



CONNECTING
— MINDS
COLLECTIVE
ACTION —



A report on the findings from the Auckland Housing Summit held on 1 August 2017

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INTRODUCTION

The first independent and not for profit gathering aimed at solving Auckland's housing crisis was held on 1 August 2017. Its underlying foundations were developed by housing strategist Leonie Freeman in 2016 in the paper "A Comprehensive Solution to Solve Auckland's Housing Crisis". The full strategy, along with media coverage, can be found at thehomepage.nz.

The fundamental principles of Ms Freeman's strategy are to:

1. Act collectively and quickly to address the crisis.
2. Employ a collective impact approach which encompasses everyone in the sector – including developers, suppliers, influencers, iwi, policy makers, community housing providers and the public sector.

The goal is to create a future in which all players in the housing industry work together to ensure every Aucklander, every New Zealander, across all sectors of the community, has adequate, decent and affordable housing.

The Auckland Housing Summit was organised and led by a voluntary group of five key players in Auckland's housing sector, committed to using innovative and 'act now' initiatives to fix what has become an increasingly complex problem. The Steering Committee comprised:

- » Leonie Freeman – thehomepage.nz
- » Anna Crosbie – Russell McVeagh
- » Robyn Phipps – Massey University
- » Kitty Rothschild – Knight Frank
- » Paul Gilberd – New Zealand Housing Foundation

130 people attended the Auckland Housing Summit, representing a wide range of public and private sector organisations. Attendees included property developers, lawyers, planners, architects, construction companies

and material suppliers, community housing providers, independent directors, government officials, Auckland Council representatives, infrastructure providers and property consultants.

The presentations and workshops on the day provided a platform for debate, ideas, direct action and the identification of key accountabilities, responsibilities and timeframes. Presentations included:

- » John Tookey - Professor in Construction Management, Auckland University of Technology
- » Scott Figenshow - Chief Executive, Community Housing Aotearoa
- » Jan Rivers - Trustee, Scoop Media
- » Simon Wright - Partner, Public Engagement Projects
- » Mary Lambie - Director, Socius
- » Gary Noland - National Director, Capital Markets, Knight Frank New Zealand
- » Paul Gilberd - General Manager, Strategy and Development, New Zealand Housing Foundation.
- » Ted Manson, ONZM - Ted Manson Foundation and Managing Director, Mansons TCLM
- » David Rutherford - Chief Human Rights Commissioner, New Zealand Human Rights Commission
- » Leonie Freeman - Housing Strategist, Women of Influence 2017 finalist, and founder of thehomepage.nz

We also want to make two special acknowledgements. Firstly to Michael Crosbie who developed the branding, website and other marketing material for the Auckland Housing Summit. Secondly to Serena Benson who undertook the editing of this report. We greatly appreciate their contribution and support.

INTRODUCTION CONT.

Following are the key findings and outcomes which represent the first step towards a collective plan to solve Auckland's housing crisis. All input and feedback is welcomed as we seek to address one of the most pressing issues of our time. We're committed to doing what it takes to get there, and we hope you will join us.

Note that the findings presented in this report reflect the ideas and input obtained from a broad range of people across many sectors at the Auckland Housing Summit. This report does not reflect the opinions of any one particular author or industry group.

Further details, background reports and presentations can be found on the website at www.aucklandhousingsummit.co.nz.



Auckland Housing Summit Steering Committee, from left to right:
Seated - Anna Crosbie and Leonie Freeman
Standing - Paul Gilberd, Kitty Rothschild and Robyn Phipps

CONTEXT

Auckland's housing affordability affects all Aucklanders. Whether it is the child who misses out on a maths teacher as their school struggles to recruit teachers because of housing costs, or the medical practice whose experienced nurse leaves Auckland to live in the provinces.

The shortage of safe, stable and affordable housing is affecting our children, our communities, our co-workers, our employers, our city and our lives. Housing impacts everyone.

We recognise that there is no single organisation, idea or person, no matter how innovative or powerful, that can solve Auckland's housing crisis.

We don't want to finger point, blame the other guy, or talk further about the problem. We know what the problems are, and we know many of the solutions. What we need is action.

Auckland needs a specific measurable and mutually agreed vision and plan to deal with this problem and the city needs people to support and lead it.

Transformative social change in the face of complex issues such as this is not achieved by 'top down' initiatives alone. Aucklanders need to step up and be part of the solution. It is an Auckland solution that is required, not just a government solution.

We need to ask ourselves: what will WE do to solve the Auckland housing crisis?

COLLECTIVE IMPACT

Collective impact is a methodology which requires commitment and agreement from different sectors to solve a specific social problem using a common agenda, alignment of efforts, and common measures of success.

Collective impact efforts typically have five conditions: common agenda; shared measurement; mutually reinforcing activities; continuous communication; and backbone support.

Collective impact is acknowledged on the global stage as a successful way in which to approach and solve issues. Successful examples include:

- » In Canada, Brandon City introduced a "Neighbourhoods Alive" campaign. It featured a number of initiatives including practical steps to support residents who wanted to move from renting to home ownership. (www.bnrc.ca/)
- » The Opportunity Chicago collective impact initiative resulted in 6,000 public housing residents obtaining new jobs during a recession. (www.fsg.org/publications/opportunity-chicago)
- » In fewer than four years, the US based "100,000 Homes Campaign" housed 105,000 homeless Americans, including 31,000 veterans, in 186 communities. (www.bshf.org/world-habitat-awards/winners-and-finalists/the-100000-homes-campaign/)
- » Zero 2016 is a follow-on from the "100,000 Homes" initiative, to end veteran and chronic homelessness in 75 American communities by December 2016. (<https://www.community.solutions/what-we-do/built-for-zero>)
- » The Global Alliance for Improved Nutrition, a global scale collective impact initiative, has helped reduce nutritional deficiencies among 530 million poor people across the globe. (www.gainhealth.org/)

CONTEXT CONT.

