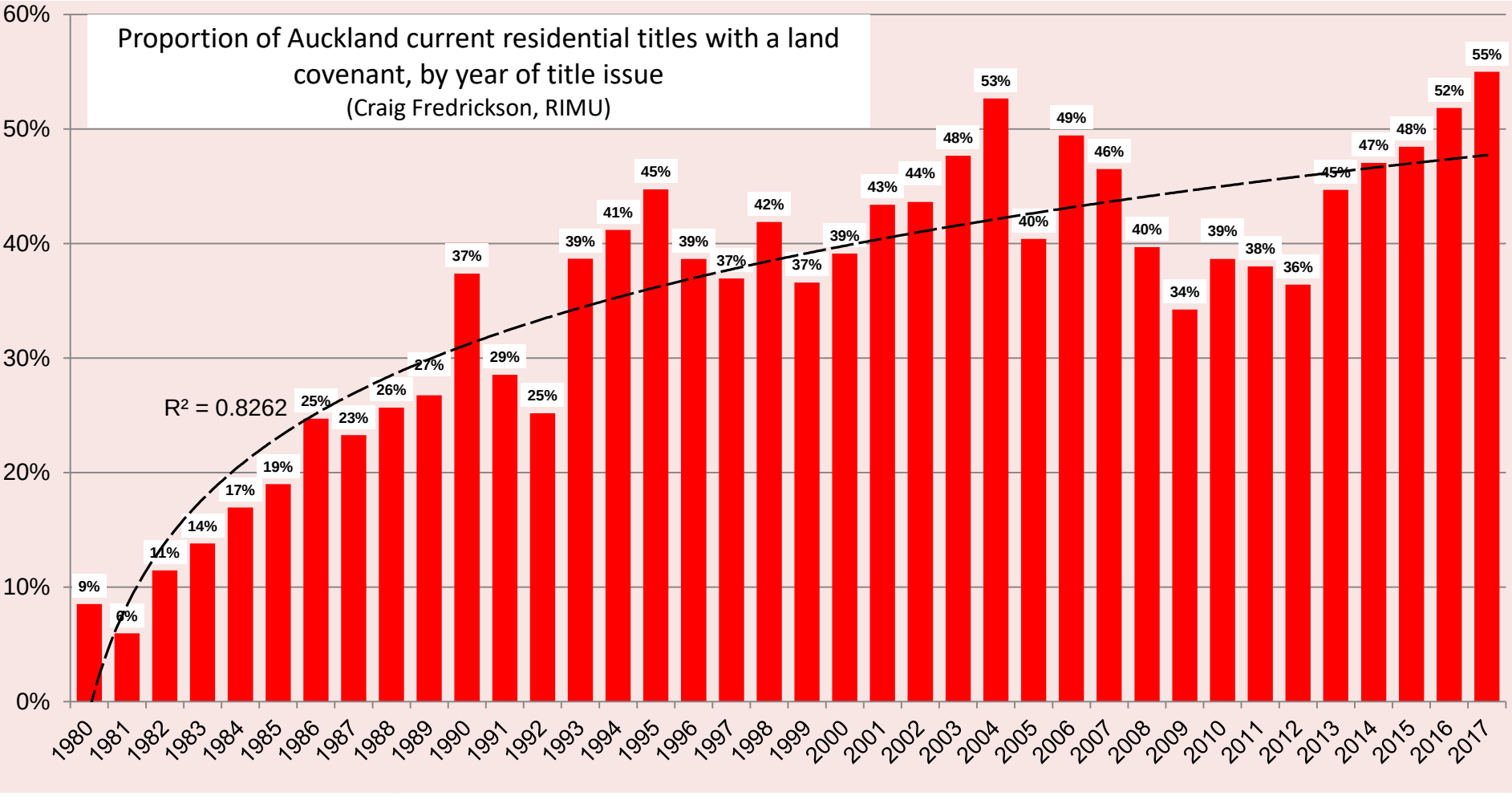
GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

Big Shifts Past and Future

Private Restrictions on Land Use

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age
www.goodhomes.co.nz



LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment
www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

Getting Change

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age
www.goodhomes.co.nz

BUILDING BETTER HOMES, TOWNS AND CITIES
Ko ngā wā kāinga hei whakamāhorahora

Dealing with Myths

- Housing need is a problem of individuals
- Greenfields are the key to meeting supply
- Housing affordability is the same as affordable housing
- Housing is a private good not a public good
- Land costs, building costs and planning costs cause unaffordable housing
  - House prices is the key driver
- Councils can not impact on affordable housing supply except as a housing provider
- Deal with the most needy:
  - But actually - Housing need trickles down, unlike house performance requirements in affordable housing push performance up across the stock

National Science Challenges

AGEING WELL
Kia eke kairangi ki te taikaumātuatanga

Roles and Role Management

- Leadership and inspiration
- Advocate:
  - Regulation of the building industry
  - Tenancy regulation
  - Control of covenant impact
  - Building code
  - Government defined tools and rules – finance, transport, investment
  - Housing system integration and funding
  - Planning reform
- Resource holder – land release for affordable housing
- Investor
- Service supplier and provider
- Planner, facilitator and regulator
  - Enrich the toolbox of incentives, disincentives and regulation
  - Have a clear intervention logic across the housing and building systems

LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment
www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge

National Science Challenges

Housing Supply Continuum

GOOD HOMES FOR GOOD LIVES
Empowering housing decisions as we age

www.goodhomes.co.nz

BUILDING BETTER HOMES, TOWNS AND CITIES

Ko ngā wā kāinga hei whakamāhorahora

National Science Challenges

AGEING WELL

Kia eke kairangi ki te taikaumātuatanga

	Social Housing	Affordable Housing	Market Housing
Goal	Well-being Community building	Well-being Community building	Profitable business
Financial Characteristics	• Subsidised capital • Land contributions • IRR or AS-subsidised revenue (rents) • Leveraged, asset-based lending • Service contracts Break-even, limited surplus	• Subsidised capital • Land contributions • Leveraged, asset-based borrowing • Householders: Co-payment, Rent for buy, AS rents Revenue surplus, revolving fund	• Development capital • Leveraged, asset-based borrowing Profit

