

Establishing an Affordable Housing Authority

THE ISSUE

The Kiwi Dream of homeownership is slipping away. Only a quarter of adults under 40 own their own home, compared to half in 1991. Too few houses are being built, which is helping to drive up prices beyond the reach of middle New Zealand, and too few of the houses that are built are affordably priced for new home buyers.

In Auckland, despite more than 13,000 new houses being needed to keep up with population growth, just 9,400 new houses were consented in the past year. The trend for new consents is falling when a dramatic increase is needed.

The Government's estimate that only 5% of new builds are priced in the lowest quartile means fewer than 500 affordable houses will be built in Auckland this year.

There is no single body tasked with driving the construction of affordable homes. Most developments are small-scale and slowed down by long consenting periods. To ensure profitability, private developers focus on building large, expensive houses.

At the same time, regional centres are crying out for redevelopment of run-down town centres and suburbs but there is no support from government to get this done.

LABOUR WILL:

- **Establish the Affordable Housing Authority, an independent Crown entity with a fast-tracked planning process, tasked with leading large-scale housing developments and cutting through red tape**
- **Use the Affordable Housing Authority to drive the delivery of the 100,000 affordable homes planned under the KiwiBuild programme**
- **Undertake greenfields and revitalisation projects through the Affordable Housing Authority in conjunction with local groups to build the housing and infrastructure that our communities need**
- **Put all surplus urban Crown land under the control of the Affordable Housing Authority for use in its development projects**

The Affordable Housing Authority is an urban development authority. It will partner with the private sector, councils and iwi in development companies to undertake major greenfields and revitalisation projects. These will deliver new, quality, affordable housing and the associated infrastructure: roads, schools, and community facilities such as parks.

The Affordable Housing Authority will hold all surplus urban Crown land, and will be able to use this land in its development projects. This is in contrast to the current government's piecemeal approach of trying to find empty parcels of Crown land one by one.

The Affordable Housing Authority will have access to fast tracked planning powers to cut through red tape and speed up development.

This coordination with communities and the private sector, combined with the Affordable Housing Authority's powers and control of Crown land, will enable rapid development of large-scale projects focused on affordable housing.

Likely areas for development in Auckland include Crown land sites, brownfield development sites throughout the city, and greenfield growth areas such as Whenuapai, Drury, and Kumeu. Revitalisation projects outside Auckland could include places like South Dunedin and the East Frame in Christchurch.

An initial establishment fund of \$100m will be allocated to the Affordable Housing Authority. It will be expected to finance itself from its own activities from then on. The Affordable Housing Authority will be a Crown Entity, like NZTA, and will not pay a dividend to the Crown.

RELATIONSHIP WITH KIWIBUILD

The Affordable Housing Authority will drive the delivery of Labour's KiwiBuild programme.

A typical Affordable Housing Authority project will be around 50% KiwiBuild houses and 50% private developments.

KiwiBuild will deliver 100,000 affordable houses over ten years for first home buyers. Half of these will be built in Auckland. Construction of the KiwiBuild houses will be financed by an initial \$2 billion capital injection, which will be recycled as the houses are sold. The stand-alone KiwiBuild homes in Auckland will be priced at \$500,000-\$600,000 with apartments and terraced houses under \$500,000. Outside of Auckland prices are likely to range from \$300,000-\$500,000.

This is part of Labour's comprehensive housing plan:

BUILD MORE AFFORDABLE HOUSES

- Build 100,000 affordable homes across the country
- Create an Affordable Housing Authority to fast-track development in our cities
- Remove barriers that are stopping Auckland growing up and out
- Grow the building workforce

CRACK DOWN ON SPECULATORS

- Ban foreign speculators from buying existing homes
- Tax property speculators who flip houses within five years

SUPPORT FOR THOSE IN NEED

- Require all rental homes to be warm, dry, and healthy
- Focus Housing New Zealand on helping people, not making a profit
- Help 5,100 more Kiwis into emergency housing every year