In New Zealand, one of the great collective impact success stories is the People's Project in Hamilton. Run by Julie Nelson, the joint CEO of Wise Group, the goal was to focus on doing what matters. In 2014 she set an ambitious goal to end homelessness in Hamilton by 2016.

Nelson's partners in the enterprise comprised local government, central government agencies and a range of not for profit organisations. These agencies approached the solution together, pooling resources and expertise.

The methodology was clear and focused, housing first, then connect those sleeping rough with accommodation and support services, to restore independent living.

In the two years following its establishment in August 2014, the People's Project housed 254 people and provided support to 311 people seeking housing solutions. An impressive 94% of those housed remained in their own homes two years later.

This multi-agency approach was a direct response to public anxiety around safety in the inner city and a caring concern for the number of people who were sleeping rough on the streets. (<https://www.thepeoplesproject.org.nz/>)

The Auckland Housing Summit provided an opportunity to put collective impact in action, for the attendees to collectively debate, brainstorm and understand alternative perspectives.

One of the key questions for the group on the day was whether the collective impact methodology could and should be used to frame and formulate the action plan for Auckland housing, and if so, what that might look like.

The day itself was framed around three key topics, with learning, insights and workshops on each topic:

1. Why housing matters
2. A vision for Auckland
3. Acting for change

Leonie Freeman was the MC and Paul Gilbert facilitated the workshop sessions throughout the day. The feedback from the day, and the insights provided, are presented in this report through the above topics.

"We can't solve problems by using the same kind of thinking we used when we created them."

- Albert Einstein

SESSION ONE

WHY HOUSING MATTERS

During the first session, insights into the current state of the problem in the housing market were provided by John Tookey and Scott Figenshow. Jan Rivers and Simon Wright released the latest research on housing affordability by Scoop Media.

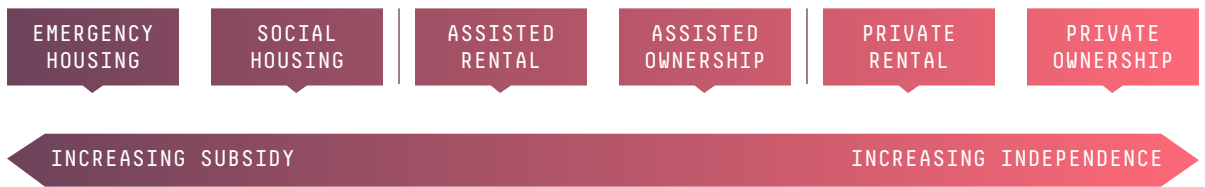
The “Housing Continuum” below (Figure 1) was adapted for the New Zealand context by the community housing sector and published by Community Housing Aotearoa in “Our Place”. It illustrates the pathway from homelessness and emergency shelters on the far left through assisted

rental or assisted ownership to private renting and ownership options in the market.

This concept helps provide a way to understand the state of each housing segment, how they are performing, or failing to perform, and how they affect other parts of the continuum.

This set the scene for the first workshop session.

Figure 1
The Housing Continuum



WORKSHOP ONE

WHY HOUSING MATTERS

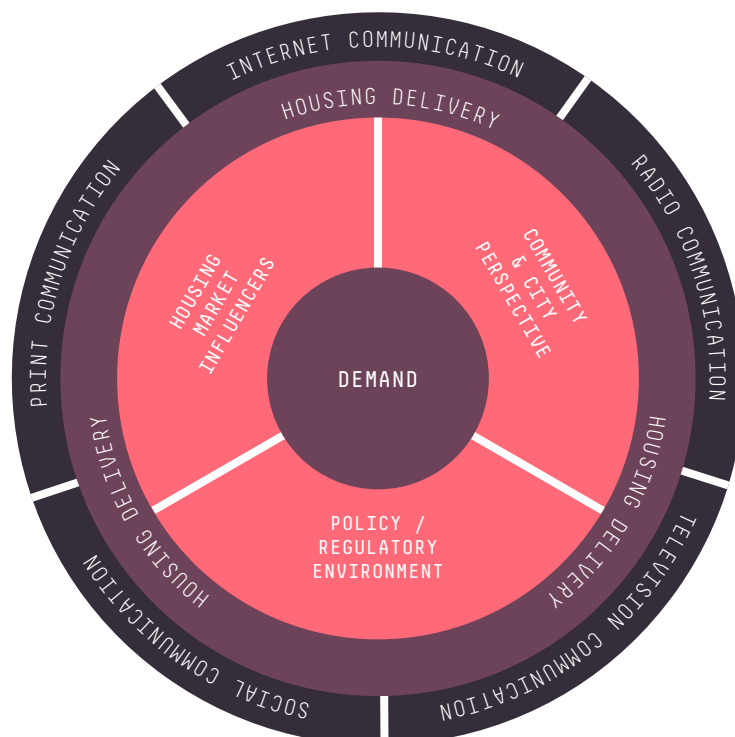
Workshop One identified the key issues affecting individuals and relevant sectors within the context of the Auckland housing market.

A major barrier conceptualising a solution to the housing crisis is that it is an overwhelming problem due to the sheer number of parts that make up the housing jigsaw.

The “Housing Framework” below (Figure 2) was developed to provide a structure to help make sense of all the components. (See also thehomepage.nz)

This Housing Framework has been used to categorise issues identified during Workshop One.

Figure 2
The Housing Framework



SESSION ONE

WHY HOUSING MATTERS CONT.

DEMAND

Demand sits in the centre of the Housing Framework and incorporates the different types of purchasers (home owners, investors, and social housing providers) as well as private and social housing tenants.

