

Housing Affordability in Wellington

A Survey of Candidates for Wellington City Council

1. Introduction

The Wellington Housing Trust sent a survey on housing affordability to all candidates for Wellington City Council on Wednesday 22 September 2010.

Those candidates who had provided an email address (45 candidates) on the Wellington City Council website were sent the survey by email. Those that did not (3 candidates) were sent a paper copy. Candidates were asked to respond by Wednesday 29 September 2010.

Candidates were told that the Wellington Housing Trust will call on the new Council to:

- Work with central government to grow community housing organisations in Wellington so we can meet some of the increasing housing needs – both in home ownership and affordable rental.
- Change consent processes and development contributions for community housing organisations so we can increase our housing provision.
- Offer any appropriate surplus Council owned land to community housing organisations for the provision of affordable housing.

Candidates were then asked the following two questions:

- 1. Do you believe housing affordability is an issue in Wellington City?**
- 2. If so what do you think should be done to address this issue?**

The full survey document is shown in appendix 1.

2. Results Summary

2.1. Response Rate

Thirty of the forty eight candidates responded to the survey, a response rate of 63%.

The thirty candidates who responded were: Ray Ahipene-Mercer, Ngaire Best, John Bishop, Camilia Chin, Stephanie Cook, Paul Eagle, Tamia Fagaloa, Andy Foster, Marcus Ganley, Rob Goulden, Mark Greening, Keith Johnson, Justin Lester, Ian McKinnon, Greg McPhee, Mike Mellor, Thomas Morgan, Rex Nairn, Bernard O'Shaughnessy, Iona Pannett, Seann Paurini, Bryan Pepperell, Kerry Prendergast, Kris Price, Allan Probert, Helene Ritchie, Jack Ruben, Rosemary Russell, Tony Travers, Jack Yan.

The highest response rates came from candidates for the Lambton (78%) and Southern (80%) Wards.

The lowest response rate came from candidates for the Onslow-Western Ward (29%).

Four of the six mayoral candidates responded: Bernard O'Shaughnessy, Bryan Pepperell, Kerry Prendergast, Jack Yan.

Note: Both Ingrid Sage and Celia Wade-Brown were late to respond and so their replies were not included in sections 2.2 and 2.3. However their responses have been included in appendix 2.

2.2. Candidate Responses

2.2.1. Question 1. Do you believe housing affordability is an issue in Wellington City?

Twenty eight of the thirty (93%) candidates explicitly stated that housing affordability was an issue in Wellington City.

The response from Ray Ahipene-Mercer was unclear. The response from Keith Johnson did not address housing affordability directly.

2.2.2. Question 2. If so what do you think should be done to address this issue?

Several themes arose from the candidates' responses. The most frequent themes, along with candidates' responses, are summarised below. Full responses from all candidates are listed in appendix 2.

Theme 1 – Social housing : the role of social housing in increasing housing capacity

“I support the 3 initiatives you've identified and would seek the opportunity to meet at the earliest opportunity.” – Paul Eagle

“What we could do though is to recycle social housing - ie sell some stock to tenants, social housing providers etc, and reinvest the proceeds in new social housing stock. This would mean that more suitable housing is available.” – Andy Foster

“We need to construct more social housing. This must be a combination of Council, Housing NZ and 'third-sector' social housing providers.” – Marcus Ganley

“Council need to ensure there is sufficient social housing stock – particularly for single people or solo parents – which is where demand is increasing and where stock levels have reduced the most. ... Council need to collaborate more with central government agencies and housing trusts to secure ongoing funding and supply.” – Mark Greening

“... I am strongly supportive of expanding the stock of affordable social housing” – Keith Johnson

“Recognising the efforts of third party community housing groups such as Habitat for Humanity and work with these groups to help provide land.” – Justin Lester

“I think it is important for the council to liaise closely with Housing NZ to try and develop more sustainable, affordable housing especially for those on low / no income.” – Greg McPhee

“I am unable to make any promises with regards to expanding the social housing stock or making land available as these are difficult economic times for all and I doubt Council is in a position to spend a great deal of money on this but I would welcome working with you and your organisation to see what the Council can do.” – Rex Nairn

“more unit stock be built, immediately” – Bernard O'Shaughnessy

“Nevertheless, it would certainly be possible to ensure that our District Plan includes a commitment to social housing.” – Iona Pannett

“Council should be making more provision for social housing... ” – Bryan Pepperell

“I fully support and endorse your 3 bullet points..... and have done for many years.” – Jack Ruben

Theme 2 – Land : the scarcity of available land, the use of council land for housing projects and the opening up of new areas for development.

“Land scarcity is a primary factor in housing affordability, and as such given the limitations of available land in the city, Wellington City needs to work collaboratively with neighboring authorities (particularly those that have a static or near static population) along with central government to evaluate options.” - Ngaire Best

“The councils’ district plan, its ability to make suitable land available for social housing initiatives of various kinds and its willingness to advocate in the interests of those needing housing are important and supported.” – John Bishop

“I believe that there should be set aside tracks of new areas for high density housing, for example, along the northern growth corridor between Grenada Village and Grenada North to Porirua.” – Camilia Chin

“One that some people like is to free up the supply of land (ie in a city context expanding the urban area (we have allowed for greenfields development in the Northern Growth area but not into Makara and Ohariu Valley. I don't agree that endless urban expansion is a good idea for many reasons - transport, energy use, cost of infrastructure to service areas - and taking a whole of life cost for a dwelling further flung houses may be cheaper initially but cost more in the long term, and be at considerable risk with rising energy costs. “ – Andy Foster

“Ensuring a forward supply of new sections for housing as the population continues to increase.” – Justin Lester

“Opening up more land (but it could be further away from the transport spine) but this won't necessarily guarantee more affordable housing will be built ... “ – Ian McKinnon

“Council has also identified Johnsonville, Adelaide Road and Lyall Bay as areas of high density growth and more residences in these areas should help alleviate any pressure caused by housing shortages.” – Rex Nairn

“...provide Council land for further unit building.” – Bernard O'Shaughnessy

“I would certainly support offering any surplus land to community housing organisations but numerous requests to officers have always resulted in the same response, we don't have this land.” – Iona Pannett