Users	• Lowest income
	• Multiple needs
	• Limited resources
		• Low and middle income
		• LVR affected
		• Prudential issues
		• Housing stress
			• Income/Asset endowed
			• Able to meet
			  • Median rents
			  • Finance requirements

Services	Whanāu Ora - wraparound	Whanāu Ora • Housing management • Strengths development • Budget management	House delivery
Tenure	• Primarily rental • Limited intermediate tenures	• Intermediate tenures • Home ownership	• Home owners • Property investors • Retirement Village

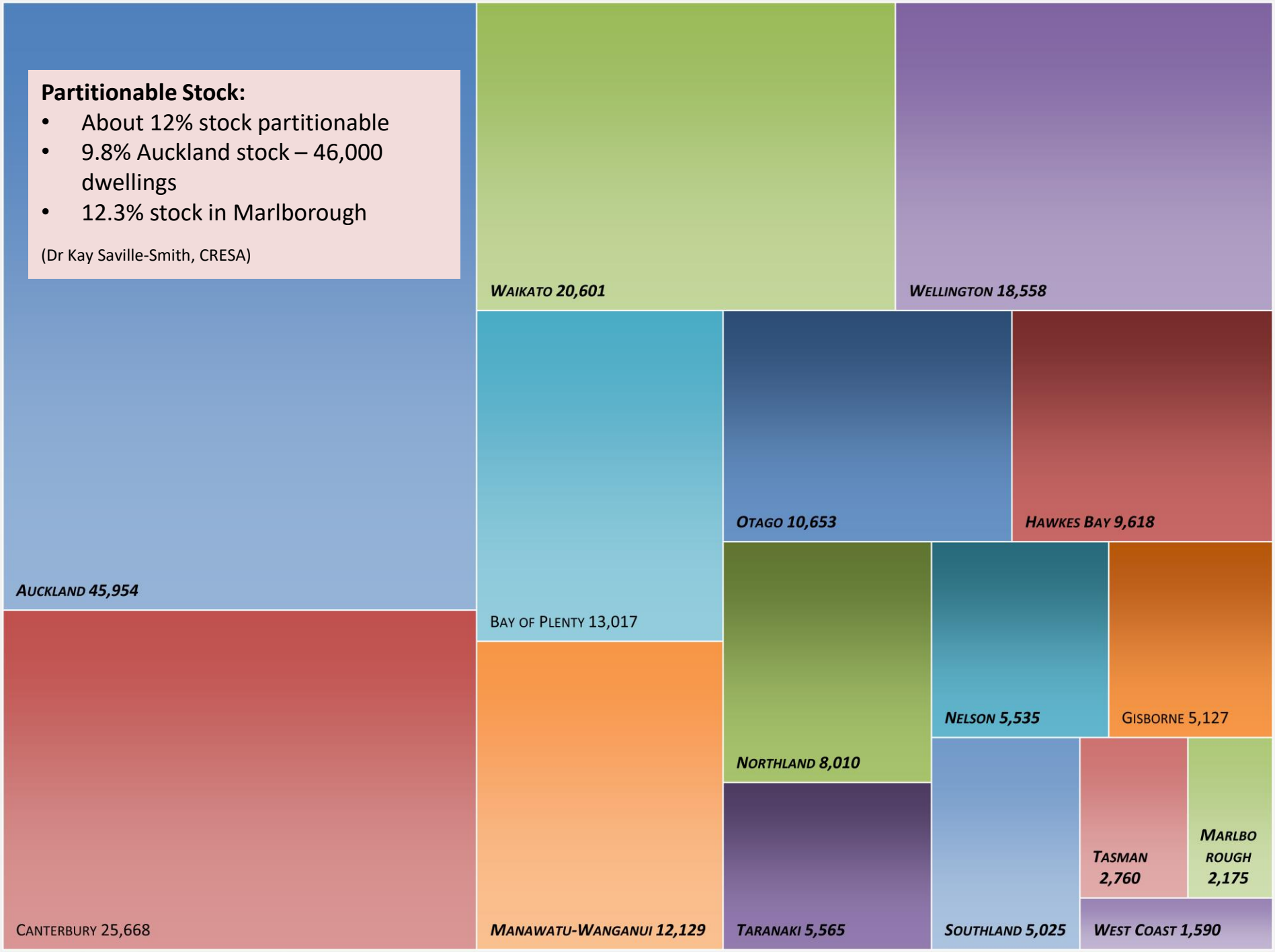
LIFE WHEN RENTING
AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence in the Tenure Revolution

@KayCresa

CRESA Centre for Research, Evaluation and Social Assessment

www.cresa.co.nz

GETTING DECISIONS FOR HOMES AND CITIES THAT WORK
Building Better Homes, Towns and Cities National Science Challenge


Partitionable Stock:
• About 12% stock partitionable
• 9.8% Auckland stock – 46,000 dwellings
• 12.3% stock in Marlborough
(Dr Kay Saville-Smith, CRESA)
Waikato 20,601
Wellington 18,558
Auckland 45,954
Bay of Plenty 13,017
Otago 10,653
Hawkes Bay 9,618
Northland 8,010
Nelson 5,535
Gisborne 5,127
Canterbury 25,668
Manawatu-Wanganui 12,129
Taranaki 5,565
Southland 5,025
Tasman 2,760
Marlborough 2,175
West Coast 1,590