Key demand issues identified by workshop participants included:

- » Increasing numbers moving towards the left of the Housing Continuum (see Figure 1) and increased demand for assisted rental, social housing and rising numbers of homeless.
- » Need to halt this and see a shift towards the right (assisted ownership, private rental and ownership).
- » A significant gap between demand and supply exists, particularly the demand for affordable one and two bedroom homes.
- » A culture change is required to encourage individuals to look at affordable apartments.
- » The Auckland Unitary Plan forecasts demand at 14,000 houses per year for next 30 years, yet Auckland Council figures for last calendar year indicate only 7,200 houses were completed.
- » There is a lack of access to homes for people in the middle of the Housing Continuum (see Figure 1). Innovative shared equity and assisted ownership programmes are required.
- » Key workers cannot afford minimum house prices, mortgages and home deposits.
- » Buyer expectations have shifted significantly over the past 50 years (e.g. the average house size of 100 m² in 1970's has increased to an average house size of 230 m² in 2017).
- » Cultural bias towards low density, non-standardised housing design – many housing plans are bespoke or “one offs”.
- » Some existing communities are resistant to change, including increased density housing, which is putting pressure on existing infrastructure.
- » A recent Public Service Association survey showed 62% of respondents reported Auckland's housing crisis had a negative or strongly negative impact on their lives. Of the respondents, 57% said they had considered leaving Auckland.
- » Private rentals are unaffordable for many and there is a lack of assisted rental options.
- » Approximately 100,000 households are in rental accommodation, as home ownership is permanently too expensive.
- » Increasing level of homelessness in the city. More than 23,000 people are now homeless in Auckland, 3000 more than four years ago, according to an Auckland Council estimate in July 2017.
- » Increasing numbers of people registered on the Ministry of Social Development social housing register.

IDENTIFYING KEY INFLUENCERS

The three key influencers that comprise the second ring of the Housing Framework are:

- » Leadership, community and city perspectives: What do communities and the city want, need and direct?
- » Policy and regulatory influencers: Inclusive of government legislation, policy and Auckland Council strategy. This also incorporates the Auckland Unitary Plan, consenting, infrastructure and development contribution costs.
- » Housing market influencers: Inclusive of the property market at any point in time, supply and demand, economic factors, construction costs, rental market, property prices and financing.

SESSION ONE

WHY HOUSING MATTERS CONT.

COMMUNITY AND CITY PERSPECTIVES

This sits in part of the second ring of the Housing Framework (see Figure 2).

Issues identified by the workshop participants included:

- » Lack of a comprehensive approach, plan, vision and targets for the City; no overall strategy or collective vision.
- » Difficult to introduce real innovation and disruption.
- » Lack of leadership in solving the housing crisis. No one is clear who is responsible.
- » Short term focus driven by political cycles. A long term focus and governance is critical to a comprehensive solution.
- » Lack of quality data across every part of housing, no benchmarking against international equivalents and no one organisation responsible for the collection and dissemination of data.
- » There is a need to capture the hearts and minds of all Aucklanders to change the current situation.
- » Improved co-ordination and alignment of infrastructure is required.
- » There is a stigma attached to social housing and a need to integrate this type of housing more effectively in the market. New social housing developments risk becoming the ghettos of the future.
- » Auckland's housing crisis is viewed as an Auckland issue from people outside of Auckland. Auckland is not the only place facing housing issues. These issues in New Zealand are of national importance.

POLICY / REGULATORY ENVIRONMENT

This also sits in the second ring of the Housing Framework (see Figure 2).

Issues identified at the summit included:

- » In 1948, the New Zealand Government helped draft and promised to fulfil the right to adequate housing in Article 25.1 of the Universal Declaration of Human Rights. It states that "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services." Since that time, subsequent governments have made promises about adequately housing New Zealanders, yet this promise has not been fulfilled.
- » Views and voice of property industry players and others must be heard by policy makers as there is a lack of political will to focus on results.
- » No agreement across the political parties or any clear direction from any one party to solve the housing crisis. Key major players like Council and the Crown are not playing their respective roles in addressing the crisis/challenge.
- » Greater state intervention is necessary to address market failure (in areas of affordability).
- » Currently there is no legal framework to deal with privately owned infrastructure.
- » Lack of policy options to get key workers into their own homes.
- » Much procrastination in the public sector.
- » Auckland Council consent process too slow and costly. Delays in compliance create additional costs.
- » Policy and market behaviour driving perverse housing outcomes.
- » Poor private rental regulation.
- » The tension between political leaders and bureaucracy between central and local government is counterproductive.
- » The knock on effects of immigration policies leads to overcrowding, inadequate accommodation and health issues.
- » An open-minded and innovative attitude needs to be adopted by public bodies to consider alternative ways to finance infrastructure (e.g. bonds).
- » 'State' homes are increasingly obsolete. Reform and change is far too slow and piecemeal.
- » Housing subsidies are focussed on emergency and social housing (an ambulance at the bottom of the cliff), households are incentivised to put themselves in worse position to obtain housing.

SESSION ONE

WHY HOUSING MATTERS CONT.

- » There a few helping hand up or affordable 'pathway' programmes - in Auckland alone there are over 100,000 households who 'can work, but can't rent or buy'.
- » Affordability is not well understood. Affordability is not the entry price point or small low priced housing, but defined by the percentage of gross household income spent on accommodation costs that leave households with reasonable (internationally benchmarked) residual disposable income.

HOUSING MARKET INFLUENCERS

This is the final component of the second ring of the Housing Framework (see Figure 2).

Issues identified at the summit by the workshop participants included:

- » Median house prices have doubled since 2011 to approximately \$1 million, yet average earnings have increased by only 20%. Rents have also increased by 30% during that period.
- » Banks have reduced funding to developers to limit exposure to boom / bust issues experienced previously.
- » There is a need to address the costs of regulation, infrastructure and building costs as well as what is a supply monopoly.
- » Serious consideration needs to be given to better utilisation of land.
- » Projected increase in population figures for Auckland - need to plan and action policies for this.
- » Immigration and knock on effect of population growth - leads to overcrowding, inadequate accommodation, health.
- » High property prices are out of reach for many Aucklanders. Auckland is ranked as the fourth most unaffordable city in the world in which to buy a house.
- » High rents are also making housing unaffordable.
- » Many key workers spend greater than 50% of net income on housing (either mortgage or rental costs).
- » Security of tenure is a challenge for many tenants, particularly those wanting to establish roots in a community.
- » Lack of alignment between supply / demand / quality - economics and policy settings do not work - a perfect storm is brewing.