“I fully support council owned land being given to innovative housing organisations to set up affordable, good quality housing communities.” – Seann Paurini

“I'd also like to explore whether the Council can take a more direct role in developments, such as purchasing and leasing land, and even directly building some cornerstone developments as well.” – Kris Price

“One of the options for land I'm not very keen on is to encroach into our town belt to provide more sections. I feel a better option would be council approved infill housing, using council owned property and making better use of larger sections therefore splitting the cost of the land across the amount of dwellings. This scheme would be run by council only and therefore cut out another first up cost 'real-estate fees'.” – Tony Travers

Theme 3 – Resource Consent and Development Contributions

“WCC has recently adopted plan change 72 which provides for intensification around the Johnsonville and Kilbirnie town centres, theoretically increasing supply. This proposal came under intense criticism by the Johnsonville community, which highlights that this is a complex issue.” – Ngaire Best

“We also need to build more and faster to meet the growing need for housing....and that translates to quicker building consents and more efficient building and inspection process. However, the danger of that is the risk of rushed and poorly built homes. We would not want the leaky homes plague again.” – Camilia Chin

“(P)roviding faster and more efficient consent processing under the Building Act to reduce administration costs” – Justin Lester

“It would be worthwhile looking at streamlining consent processes, but I'm not sure about special treatment in that area for one class of development, without very careful thought (which I'd be very happy to contribute to). Similarly with development contributions: the facilities that these fund would still need to be provided, and I would rather that WCC made any such subsidy explicit. I'm sure that there would be a case for doing this, and I would welcome the debate.” – Mike Mellor

“In terms of consenting processes, I would be cautious about supporting the easing of rules. Irrespective of what kind of housing we are talking about, we need to ensure that any building fits in with our relevant strategies and the law. ... We could look at a reduction in terms of development contributions but this is potentially difficult too if the costs of providing social housing then become a burden for the ratepayer.” – Iona Pannett

“Your organization's plans have merit about consent processes and development contributions. On the former, I envisage streamlining processes and making them transparent by implementing more e-government programmes. On the latter, I have already advocated a revision of the development contributions' scheme.” – Jack Yan

Theme 4 – The Role of Central Government

“I think this is primarily an issue for central government – macroeconomic settings and fiscal policy, and housing assistance and welfare policy” – John Bishop

“I think Central government needs to provide more affordable housing for low income families.”
– Rob Goulden

“Council need to collaborate more with central government agencies and housing trusts to secure ongoing funding and supply.” – Mark Greening

“I would certainly support closer working relationships with central government to facilitate more affordable housing. Given the costs involved, I see that central government has a role to play given that they have much larger resources at hand. It may be possible for the Government to fund local government to build more affordable housing but the costs and benefits of such an idea would need to be looked at carefully.” – Iona Pannett

“Low cost housing is a serious issue and needs addressing by Government, local Government and the private sector.” – Bryan Pepperell

“It would be sensible to lobby Government about their removal of depreciation as an incentive.”
– Kerry Prendergast

“Exert pressure on WCC and the Government to change their attitudes towards the provision of housing to the less fortunate folk in this city and become more sympathetic to their needs.” – Jack Ruben

“On social housing, we need to examine income-related rents and work with central government on revising the housing benefits' system. Again, this depends on how well we can get the economic growth plans up and running, so we can make a stronger case to central government.” – Jack Yan

Theme 5 – Affordable Housing Placement in New Developments

“It [areas of high density housing] has been practiced successfully in some countries where property developers of new areas are required to set aside different sections for low cost flats, low cost houses, medium cost houses and higher value houses.” – Camilia Chin

“We also have an opportunity with our District Plan to look at integrating low cost or publically owned housing into new housing developments.” – Stephanie Cook

“Insisting developers build some low cost housing on any new development” – Ian McKinnon

“WCC should be working with community housing organisations and with Housing NZ to facilitate the provision of affordable housing, by for instance requiring a proportion of housing in each housing development to be affordable” – Mike Mellor

“I think one option we need to explore in Wellington (and other cities in NZ need to do likewise) is requiring new developments to provide some proportion of affordable housing.” – Kris Price

2.3. Community Housing Organisations

The survey document stated that the Wellington Housing Trust will call on the new Council to:

- Work with central government to grow community housing organisations in Wellington so we can meet some of the increasing housing needs – both in home ownership and affordable rental.
- Change consent processes and development contributions for community housing organisations so we can increase our housing provision.
- Offer any appropriate surplus Council owned land to community housing organisations for the provision of affordable housing.

Despite this, community housing or third sector organisations were explicitly mentioned by only five candidates.

“The sell off of social housing that occurred in the 90s needs to be reversed. We need to construct more social housing. This must be a combination of Council, Housing NZ and 'third-sector' social housing providers.” – Marcus Ganley

“Recognising the efforts of third party community housing groups such as Habitat for Humanity and work with these groups to help provide land.” – Justin Lester

“I think that WCC should be working with community housing organisations and with Housing NZ to facilitate the provision of affordable housing, by for instance requiring a proportion of housing in each housing development to be affordable.” – Mike Mellor

“I would certainly support offering any surplus land to community housing organisations but numerous requests to officers have always resulted in the same response, we don't have this land.” – Iona Pannett

“You also raised community housing organisations, which is an interesting idea that I'd like to think about some more, and if elected would certainly want to explore this further with WHT.” – Kris Price

Paul Eagle and Jack Ruben also supported all three of our proposals.

Other candidates mentioned social housing providers, trusts, initiatives and organisations.

“What we could do though is to recycle social housing - ie sell some stock to tenants, social housing providers etc, and reinvest the proceeds in new social housing stock. This would mean that more suitable housing is available.” – Andy Foster

“Council need to collaborate more with central government agencies and housing trusts to secure ongoing funding and supply.” – Mark Greening

“The councils' district plan, its ability to make suitable land available for social housing initiatives of various kinds and its willingness to advocate in the interests of those needing housing are important and supported.” – John Bishop

“I fully support council owned land being given to innovative housing organisations to set up affordable, good quality housing communities.” – Seann Paurini

Three candidates mentioned changes to resource consent and development contributions.

