

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.

LABOUR WILL PARTNER WITH THE PRIVATE SECTOR TO BUILD 100,000 AFFORDABLE HOMES

KiwiBuild will deliver 100,000 affordable houses over ten years for first home buyers. Half of these will be built in Auckland. That is a ten-fold increase in the number of affordable houses being built in Auckland each year, from 500 to 5,000.

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. These will be high-quality homes built to modern standards. Scale and modern offsite manufacturing techniques will enable these homes to be built at low cost. Currently, 2-3 bedroom houses are being built at Hobsonville and Waimahia and sold for under \$550,000. KiwiBuild will enable more homes to be built in this price range.

KiwiBuild homes will only be sold to first home buyers. To avoid buyers reaping windfall gains, a condition of sale will require them to hand back any capital gain if sold on within 5 years.

Construction of the KiwiBuild houses will be financed by an initial \$2 billion capital injection, which will be recycled as the houses are sold, and returned to the Crown at the end of the KiwiBuild programme. The Affordable Housing Authority will be the primary delivery mechanism for KiwiBuild homes, building them as part of its development projects.

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