SESSION ONE

WHY HOUSING MATTERS CONT.

HOUSING DELIVERY

The next ring in the Housing Framework addresses housing delivery (see Figure 2). This section covers land and infrastructure supply, as well as the delivery programmes and pipeline for the private sector, iwi, not for profit and public sector. It also includes other issues like industry capacity and capability, partnering models and risk management.

Key issues identified by workshop participants included:

- » Skill loss in development / construction industry since the 1980's.
- » Outcomes are very much driven by costs which may impact on quality.
- » The increasing price of land is making projects less feasible for developers which reflects on house prices.
- » Insufficient scale of building and lack of private/public partnerships are contributing to the problem.
- » The public sector focus on risk avoidance is affecting supply.
- » Some projects are consented but construction has not begun due to lack of pre-sale sales or inability to secure finance.
- » Monopoly / duopoly on supply chain of materials.
- » Shortage of skilled labour.
- » The current structure of the construction industry is stifling innovation.
- » Retention of qualified tradespeople is difficult because of high house and rental prices.
- » The provision of social housing is dominated by HNZC. Alternative community housing sector options are limited.
- » Not enough pipeline / commitment to enable scaling up. A long term plan is needed to give certainty and confidence to scale up and build capacity.
- » Individually designed houses means harder to standardise housing products. Even pre-fab houses tend to be bespoke and amended.
- » Mass production and standardisation is non-existent.
- » Expansion of production for societal good requires industry to bear the costs and the risks.
- » Government is fixated on land supply and a market model to provide affordability in urban centres (which is not working). The market does not deliver affordable housing outcomes.
- » Crown, Council and HNZC land holdings are underutilised and slow to be developed. Iwi are not genuinely participating at scale.
- » Need for focus on quality of housing, as affordability encompasses the cost to live in and maintain the home.

COMMUNICATION

The final circle of the Housing Framework is communication (see Figure 2). This is about telling the story via different communication platforms.

Key issues identified at the summit included:

- » Poor co-ordination of data and reporting within the industry or to the public.
- » No cost benchmarking against international equivalents.
- » No independent body responsible for collation of relevant data.
- » Focus on providing silver bullet solutions that are not addressing the complexity of the problem.
- » Mixed messaging in the media.
- » A lack of common agreed definitions to fundamental parts of the problem and the solutions to those problems – i.e. what is affordable housing? What is shared equity?
- » A lack of awareness within the key target markets of what housing products and services are available and how they work.

"The ones who are crazy enough to think that they can change the world, are the ones who do."

- Steve Jobs

SESSION TWO

A VISION FOR AUCKLAND

During the second session, two opposing insights were provided. Mary Lambie narrated what Auckland might look like in 2030 if the status quo continued, and Gary Noland provided a perspective on Auckland in 2030 where the housing crisis had been resolved.

What has been happening in Auckland is about isolated impact. Whilst many organisations are working hard to help solve the housing crisis, they are working separately from one another in siloed programmes. Often they are even working at cross purposes to each other.

To solve Auckland's housing crisis requires real leadership, a long term focus and commitment from all the sector groups involved. A specific measurable and mutually agreed vision is required. Additionally, a transparent action plan needs to be agreed by all.

The action plan should be fully and openly communicated to enable all parties to see the reality and complexity of the challenges that lie ahead. Having a plan with concrete outcomes, priorities and performance indicators will ensure that things stay on track.

None of this currently exists.

WORKSHOP TWO

DEVELOPING A VISION AND TARGETS FOR AUCKLAND HOUSING

VISION

The following vision ideas were identified at the summit:

- » All Aucklanders well housed by 2030.
- » All Aucklanders to have access to housing that is habitable, affordable, accessible and culturally appropriate. Those renting should also have secure tenure.
- » All Aucklanders safely, adequately and affordably housed by 2030.
- » All Aucklanders have the right to live in an affordable home in their community.
- » Market relevant affordable housing should be a reality for all by 2030.
- » All Aucklanders have comfortable homes within connected, caring communities.
- » Homes – the foundation of thriving communities.

(Note, while the focus of this day was on Auckland, there was general agreement that these visions apply not just to Auckland but to New Zealand as well and therefore Auckland and New Zealand are interchangeable.)

It is clear that these visions align with other existing vision statements from a range of stakeholders:

- » "The world's most liveable city" - Auckland Council.
- » "All New Zealanders Well Housed" - Community Housing Aotearoa.
- » "Housing at the Heart of Connecting and Strengthening Communities" - Leonie Freeman.
- » "We envision a future in which the public, private, non-government sectors and iwi all work in concert to ensure that every New Zealander has decent, affordable housing. It is a future where help for people with the highest level of need goes hand in hand with opportunity for those who are ready to move on. It is a future in which all providers of social housing play to their natural strengths, concentrating on the core activities that they do best." - Housing Shareholders Advisory Group.
- » "Good homes for people who need them" - CORT Community Housing (Community of Refuge Trust).

Key actions identified to achieve these visions:

- » A new model based on international best practice.
- » The need to articulate and understand our "Why?"
- » A major attitudinal change from private, not for profit, iwi and public sector to "true partnership".
- » The need to connect with hearts and minds.
- » Comprehensive open source data leading to better understanding which leads to better decisions.
- » A clear and achievable long term plan with commitment from all.

SESSION TWO

A VISION FOR AUCKLAND CONT.

ESTABLISHING AND MEASURING TARGETS

The old management adage “you cannot manage what you do not measure” is still accurate today. It is easy to focus on the day-to-day running of a particular business, sector or area of responsibility. But unless specific measurements are in place, it is difficult to establish whether something is getting better or worse.

Session two focused on ways of identifying specific and measurable targets. One of the critical issues that was regularly identified was the lack of co-ordinated data available on Auckland housing.