“We could look at a reduction in terms of development contributions but this is potentially difficult too if the costs of providing social housing then become a burden for the ratepayer. Finally, I think we could streamline our consenting processes more effectively so that applicants trying to build affordable housing face as few barriers as possible.” – Iona Pannett

“It would be worthwhile looking at streamlining consent processes, but I'm not sure about special treatment in that area for one class of development, without very careful thought (which I'd be very happy to contribute to). Similarly with development contributions: the facilities that these fund would still need to be provided, and I would rather that WCC made any such subsidy explicit. I'm sure that there would be a case for doing this, and I would welcome the debate.” - Mike Mellor

“Your organization's plans have merit about consent processes and development contributions. On the former, I envisage streamlining processes and making them transparent by implementing more e-government programmes. On the latter, I have already advocated a revision of the development contributions' scheme.” – Jack Yan

Appendix 1

Wellington Housing Trust Survey Document

Hello Candidate

The Wellington Housing Trust is conducting a survey of Wellington City Council election candidates to assess awareness of local housing issues.

The information candidates give – or not – will be reported to local media, the members of the various forums which meet in the city to discuss housing issues, and the general public via our website and newsletter on 30 September 2010.

The Trust, along with our colleagues from various social service agencies, is very concerned about the chronic lack of affordable homes for low and moderate income people in Wellington City.

Research has shown that:

1. The levels and affordability of home ownership are decreasing in Wellington City.
2. Wellington is the fourth most expensive city in the country, in terms of home ownership affordability.
3. The proportion of households that are renting in Wellington is increasing.
4. The cost of renting in Wellington has risen at a greater rate than household income.
5. Wellington City weekly median rents are the second highest in the country - only slightly behind North Shore City rents.
6. Housing stress is experienced by over 20% of households in Wellington, i.e. they pay more than 30% of their gross income on housing costs.
7. Over the last 20 years the social housing stock in the Wellington region has decreased by a third. Neither Wellington City Housing nor Housing New Zealand have any plans to increase their housing capacity.

We see a growing housing crisis in our city and will be calling on the new Council to undertake the following:

- Work with central government to grow community housing organisations in Wellington so we can meet some of the increasing housing needs – both in home ownership and affordable rental.
- Change consent processes and development contributions for community housing organisations so we can increase our housing provision.
- Offer any appropriate surplus Council owned land to community housing organisations for the provision of affordable housing.

We would like to know your views on housing in Wellington. Please answer the following two questions and send your reply to alison@wht.org.nz or PO Box 24-179, Manners Street, Wellington 6142 by Wednesday 29 September 2010.

Questions

1. Do you believe housing affordability is an issue in Wellington City?
2. If so what do you think should be done to address this issue?

Many thanks for your participation.

Alison Cadman

Further information about the Wellington Housing Trust can be found on our website
www.wht.org.nz

Alison Cadman

Director | Wellington Housing Trust

Ph: 04 384 4854 | Fax: 04 384 4692 | alison@wht.org.nz | www.wht.org.nz

PO Box 24-179, Manners Street, Wellington 6142

Appendix 2

City Council Candidates Views on Housing Affordability in Wellington

The text of each candidate's response has not been altered; however formatting has been changed for ease of reading.

Ray Ahipene-Mercer - Eastern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

It is an issue.

2. If so what do you think should be done to address this issue?

There is a whole raft of matters that need to be progressed. I do not have time to go into this at this time of the night. I have always supported WCC's social housing responsibilities. I came from a State House!

Ngaire Best – Northern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes, however it is not solely a city issue, this is a regional issue and one that I believe needs a regional solution.

2. If so what do you think should be done to address this issue?

I firmly believe that this is an issue that the Wellington Regional Strategy needs to address. Land scarcity is a primary factor in housing affordability, and as such given the limitations of available land in the city, Wellington City needs to work collaboratively with neighboring authorities (particularly those that have a static or near static population) along with central government to evaluate options.

In the past council has had permissive infill housing rules, this was tightened as a result of public opinion. WCC has recently adopted plan change 72 which provides for intensification around the Johnsonville and Kilbirnie town centres, theoretically increasing supply. This proposal came under intense criticism by the Johnsonville community, which highlights that this is a complex issue.

What this highlights is the complexity of the issues and the need for further work within the region to understand the levers available to the city and region.

John Bishop - Lambton Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes it is an issue, but I think the WCC is only a minor player in this. Interest and wage rates, the level of employment (and unemployment), and the appeal of owning one's own home are also important. While I see affordable housing as central to social justice and to social stability, I do not see that as inevitably being met by couples or families buying their own home and being saddled with large debts. It may be more sensible to rent or to defer purchase depending on the circumstances.

In any event this is more an issue for central government than for the WCC, although the council must take an active and intelligent interest in the matter

2. If so what do you think should be done to address this issue?

As indicated I think this is primarily an issue for central government – macroeconomic settings and fiscal policy, and housing assistance and welfare policy. The councils' district plan, its ability to make suitable land available for social housing initiatives of various kinds and its willingness to advocate in the interests of those needing housing are important and supported. I am unenthusiastic about ratepayers subsidising tenants, or of the council investing capital in housing projects, although I have no issue with the current arrangements in respect of the council administering social housing on behalf of the government.

Camilia Chin – Northern Ward Candidate**1. Do you believe housing affordability is an issue in Wellington City ?**

Yes, I believe housing affordability is a real issue in Wellington City. Home have more than doubled in price over the last 8-10 years. It has caused many lower income groups to buy homes further away outside of the city, in places like Otaki, Levin, Greytown, Carterton. Even just 10-15 km away in Aotea, Porirua, a good quality new home is around \$60-100k cheaper than a similar home in the Northern suburbs.

2. If so what do you think should be done to address this issue?

Price is dependent on market forces ie, demand and supply. If we have more housing available, then the prices will be levelled out by market demand. However, it would not be fair to impose high density housing in established low density housing streets, and change the demographic profile of an existing established residential street to the detriment of the people who first chose to live there for that low density characteristic.