As a result, some targets were identified as well as many areas where measurable targets need to be

developed and reported. It was agreed that there was a need to develop comprehensive, fine grained, empirical information. Better data leads to better insights which leads to better decisions.

It was also noted that an independent organisation should be appointed to be responsible for the collation, co-ordination and reporting of all key housing information so everyone has access to the same information.

In order for targets to be achieved, the following actions were identified (where there are examples of existing targets, some of these have also been included):

Overall City and Community Perspective

- » A “Housing Accord” where all political parties pull together around this issue and agree on some core principles and basic minimum acceptable standards below which none of them will allow New Zealand to slip again.
- » Develop measurable targets that align with New Zealand’s commitment to the United Nations that all New Zealanders have access to housing that is – habitable, affordable, secure in tenure, accessible and culturally appropriate.
- » Introduce key metrics and benchmarks by 2018 within both public and private housing.
- » Create an evidenced based approach to educating and involving all New Zealanders.
- » Appointment of an independent data analyst to collate, analyse and report on all matters relating to housing.
- » 100% of Aucklanders feel housing is adequate by 2030.
- » Provide homes for 50,000 more people in New Zealand by 2020 (Community Housing Aotearoa).
- » Develop a consumer and health driven vision in conjunction with housing. Develop targets with a long term perspective e.g. up to 100 years.
- » Development of Auckland and New Zealand wide targets that are agreed across central and local government politicians, iwi, not for profit, the property industry, academics and the wider community.
- » Create targets for policy changes, building industry, consent processes, system structure, as well as being able to compare Auckland and New Zealand in a global context.

Housing Supply and Affordability

- » Introduce targets to increase innovation across all sectors of housing.
- » Define specific targets for affordable housing across the continuum (see Figure 1). This would include operational costs of a warm dry healthy home.
- » Establish construction targets (including time, materials and productivity).
- » Ensure that New Zealand is in line with international “best practice” by 2030.
- » Ensure that less than one third of household disposable income needs to be spent on housing.
- » Target of 20,000 new houses per annum to catch up on housing shortage.
- » Ensure that housing supply meets demand targets.
- » Development of new funding models and targets for infrastructure and development.
- » Target of 12,000 extra affordable houses per annum over the next five years.
- » Consenting timeframes improved by 30% over the next two years.
- » Establish new targets for apprentice schemes across all construction trades.

SESSION TWO

A VISION FOR AUCKLAND CONT.

- » 422,000 new homes by 2045 which equates to 14,000 houses each year over the next 30 years (Auckland Unitary Plan). We note that last calendar year statistics from Auckland Council indicated a completion rate of only 7,200 and more recent data suggests only 6,200 were completed.
- » 34,000 new homes by 2027, equivalent to 3,400 homes each year, 13,500 will be within social housing sector and 20,600 deemed affordable (Government announcement in 2017).

Rental Tenure

- » Establish targets for security of tenure across the continuum.

Housing Quality

- » Mandatory home rating system by 2020.
- » Energy positive houses by 2025 which power cars.
- » Healthy homes target to eradicate preventable diseases.
- » Home rating target to ensure warm, dry, secure and energy efficient homes.

Home Ownership

- » Increase home ownership and shared ownership measures for all.
- » Establish policy and targets for shared ownership schemes.
- » Achieve home ownership rate of 65% by 2025 including Maori and Pasifika (thehomepage.nz).

Homelessness

- » End homelessness by 2020.

Social Housing

- » 20% of social housing to be provided by community housing providers by 2025 (thehomepage.nz).
- » Reduce the time to house for priority clients on the social housing register by 20% by 2021 (Ministry of Social Development).
- » An additional 1,900 social housing places funded by the Income Related Rent Subsidy (IRRS) to be secured by 2020 (Ministry of Social Development).

"All Kiwis want
is someone to love,
somewhere to live,
somewhere to work,
and something to
hope for."

- Norman Kirk

SESSION THREE ACTING FOR CHANGE

During the third session, two insights were provided by Ted Manson and David Rutherford focusing on change in action, including the following quote from Human Rights Commissioner David Rutherford

“Since 1948, New Zealand Governments have promised internationally over and over again to deliver adequate houses to all New Zealanders. The latest was in 2015 when the Government supported the United Nations Global Agenda which included Target 11.1 by 2030, ensure

access for all to adequate, safe and affordable housing.

And yet no side has yet delivered adequate housing to all New Zealanders. And here we all sit today. Facing what feels like an insurmountable challenge.

The reality is that it will likely take longer than any single New Zealand Government's time in power to deliver adequate housing to all New Zealanders. Our housing issues last much longer than any parliamentary term.”

HOW DO WE MAKE IT HAPPEN?

How do we create action focused on outcomes and results?

The attendees clearly articulated that the solution to Auckland's housing crisis is here.

“It's the people in the room and beyond. The key is finding a way that we can all work together to deliver the outcomes our city so desperately needs. We need a bold vision and a detailed plan. We need a clear unified action plan.”

Planning actions were identified as follows:

1. Establish where things currently sit within the context of the Housing Framework (see Figure 2).
2. Overlay Council and Government plans to understand what they, along with other players in the housing market, are working on.
3. Determine who is responsible for what.
4. Establish key outcomes, targets and timeframes.
5. Identify and test new policy and delivery initiatives focused on improving outcomes (short, medium and long term).
6. Share learnings with all.
7. Tell the story – transparent and open communication to all the housing participants and to all Aucklanders.

WORKSHOP THREE ACTING FOR CHANGE

The Action Workshop at the Auckland Housing Summit was run using the “World Café” framework.

The “World Café” model is a structured conversational process for knowledge sharing in which groups of people discuss a topic at several tables, with individuals switching tables periodically and getting introduced to the previous discussion at their new table by a “table host”. (Wikipedia)

Five key theme areas were identified:

Theme One: Future co-ordination and leadership of the housing crisis

Theme Two: Partnering

Theme Three: Home ownership

Theme Four: Housing supply

Theme Five: Construction industry

Within each theme, discussion is structured as follows:

- » What is the powerful question?
- » What are the known high level elements of this problem?
- » What are the known high level solutions to this problem?
- » Concepts and ideas are then presented.