However, I believe that there should be set aside tracks of new areas for high density housing, for example, along the northern growth corridor between Grenada Village and Grenada North to Porirua. It has been practiced successfully in some countries where property developers of new areas are required to set aside different sections for low cost flats, low cost houses, medium cost houses and higher value houses.

We also need to build more and faster to meet the growing need for housing....and that translates to quicker building consents and more efficient building and inspection process. However, the danger of that is the risk of rushed and poorly built homes. We would not want the leaky homes plague again.

This issue really needs to be studied and debated, and a course of action decided fairly quickly by the new Wellington City Councillors, working in conjunction with other agencies and central govt authorities.

Stephanie Cook – Lambton Ward Candidate**1. Do you believe housing affordability is an issue in Wellington City?**

Yes I do agree housing affordability is an issue for Wellington.

2. If so what do you think should be done to address this issue?

I think we have to do some innovative thinking including working with Govt (which will probably require a change of govt) and NGO groups to look at how we can do this. We also have an opportunity with our District Plan to look at integrating low cost or publically owned housing into new housing developments. I personally know of a number of people who are leaving Wellington because it is too expensive.

Paul Eagle – Southern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Putting communities first is my number one priority and if elected, I will promote “Celebrating our proud communities.” A truly proud community must not forget those on the margins. Having a roof over your head is a basic kiwi right. Every person in our community must be treated with dignity.

I'm loudly saying yes - it is an issue that is particularly relevant to the Southern ward.

Wellington south is 'home' to a large amount of council and central government social housing complexes. Many vulnerable communities need something affordable so they too can be part of a community. Young people and first home owners have long yearned for something affordable so they too can get a head start with their lives.

I'm proud to be standing as a Labour candidate too and applaud the \$220m contribution of the previous Labour government.

2. If so what do you think should be done to address this issue?

Making sure there's affordable and quality housing in the neighbourhoods of Wellington south is a key initiative of my campaign.

This council needs a compelling housing strategy that links with central government, other organisations and the community to address the crisis we're heading into. It must be more than an action plan focused on long overdue maintenance programmes!

I'm opposed to the housing business of council being privatised or put into a Council-Controlled Organisation (CCO). It is a core council activity and needs the necessary focus and resource.

I believe your organisation has an outstanding grasp of the issues and a future pathway that I'd like to lead with the community and council's in-house City Housing team.

I support the 3 initiatives you've identified and would seek the opportunity to meet at the earliest opportunity.

Taima Fagaloa – Eastern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes. Housing affordability is a major issue. Those affected most severely are those on low and middle incomes, and those who have lost jobs, or had their hours reduced. The employment losses are partly due to the global financial crisis but also because of the National-led government's cuts to jobs and services. Thousands of jobs have left Wellington city and you can see this reflected in the depressed retail and wider business sector. Yet those who live in Wellington still have rent or mortgage payments to make. More Wellington people have to rent, sometimes because of mortgage sales and their inability to keep up payments which they once had the income to sustain.

So there are fewer home owners and more tenants. House prices are high and rents have increased while wages and household income are decreasing. After rent has been paid there is little left over for food, power, phone, school, health and other household needs.

Under the last Labour-led government progress in improving Wellington's social housing stock – both council and state - was made. There is still much to do, especially after the reduction of housing stocks under the previous National government.

2. If so what do you think should be done to address this issue?

Labour developed a policy for its candidates, which is based on our party principles and values. I believe that this policy provides a useful plan, and that we must work with other agencies and community groups for the benefit of all householders, especially those who are struggling to pay rent.

Labour's policy supports the following:

- The retention and ongoing enhancement of high quality, healthy and safe Council housing for those in greatest financial need;
- A variety of Council housing types, in order to meet diverse household circumstances and needs;
- Continued Council ownership of its housing stock, and retaining at least the current accommodation capacity;
- Retention of direct Council administration of its housing (rather than any shift into a Council-controlled organisation or trust structure) in order to ensure maximum direct public accountability to tenants and the general public;
- Ensuring that rents are affordable for low income people, and are no more than 70 percent of market levels (as indicated by property values) for these tenants; and
- An active Council role in encouraging community development for Council tenants, in conjunction with outside agencies.

Andy Foster - Onslow-Western Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes I believe housing affordability is an issue. There was an article in the Dompost recently which had an organisation (can't recall which) discussing the cost of housing (I'm not sure whether it was just purchase cost or operating/lifecycle cost) against income. I don't think it was rental costs. Porirua was slightly worse than Wellington in terms of this measure but the whole region was well above the level that had been determined as reasonable. I suspect most of the country and certainly the biggest 10 or 15 centres would be in the same boat. Logically that is likely to become increasingly an issue as demand grows (population size and smaller household sizes) and land supply obviously remains fixed, unless economic performance and therefore incomes rise significantly. Lifting incomes including by reducing unemployment, working smarter (including more investment in capital) etc are all relevant, though not short term fixes.

The ongoing reduction in the percentage of owner occupied homes is a significant concern.

2. If so what do you think should be done to address this issue?

I'm not sure of what the answer to that might be:

One that some people like is to free up the supply of land (ie in a city context expanding the urban area (we have allowed for greenfields development in the Northern Growth area but not into Makara and Ohariu Valley. I don't agree that endless urban expansion is a good idea for many reasons - transport, energy use, cost of infrastructure to service areas - and taking a whole of life cost for a dwelling further flung houses may be cheaper initially but cost more in the long term, and be at considerable risk with rising energy costs.

Other things in play are

1 - the economy ! Interest rates, employment levels. Confidence. remuneration levels. These are the big issues.

2 - tax system - obviously outside Council's control - recent changes to the tax system are a start to making investment property less attractive - which could raise rents to compensate but are more likely to reduce purchase prices.

3 - the cost of construction - new technologies, standardised designs, that all helps to reduce consent costs.

4 - urban planning - encouraging better use of land especially close to services and public transport (walkability reduces living costs significantly - especially if you can avoid the cost of having a car or more than one car). We are doing this already - I'm happy to provide a lot more information on what Council is doing.