The following are the ideas and concepts presented in response to the powerful questions posed to participants.

SESSION THREE

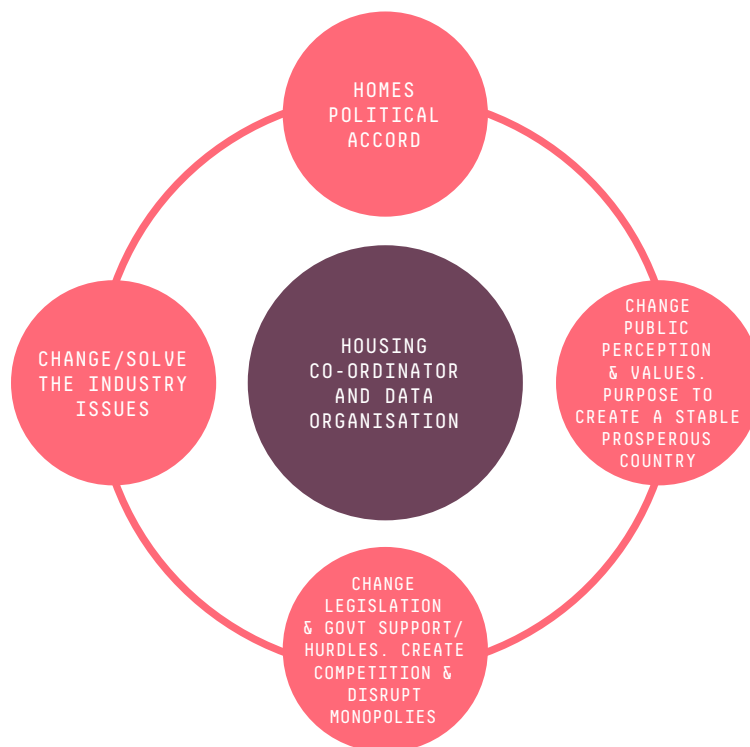
ACTING FOR CHANGE CONT.

THEME ONE: FUTURE CO-ORDINATION AND LEADERSHIP OF THE HOUSING CRISIS

Question 1: Who should lead and co-ordinate solving the housing crisis?

- » A possible organisational structure is identified in Figure 3. It proposes a central co-ordination and data team. Part of this includes four key changes – introducing a political accord, solving existing industry issues, legislative change and changing public perception.
 - » Establish a not for profit housing authority that would work for the public good and co-ordinate initiatives, data collection, collation and reporting.
 - » Could be guided by structured design principles (e.g. Ostrom's principles).
 - » Establish a clear mandate, funding and operational authority and accountabilities.
 - » Secure funding for the new housing authority for a minimum of three years.
 - » Purpose driven specific entity with legislated power which would draw from relevant local and central government resources as well as not for profit, private enterprise, infrastructure providers and iwi.
- It would have the ability to direct and control and influence decisions – a tool kit of enabling powers. It would not undertake development or consenting work, but co-ordinate across all housing initiatives.
- » The leadership group should be connected to, but should remain stand alone to, local and central government.
 - » Housing authority members would ideally comprise a range of groups including:
 - » Policy makers (central and local government eg MSD, HNZ, EECA, MBIE, Council etc)
 - » Economists, financial experts and lenders
 - » Representatives of property rental market
 - » Planners, developers, designers, construction companies, material suppliers, infrastructure providers
 - » Iwi
 - » Community leaders
 - » Community housing providers, interest groups

Figure 3
Possible Organisation Structure



SESSION THREE

ACTING FOR CHANGE CONT.

Question 2: How do we communicate with Aucklanders to bring them on this journey with us?

- » Designated organisations responsible for reporting progress.
- » Education programme for everyone so they can understand the benefits for them personally and for the city of solving housing right across the housing continuum. The current system creates a potentially unstable society – the “haves” and “have nots”. Need to connect with the hearts and minds of Aucklanders to explain we will all be better off.
- » Information provided could include:
 - » Long term benchmarking
 - » Message and outcomes right across the housing continuum (see Figure 1)
 - » International stories / comparisons
 - » Data goals and achievements
 - » Communicate real alternatives to provide hope for those at the sharp end of the continuum
 - » Quantify the social benefits and ensure communities have a voice
- » Encourage more people within the industry to speak up and give examples of issues and solutions.
- » Create feedback loops and opportunities.
- » Ensure the communication is multi-pronged and targeted at all parts of the community.

THEME TWO: PARTNERING

Question 3: What could be an improved public sector procurement model that would achieve better social and affordable housing outcomes?

- » One government agency responsible for procurement.
- » Greater support for unsolicited bids.
- » Questioning of the existing tender process and investigate an improved process that achieves overall objectives.
- » Incentives for innovation.
- » Non-partisan approach to create long term consistency.
- » Greater recognition of off-shore accreditation for construction systems and materials.
- » Investigate off shore funding to increase scale, expedite the Overseas Investment Office process.
- » Change the cost matrix model to be inclusive of value, return on investment (ROI), life cycle assessment, cost benefit.
- » Better balance of commercial responsibility vs social responsibility.
- » Ensure commerce commission benchmarks housing against international best practice.

SESSION THREE

ACTING FOR CHANGE CONT.

Question 4: What does “successful partnering” look like between the public, private, iwi and community housing provider sectors?

- » Equal say between all sectors and organisations.
- » High quality public engagement resulting in agreed principles and one budget which leads to forced collaboration.
- » Need to understand, listen and learn each other's issues, objectives and drivers.
- » Understand and quantify the existing housing supply as well as pipeline opportunities and availability.
- » Ensure the housing need is understood across the whole lifecycle and create stock availability.
- » Explore the role of banks as a stakeholder to the solution.
- » Ensure good quality data is accessible to all to allow for better decisions to be made.
- » Success includes – agreed standards, shared resources and commonality across materials and methodology which provides ability to scale up.

THEME THREE: HOME OWNERSHIP

Question 5: Is it important for Auckland to halt the decline of home ownership? If so, how can the home ownership rates be increased?

- » Whether the focus should be just home ownership created mixed feelings, as good rental alternatives is an option. However it was noted that HOME is the focus.
- » There is a larger question about the drivers for home ownership providing security of occupation.
- » Reinstate state loans which creates power to build
 - only the Crown can borrow at rates that make this work at scale.
- » Tax schemes – which create sharing of capital gain.
- » Investment options.
- » Decoupling home ownership from investment.
- » Stop and reverse current trends.
- » Greater opportunities with tenancy and tenure.

THEME FOUR: HOUSING SUPPLY

Question 6: How can we build more social houses faster? How do we enable and support a significant increase in the number of affordable houses faster?

Ideas and concepts presented

- » Divert funds from other budget areas.
- » Investigate options such as the “Nightingale” model – which has low yield, long term and low risk or alternatively bond issues such as green or social housing bonds.
- » Importing of prefabricated houses and components.
- » Adopt the car industry model for housing; registration, warrant of fitness, to ensuring that failures and quality control are investigated.
- » Need to increase input such as labour, capital, materials and land.
- » Consider tax or rates rebates for angel investors.
- » Long term master plan of social and affordable housing supply to encourage wider investment.
- » Investigate better use of airspace and building density on public land (e.g. three level apartments on top of a new library. This was undertaken in the Delridge Branch of the Seattle library).
- » Introduce relocatable pods on temporary land which are self-contained to avoid infrastructure issues.
- » Increase the speed of supply of social houses by more adaptation of existing ones. For example converting a large house to 2-3 apartments.

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ACTING FOR CHANGE CONT.

- » Put the emergency housing fund into housing supply.
- » Look at providing additional social infill housing. This uses existing infrastructure, reduces risk, compliance and planning issues.
- » Put a focus and target of social housing delivery as part of the mandate for public sector entities such as Panuku Development Auckland .

Question 7: How can we impact the funding and financing of developments to ensure they more are feasible – even as changes in the property cycle loom?

- » Increase access to alternative funds such as superannuation, private capital, ACC.
- » Work to provide financing solutions focusing on private, assisted and social housing.
- » Create a guaranteed longer term housing pipeline. This has the potential to attract alternative investment.
- » Consider options to underwrite pre-sales for some developments to encourage housing development during any down-turn of the property cycle.

Question 8: How can we attract large quantities of cheaper and patient capital into the affordable and social housing sectors?

- » Current challenges to prices include high construction prices, lack of innovation in materials and technology, procurement process in public sector and long delivery times on consents.
- » There is a general lack of investment in innovation within public sector.
- » Need to create change by belief in a non-economic framework with communities involved in decision making.
- » Establish innovative options such as “pay my rent” system where people can help recently housed families with finance, skills and mentoring.
- » Green bonds concept – which encourage sustainability and development of brownfield sites. Overseas projects have been aimed at energy efficiency, pollution prevention and many others.

Question 9: Is there sufficient land supply or do we need to increase land supply and /or create options for cheaper land?

- » Need to consider price, how intense the use is, who gets to buy it and how quickly the land becomes available.
- » Could use Government borrowing power to underwrite affordable development.
- » Shared government ownership model utilising leasehold.
- » Incentivise higher density developments.
- » Release land ahead of market demand.
- » Introduce concept of “use or lose” for land holdings.

SESSION THREE

ACTING FOR CHANGE CONT.

Question 10: How do we improve the regulatory and consenting process to support more quality housing being delivered? This could include costs, timeframe and risk?

Consenting process ideas:

- » Central processing hub for Council.
- » Update consenting technology – digitise applications.
- » Benchmark consenting process against international best practice.
- » Ensure the overall goals and vision for Council are aligned with the targets and outcomes of consenting.
- » Standardise detailing when possible.
- » Prioritising higher risk items during resource / building consent.
- » Improve the pre-application process for both the Council staff and submitters.

Culture Change:

- » Work with Council officials to create a culture of solving issues and facilitating opportunities.
- » Create consistency amongst consenting processing team.
- » Investigate options to reduce turnover of Council consenting staff, evaluate pay levels, resourcing requirements and capability.
- » Improve communication internally and externally.

Investigate initiatives such as:

- » Self-certification by builders.
- » Make the Licensed Building Practice registration more rigorous.
- » Investigate the risk of shifting building issues from the Council to the private sector.

Question 11: How can we get the large scale strategic inputs – land, infrastructure, construction – better co-ordinated to deliver what we need when we need it?

- » A comprehensive long term spatial and master plan which co-ordinates all the key inputs and includes options such as targeting and sequencing growth areas.
- » Implement the concept of an “Urban Development Authority” – with clear targets and outcomes.
- » Encourage competition to ensure we can achieve the desired outcomes.
- » Aligning housing development and growth with infrastructure capacity.

SESSION THREE

ACTING FOR CHANGE CONT.

THEME FIVE: CONSTRUCTION INDUSTRY

Question 12: How do we scale up offsite and modular construction and other innovative options?

- » The industry is capital intensive - need to attract capital and provide acceptable return.
- » Requires market acceptance and demand and sufficient certainty of demand to enable investment in New Zealand industry.
- » Sustained political / government commitment throughout supply chain is required.
- » Supply chain processes need to be addressed
- » to enable skilled workforce, scale capability and capacity.
- » Innovative options need to be used such as modular construction.
- » Building materials approval process needs to be streamlined.
- » International collaboration – learn from other countries.

Question 13: How do we build the capability and capacity of the building industry? How can we increase the efficiency of the construction industry? How can this be co-ordinated with community infrastructure and formation?