5 - again urban planning - since 1994 we've not required Central City apartments to provide carparks. That reduces the cost of developing apartments hugely.

6 - social housing. Council is committed long term to social housing. I don't see the scale changing significantly. To do that would impose further costs on other ratepayers struggling with housing affordability among other things.

7 - social housing. What we could do though is to recycle social housing - ie sell some stock to tenants, social housing providers etc, and reinvest the proceeds in new social housing stock. This would mean that more suitable housing is available.

Marcus Ganley – Lambton Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes. Housing is unaffordable for many Wellingtonians. Home ownership is outside the grasp, and even the dreams of many. At the same time rents are very high, with nearly a quarter of Wellingtonians spending more than 30% of their income on housing.

2. If so what do you think should be done to address this issue?

The sell off of social housing that occurred in the 90s needs to be reversed. We need to construct more social housing. This must be a combination of Council, Housing NZ and 'third-sector' social housing providers. There are practical steps the council can take to support this, such as partnering with HNZA and third-sector housing providers to assist in expediting the developments, while still ensuring high quality, durable housing solutions. One of the reasons the National governments of the 90s were able to sell off state houses so successfully is that 'state house' was synonymous with quality. The current economic down-turn would be a perfect time to start building high quality social housing.

Rob Goulden – Eastern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes

2. If so what do you think should be done to address this issue?

I think WCC should keep doing the upgrade of the housing stock that it has in partnership with Central Government. I think Council should review its position rentals in light of the current market. I think Central government needs to provide more affordable housing for low income families.

Mark Greening – Lambton Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City ?

Yes. Especially for those on low incomes, or those who are single, or solo parents. A point I thought Bernard O'Shaughnessy made very strongly at the Problem Gambling Foundation's Mayoral Candidates meeting, that I attended. I also rent, so I know how hard it is to get quality affordable housing that isn't damp and in a location that is safe, convenient, and enjoyable.

2. If so what do you think should be done to address this issue?

(1) *Rent.* Why are we benchmarking council rents against private buildings that are not the same in condition or purpose. If council are offering discounting of rents based on income, why don't they just make it less complex and fairer by charging rents based on average income. Using the same criteria and methodology for setting benefit levels. Some council housing tenants rents are about to go up 15-20%, yet their benefits only increased 3%. This type of increase makes housing unaffordable. Any increases should be capped so they do not put undue stress on tenants.

(2) *Stock.* Council need to ensure there is sufficient social housing stock – particularly for single people or solo parents – which is where demand is increasing and where stock levels have reduced the most. This includes ensuring housing is safe and healthy. Pictures on my blog have illustrated the poor state that housing stock is in. And I have seen first hand much worse (rotten floors where lino sags on the floor). A lot of housing isn't healthy (ie mould, leaking or damp), or is sitting empty (a number of flats in Arlington are empty – hopefully as part of ongoing maintenance schedule). We also need to keep Wellington's social housing stock in council hands so our communities have a direct say in their future. Generally, better planning and management is required to ensure stock levels meet demand. We also need to ensure new housing stock is widely dispersed across the city.

(3) *Engagement.* Getting councilors to visit housing estates (or work in nearby community centres) will ensure councillors are more aware of the issues for residents (and are more easily available). A point that was exposed at the recent Arlington Candidates meeting, when existing councilors were not aware of a number of safety incidents or tenancy grumbles – even after council had been advised by police.

(4) *Funding.* Great to see the \$220 million from central government for earthquake protection and general refurbishment. But what happens after this funding is used up? Council need to collaborate more with central government agencies and housing trusts to secure ongoing funding and supply. While ring fencing funds for social housing might ensure an ability to have funds available, it should not act as a constraint if additional funding is required. Why are council spending money on the trivial things (eg, \$350k monuments and \$2.4 million tents to name a few of the trivial things), rather than investing it in the homes and communities of those who need it?

Keith Johnston – Southern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

2. If so what do you think should be done to address this issue?

I have had a substantial career history in the housing sector, including working for HNZC as a Senior Policy Analyst for 4 years and I hold a Diploma in Housing Management and Policy from Swinburne University.

The latest edition of the Australasian Housing Institute Journal includes an article by me on the need to improve the maintenance of social housing and you will find a number of articles on housing issues on my Blog at: www.kjohnsonnz.blogspot.com (there is a search engine at the base of the blog page that will guide you to the posts).

While I am strongly supportive of expanding the stock of affordable social housing, I am also keen to provide better protection for the 450,000 households nationally who receive the Accommodation Supplement and whose housing is often seriously damp, mouldy and hazardous (e.g. asbestos).

I have walked the entire Southern Ward and dropped cards in 12,000 letter boxes, talking to people in their gardens and in the streets. I am frankly shocked at the very poor state of repair of much rental accommodation in Wellington, some of which is Third World (even in Island Bay).

We need co-ordinated home insulation and quality accreditation programmes on private rental properties - and any tax relief for owners should be conditional on observance of the standards.

Justin Lester – Northern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes

2. If so what do you think should be done to address this issue?

There are several initiatives Wellington City Council can undertake to ensure affordable housing is available, including:

- Ensuring a forward supply of new sections for housing as the population continues to increase.
- Providing faster and more efficient consent processing under the Building Act to reduce administration costs
- Continuing to invest in WCC-owned housing; and
- Recognising the efforts of third party community housing groups such as Habitat for Humanity and work with these groups to help provide land.

Ian McKinnon – Lambton Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes, it is and affecting a wide range of people: obviously long term low income earners but also young couples on reasonable incomes but insufficient savings (at this stage in their married life) to meet the general deposit requirements.

2. If so what do you think should be done to address this issue?

Not an easy question to answer simply:

- Opening up more land (but it could be further away from the transport spine) but this won't necessarily guarantee more affordable housing will be built ... but
- Insisting developers build some low cost housing on any new development but is the Council interfering too much in the market, where the Council (ie ratepayers) could be held liable ...
- Of course, the Council is looking to new developments which will be mixed use, eg Adelaide Rd / Johnsonville which hopefully will lead to more low cost accommodation
- ... we are, of course, very pleased that Central Government is funding the Social Housing refurbishment, an initiative much needed and which this Councillor and most others supported in debate.