- » Use resources within the industry to meet demand (training, attitude, technology).
- » Secure long term contracts – Housing New Zealand, Hobsonville Land Company, public private partnerships – with prescribed outcomes.
- » Government intervention at appropriate times – such as developing during the down-turn of the property cycle.
- » Scale and continuity (consider design efficiency, cooperative purchasing, component and modular building, trade training schemes, product supply disruption).
- » Consider alternative ways to achieve infrastructure outcomes. This may include options such as:
 - » Self-funded community infrastructure such as undertaken in some American municipalities
 - » Differential rates structure
 - » Offshore infrastructure funds
- » Establish a housing capital fund – which provides capital not debt.

Question 14: Can we change the change the dynamics of the ownership of residential accommodation in NZ to encourage large scale residential landlords? What incentives or changes would make that happen?

- » Need to consider how the residential investment ownership structure could be changed to ensure larger scale investors. This may involve the creation of incentives to achieve this. One option could be investment syndicates similar to dairy farms and orchards. This requires a cultural shift and change in mindset.
- » Look at changes to create return from rental not predominantly capital gain.
- » Changes to the Residential Tenancy Act that meet outcomes and objectives for both landlords and tenants.
- » Create a long term capital fund for housing - such as Kiwisaver – which is targeted at the assisted rental / shared equity sector. This provides a guaranteed supply chain of housing and creates greater security of tenure options.
- » Investigate changes to foreign ownership rules – so foreign investors can only buy new homes.
- » Align financial regulations and funding which leads to construction. The question is how to get capital to invest at scale and have superannuation funds match the investment.
- » Create a level investment playing field by removing incentives that allow small residential investors to accept low cash returns for tax benefits.

"I am only one, but I
am one. I cannot do
everything, but I can
do something. And I
will not let what I
cannot do interfere
with what I can do."

- Edward Everett Hale

SUMMARY

The Auckland Housing Summit has identified key actions in order to move forward to solve Auckland's Housing Crisis.

Since the summit was held, feedback from groups and individuals has been overwhelming and a number of initiatives are being explored as a result of the day.

It is clear from this first summit that we have the ideas, people and organisations to solve the housing crisis. What is required now is a show of hands and commitment from other key market players, policy makers and other groups to ensure an immediate and collective approach.

A study of successful collective impact initiatives identified four key requirements for success:

- » **The establishment of a new not for profit organisation:** Run in an uncompromisingly disciplined and business-like manner. Perceived neutrality was identified as vital and while central and local government were both key stakeholders, this new organisation would be solutions driven rather than politically driven.
- » **A governance board:** This would comprise a group of influential champions with the ability to make things happen and provide clear leadership for the city.
- » **Funding:** Funding would be sourced from all housing sector participants to secure the organisation's operation for the first three years. At the end of the period, the results were expected to speak for themselves, thereby securing further funding.
- » **The mission:** To build on what worked, to co-ordinate and align every stage of the housing process, from establishing a vision and strategic plan, to the delivery of finished houses. This would incorporate existing organisations, agencies and processes, filling the gaps and removing the overlaps and inconsistencies.

Such a structure ensures clear accountability across the wide range of voices and brings all the players together to join the dots.

We welcome your feedback on what has been presented along with your own ideas or initiatives. Further information is available on the Auckland Housing Summit website – www.aucklandhousingsummit.co.nz. Alternatively there may be ways you can assist and be a part of solving Auckland's housing crisis. Email us at action@aucklandhousingsummit.co.nz

STEERING COMMITTEE



LEONIE FREEMAN

Leonie is a leader who commands an unusual breadth of insight into the New Zealand property sector, having held top positions in both the private and public sector.

In 1996, she created what is now realestate.co.nz (formerly RealENZ.co.nz). Her next project involved the purchase of a small run-down residential property management business. Leonie totally transformed 'Interactive' before selling it nine years ago. Leonie has held leadership roles at Auckland Council and Housing New Zealand and is on the board of the listed property entity, Goodman Property Trust.

In October 2016 she launched thehomepage.nz; a philanthropic and independent initiative with the sole purpose of solving Auckland's housing crisis. Leonie is also a member of Global Women.



PAUL GILBERD

Paul Gilberd is a business development specialist assisting with strategic direction, governance and change. His role as GM Strategy and Development at the NZ Housing Foundation is all about partnerships and collaboration to bring new people, new money and new land to the table.

This work is enabling the growth of affordable housing programmes supporting the relief of poverty. The NZ Housing Foundation delivers affordable rental (rent to buy) and affordable equity (shared home ownership) programmes and assists low income households to move out of the rental poverty trap through affordable housing and community building. Paul is strongly motivated by social justice.



ANNA CROSBIE

Anna is a senior associate at Russell Mcveagh who specialises in property and construction law. Based in the Auckland office, she enables a diverse range of clients to navigate the legal issues in the delivery of property developments, construction projects, commercial leasing, the acquisition and disposal of property, and overseas investment. Anna's previous roles include a period working as in-house counsel to one of New Zealand's largest residential developers.

STEERING COMMITTEE CONT.



PROFESSOR ROBYN PHIPPS

Robyn is the Director of Construction programs and Cluster Leader of the Built Environment staff at Massey University.

Robyn has expertise in the design and management of healthy buildings, indoor air quality, heating and ventilation. Her research is focused on validating effective and practical means to improve indoor environments in homes, school and workplaces. Energy efficient, sustainable building and professional practice are other research themes.



KITTY ROTHSCHILD

Appointed to lead the establishment of Knight Frank New Zealand's Project Marketing division, Kitty operates in unison with Knight Frank's global Project Marketing team to deliver a wealth of project expertise, sophisticated project solutions, incisive research and strategic advice.

From a career built from a solid foundation in sales, project marketing, management and consultancy, having established successful Project Marketing divisions in both Australia and New Zealand. Kitty has operated in strategic roles, across global markets with significant success during the course of her 22-year global real estate career. Kitty is also an industry advocate and REINZ representative.