One of the real strengths (and richness) of Wellington City is the ethnic diversity of the population ... we want that to remain but for it to, this must be Affordable Housing and, again, there is the challenge – but we must keep it before us.

Greg McPhee – Southern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes I believe that there is an affordability issue in regards to housing in Wellington.

2. If so what do you think should be done to address this issue?

I think it is important for the council to liaise closely with Housing NZ to try and develop more sustainable, affordable housing especially for those on low / no income. I would be more than happy to meet with concerned groups to see where the real need is and work on solutions to the current housing problems.

Mike Mellor – Eastern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes, I do.

2. If so what do you think should be done to address this issue?

I think that WCC should be working with community housing organisations and with Housing NZ to facilitate the provision of affordable housing, by for instance requiring a proportion of housing in each housing development to be affordable.

It would be worthwhile looking at streamlining consent processes, but I'm not sure about special treatment in that area for one class of development, without very careful thought (which I'd be very happy to contribute to). Similarly with development contributions: the facilities that these fund would still need to be provided, and I would rather that WCC made any such subsidy explicit. I'm sure that there would be a case for doing this, and I would welcome the debate.

Thomas Morgan – Southern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

The short answer is 'yes'. The longer one is:-

As the matter has been raised it is an issue that needs to be addressed. As I operate on more of a policy rather than issue platform I have to suggest that the issue is actually a symptom of another problem as sneeze is of a cold. In this case the cold is the economic state of city. As you have stated, incomes are not high enough to support housing costs and housing costs are generally set by demand. There is plenty of cheap land and therefore housing in the back-blocks of the South Island yet little interest in living there. With demand so high that housing costs are becoming difficult to sustain it is likely that there will be a distribution of population out of the city that cannot afford the housing and influx of those that can. Wellington vastly underestimates the worth of its quality of life values and, unfortunately, that true value is greater than some might be able to currently afford.

2. If so what do you think should be done to address this issue?

The short answer is to keep housing costs at an affordable level. The longer one is:-

So there are three options available. Carry on under-valuing the city, artificially keep housing costs down along with the standard of quality of the city and its infrastructure and suffer further economic decline as those people who would like to live in the city if it were in better condition go elsewhere. By better condition I refer to some very simple examples such the state of the winter sports fields or an effective transport system and all of these things cost money which has to be gathered as

rates calculated on the value of property and hence housing. Under this system the lower cost of housing directly influences the state of environment- sports fields and transport! It is also very important to note that any public housing or subsidies come out of this same pool of money.

The second option is to do more or less nothing and let the market find the balance point between what people will stand to pay before they will leave and what they will pay when deciding to come here. This is basically what is happening now except those that have lived in the city for any length of time slowly take what they are able to enjoy and experience for granted and thus, the value becomes less obvious as well. This would certainly come home to roost if one were to move to a much smaller centre and have quite a different life experience as a result, all be it much much more affordable assuming that one's skills have some viable form of employment. I would suggest that the city is about half-way through this self-balancing approach and that it might take another 100 years to fully transform into a fully-fledged city where the intensity of the population generates enough tax (rates) revenue to have it running in a completely functional way.

A third approach is to take the second one and add a major focus on economic development marketing the features of the city as the draw-card to attract businesses to those attractive services that benefit the private, as well as commercial interests, of those people and this should not be too difficult as the geographical aspects of the city alone make it unique in New Zealand. Climatic conditions also seem to be improving greatly in the past 20 years and as I write this the rest of the country is experiencing very bad storms while it is fine and sunny outside here. The very bad winter storms seem to be a thing of the past. I have digressed a little. The result of the economic push is that higher paying jobs become available with the more successful businesses able to afford all the treats of Wellington whom in turn pay their staff more whom in turn can afford the housing costs in question.

These approaches I mention seem quite drastic and may well drive the less able out of the city however that too is going to be a necessary approach regardless as there will be a natural population ratio based on the land area and as I write Sydney officials are encouraging people to move out of the major city to small satellite ones. Having to think in this way is the hard part of the governance process and if the city is to have full consultation engagement, as is the current catch-phrase, then the city has to decide how it wants to develop. It certainly has to come to grips with the fact that it is not a village and cannot operate in that way even if it feels like it should with the numerous, small, suburbs and 'communities' that it comprises. One does have to ask though, is full consultation possible when the bulk of the population do not care what happens in the future and take it for granted that the best course will be taken by 'the powers that be'.

Rex Nairn – Southern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes but the Council is obviously limited in what it can do to reduce rents in the private sector. Having said that, any further shift in the differential from business rates to private rates has a negative impact on housing affordability and I would not support any further movement in this area. Council has also identified Johnsonville, Adelaide Road and Lyall Bay as areas of high density growth and more residences in these areas should help alleviate any pressure caused by housing shortages.

2. If so what do you think should be done to address this issue?

I agree that Council has responsibilities with regards to social housing stock and I certainly support rents being set at a percentage of income.

I am unable to make any promises with regards to expanding the social housing stock or making land available as these are difficult economic times for all and I doubt Council is in a position to spend a great deal of money on this but I would welcome working with you and your organisation to see what the Council can do.

I am pleased to see the Council and Central Government working together on upgrading the social

housing stock and I would work to ensure that partnership is maintained after the upgrades have been completed.

Bernard O'Shaughnessy – Mayoral and Southern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City ?

In being one of many who attended on the council in submission and oral speech the majority of submitters said there was a problem of affordability of housing in the Wellington area. WCC own statistics show that as well. We have an urgent need NOW to house 10000 people and yet the WCC has embarked of a housing upgrade plan that reduces there per bed count (unit) from 2377 down to 2100.

Their statistics show a greater increasing need for Social houses across all ages but particularly the growing single women and men who live alone.

2. If so what do you think should be done to address this issue?

If Mayor I would:

- a) ensure the \$220 million given by agreement from the last Labour Govt, then agreed to continue with the present nasty Nat Govt, is used in a better manner as now urban planners and builders are on a rout.
- b) Some of the housing upgrade can be done cheaper that the urban design team having a field day as at present.
- c) Better engagement is had between the Housing up grade team and with tenants.
- d) more unit stock be built, immediately.
- e) provide Council land for further unit building.

Please record my complete anger on this topic in your newsletter.

I live at Newtown Park flats and I am the Chairperson of the Newtown Park Flats Free Tenants Association. I have 25 cases ready to go before xmas to the Courts regarding the appalling treatment of tenants by WCC.

I am a legal advocate for poor persons.

(Note. I have just come out of the Environment Court against the WCC and won that case.).

I also understand that with a continuation of a Nat Govt shortly the State intend to withdraw and sell of ALL state housing. What a mess that will cause.

Iona Pannett – Lambton Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City ?

Yes, City Council officers estimate that there are 10,000 households struggling in terms of housing throughout the city which is unacceptably high. The issues outlined above are also of concern, particularly as we aim to be an affordable city.

2. If so what do you think should be done to address this issue?

This is a complex area with no easy answers, particularly as the capital costs of creating more housing are so high. I would note too that even though Wellington is expensive, this is to be expected given it is the capital and that at least in some cases, wages will be adjusted to compensate for this.

- I would certainly support closer working relationships with central government to facilitate more affordable housing. Given the costs involved, I see that central government has a

role to play given that they have much larger resources at hand. It may be possible for the Government to fund local government to build more affordable housing but the costs and benefits of such an idea would need to be looked at carefully.

- In conjunction with housing organisations in Wellington, I have called for the Council and Regional Council to develop a Housing Strategy given the importance of ensuring that people are housed adequately including those on low incomes and key workers. Such a strategy would allow the Council to look at all options available and their costs. We have not had any progress on this so far as the upgrade of Council Housing stock is the priority but I believe must be addressed in the next few years.
- In terms of our own housing stock, we do place a limit of tenants paying more than 35% of their income and those paying more than 30% are entitled to a Government subsidy which is helpful to ensure that our housing is affordable. I would not see that we need to change this policy in the near future. I have also worked for the establishment of a wet house for homeless alcoholics which is a much needed service.
- I would certainly support offering any surplus land to community housing organisations but numerous requests to officers have always resulted in the same response, we don't have this land. If we have any acquired under the Public Works Act must go through a particular process which may make it difficult to offer to community organisations (although I have worked with the Housing Trust in one case to try and facilitate the purchase of some land).
- In terms of consenting processes, I would be cautious about supporting the easing of rules. Irrespective of what kind of housing we are talking about, we need to ensure that any building fits in with our relevant strategies and the law. I would not think it fair for the Council to give consent to buildings that had an adverse impact on neighbours or even the tenants that were to occupy the buildings. Nevertheless, it would certainly be possible to ensure that our District Plan includes a commitment to social housing. I am also a strong supporter of the idea of a compact city. Our efforts to densify along the growth spine (i.e. from Johnsonville to Kilbirnie) may assist in making housing more affordable for some. We must encourage developers to build low cost housing along this spine. We could look at a reduction in terms of development contributions but this is potentially difficult too if the costs of providing social housing then become a burden for the ratepayer.
- Finally, I think we could streamline our consenting processes more effectively so that applicants trying to build affordable housing face as few barriers as possible.

Seann Paurini – Southern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes. I am appalled at the cost of rentals; I don't think income-related rents help people on low-incomes though, Wellington Region should be considered a level 1 region for beneficiaries [work and income purposes]; e.g. same as Auckland, its currently 2 in the Wellington CBD and 3 in the region. People on low incomes should be able to earn more than \$178 before HNZ moving IRR up from 25%. I am very concerned about the level of cheap quality property development in and around the CBD, designed for short-term large profit gain. I do not want a situation where big apartment owners are given license to charge whatever they want for low-quality modern ghettos. I am very concerned about the health and wellbeing of low income families and children/babies and senior folks on low incomes, I cannot see how there lives are improving – so many live in sub-standard conditions already, this has to change.

2. If so what do you think should be done to address this issue?

Wellington is starting to look crass – especially in the CBD. I fully support council owned land being given to innovative housing organisations to set up affordable, good quality housing communities. Encourage more communal living with support to groups of people who wish to set up community living arrangements, possibly rent control on big landlords/ apartment property developers. A concerted, long-term and vigorous public campaign into housing quality/affordability with good councillors and the public standing side by side and working together on something concrete & achievable. I will also be looking at living arrangements in council [and HNZ] housing. It is wrong that we have whole families living in damp 1 br, tiny apartments in and around Wellington.

Bryan Pepperell – Mayoral and Southern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes

2. If so what do you think should be done to address this issue?

Council should be making more provision for social housing and seeking further Government involvement. Low cost housing is a serious issue and needs addressing by Government, local Government and the private sector.

Kerry Prendergast – Mayoral Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes, but there will be 44,000 more people living in Wellington by 2031, a large proportion of those in the CBD, and public housing will account for few of the needed housing units. I negotiated a good deal with Helen Clark to upgrade our existing housing stock and we are getting on with that strengthening and upgrading so that we will soon be providing a good quality of accommodation to our tenants. Income from these apartments is to be ring-fenced so that future housing can be built with the surplus proceeds.

2. If so what do you think should be done to address this issue?

I do not support relaxing our laws regarding quality of new apartments and houses. In fact we are developing an apartment guidance document to address such issues as access, waste removal, amenity, sunlight, etc, all as part of the Wellington 2040. If we relax our planning restrictions we get poor quality outcomes; not good for tenants or neighbours! To a large extent the market dictates the supply. It would be sensible to lobby Government about their removal of depreciation as an incentive. Few investors are buying housing stock to rent out as it is not economic to do so currently. Rents and house prices will need to rise before there is a better supply of private housing.

Kris Price – Lambton Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes, definitely. Plus we need to find a way to cater for over 100,000 new residents coming to the city over the next few decades. Possibly over twice that if more recent growth trends continue.

2. If so what do you think should be done to address this issue?

I think one option we need to explore in Wellington (and other cities in NZ need to do likewise) is requiring new developments to provide some proportion of affordable housing. This has become common overseas.

I'd also like to explore whether the Council can take a more direct role in developments, such as purchasing and leasing land, and even directly building some cornerstone developments as well.

You also raised community housing organisations, which is an interesting idea that I'd like to think about some more, and if elected would certainly want to explore this further with WHT.

Allan Probert – Eastern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

There is a definite affordability issue in wellington and we must be supportive of those less fortunate than ourselves.

2. If so what do you think should be done to address this issue?

I don't have the information to offer solutions but you can be assured that I am supportive of issues such as council housing, night shelter and the proposed wet house

Helene Ritchie – Northern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

City or CBD ?

Absolutely fundamental especially but not only in the CBD

2. If so what do you think should be done to address this issue?

Lower rates; lower body corporate; which means compensating for earthquake strengthening;

Already people on fixed incomes unless they are in Council housing cannot afford to live in the CBD and many shift up the Coast or to Carterton and Masterton. This is poor social practice and social and town planning with poor community outcomes

Coop with CCDHB and other DHBsre housing the older population.

Preparation now for anticipated future social housing needs

I am very interested in exploring your objectives when I have time (i.e not now!) and proposed action above.

Jack Ruben - Onslow-Western Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

I agree.

2. If so what do you think should be done to address this issue?

Exert pressure on WCC and the Government to change their attitudes towards the provision of housing to the less fortunate folk in this city and become more sympathetic to their needs.

I fully support and endorse your 3 bullet points..... and have done for many years.

Rosemary Russell – Eastern Ward Candidate

1. Do you believe housing affordability is an issue in Wellington City?

1. Yes

2. If so what do you think should be done to address this issue?

2. Find low cost land: outer suburbs on a transport route.

Ingrid Sage – Onslow-Western Candidate

1. Do you believe housing affordability is an issue in Wellington City?

2. If so what do you think should be done to address this issue?

It is a complicated area as there are many factors that influence affordability, some of which are not within the Council's ability to change, for example the interest rate, the overall price of houses, people's level of incomes. Affordability has improved recently but that does not necessarily mean that housing is no longer an issue. I think the Council should be looking to work with community groups, such as charitable trusts, to help provide or at least facilitate the provision of low cost housing.

Tony Travers – Eastern Ward candidate

1. Do you believe housing affordability is an issue in Wellington City?

According to the information I have researched Wellington housing has steadily been increasing as we know for sometime (as have many areas of New Zealand)

Over the past 5 years the medium house price has risen in the following areas,

Central 2005 \$350,000 to 2010 \$499,450

Eastern 2005 \$394,000 to 2010 \$525,000

Northern 2005 \$329,000 to 2010 \$457,000

So yes in my opinion home ownership is getting to the stage where it is becoming a less likely option for many. One of the problems is in the cost of the land, and if you listen to successful developers you must buy the land at the right price
So there's one of the keys.

2. If so what do you think should be done to address this issue?

To the solution or solutions,

There are affordable ways to build by using kitset homes where the owners can have a lot of input into the build hence keeping costs down, the supplier of the kitset can oversee the work and sign off the build in cases.

One of the options for land I'm not very keen on is to encroach into our town belt to provide more sections.

I feel a better option would be council approved infill housing, using council owned property and making better use of larger sections therefore splitting the cost of the land across the amount of dwellings.

This scheme would be run by council only and therefore cut out another first up cost "real-estate fees". Covenants could also be placed on the land so building would be in keeping with the area this would also keep our heritage look and feel.

Apartment living is also proving to be another popular option and could be rolled out into the suburbs but this cost could only be kept under control if the development is left in house with

council, moving the focus away from large profit driven goals and on to affordable home ownership.

These are of course just a few of the points that I feel need more focus, but the topic needs to be further addressed.

I hate to think what the cost of ownership will be when my children aged (2 and 5) are ready to purchase!

Celia Wade-Brown – Mayoral Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes, definitely - rental, purchase price, transport costs and heating.

2. If so what do you think should be done to address this issue?

- Keep WCC stock and improve as we are doing.
- Encourage redevelopment of some office buildings in city centre as student and other accommodation (above ground floor)
- Continue to promote home insulation and clean heating schemes.
- Continue support for the Newtown Curtain Bank
- Promote Habitat 4 Humanity housing
- Build exemplar projects on public land - a collaboration between WCC, HCC, GW, Kiwirail and architects could see modest apartments (3 or 4 storeys) built over railway stations e.g. Raroa Rd, Naenae, Porirua to give surveillance and shelter to train users and convenient housing. They could be housing trust or rent-to-buy. This would be financed by borrowing against the rent to come in so should be cost-neutral to ratepayers.
- Explore Queenstown's District Plan change for affordable housing to be part of most developments within the district.
- Consider lobbying for a minimum standard for rental property or a rating system like Dunedin City Council's STARS scheme.
- Work regionally (Hutt Valley, Porirua and Wellington) to produce a Housing Strategy that includes Councils, HNZ, third sector and builders.
- Consider low interest loans to Housing Trusts.

Jack Yan – Mayoral Candidate

1. Do you believe housing affordability is an issue in Wellington City?

Yes. I do not take the neo-liberal view that it is acceptable to have some homelessness. It is not: everyone deserves to be housed. The fact is our wages have not increased at the rate of housing prices, and this is very troubling to me.

2. If so what do you think should be done to address this issue?

On private housing and rentals, I have been consistent from day one about job creation. The sector that we can grow the most readily and with the best paying jobs is the information technology sector. There are already some companies here that excel in this industry but they need to be formally organized into a cluster that can make them more competitive, and we encourage others to come. This can help grow our GDP 10–15 per cent if implemented correctly.

If these jobs can be created, then wages will rise accordingly.

Rental prices have risen outside of what the market will bear, and this is not acceptable.

On social housing, we need to examine income-related rents and work with central government on revising the housing benefits' system. Again, this depends on how well we can get the economic growth plans up and running, so we can make a stronger case to central government.

Your organization's plans have merit about consent processes and development contributions. On the former, I envisage streamlining processes and making them transparent by implementing more e-government programmes. On the latter, I have already advocated a revision of the development contributions' scheme. All Wellingtonians deserve to be housed.