



26 January 2021

**Office of Hon Judith Collins**  
Leader of the Opposition

Rt Hon Jacinda Ardern  
Prime Minister  
Executive Wing  
Parliament Buildings

Dear Prime Minister,

New Zealanders are extremely concerned that house prices continue to rise at an unacceptable rate.

Median house prices have risen over 40 per cent since you became Prime Minister, while the median cost of a rental property has risen from \$400 per week to \$500 per week – a 25 per cent increase in just three years. These increases are greater than other times in our history and greater than those observed in other countries.

This rapid increase in the cost of renting is leaving Kiwi families with less money for essentials. Hardship grants for food have almost tripled over the same period. The increase in the cost of buying a house is denying young New Zealanders the dream of owning their own home.

New Zealanders have had enough and it's time we worked together to fix this problem.

I am writing to you today to propose National and Labour work on a bipartisan and urgent solution to the housing crisis:

- A special Select Committee should be established immediately and tasked with developing emergency legislation or regulation to open up housing supply.
- Measures should be based off the model National used to free up land for housing in Christchurch. This enabled the multiple between median incomes and house prices in Christchurch to remain constant for the period 2014 – 2020, while it deteriorated across the rest of New Zealand.
- The recommendations of the Committee should be available for consideration no later than the end of March – we need to move at pace.

I understand that your Government is working on Resource Management Act (RMA) Reform, but the timeline for this reform appears to lack urgency. Minister Parker has stated he plans to run a two-stage Select Committee process. This is unlikely to see new legislation complete its passage through the House before the end of 2022.

I do accept that New Zealand's housing situation is one that has been allowed to develop over successive Governments. The previous National Government was never able to secure a parliamentary majority in favour of major RMA reform. This meant we were left to use regulatory powers to take measures such as setting up Special Housing Accords, such as those we undertook in Christchurch. Your outright majority provides the unique opportunity to reform New Zealand's arcane planning rules.

**National**

Authorised by Judith Collins, Private Bag 16041, Parliament Buildings,  
Wellington 6160, New Zealand • Phone +64 4 817 6858

National does not agree that building more state houses is a long-term solution to the rising cost of housing. New Zealanders aspire to own their own home which means the private sector must be freed up to build them. A state house is not an optimal solution for any family. It is a temporary fix for a small, but unfortunately growing, proportion of New Zealanders.

Tinkering with tax rules won't get more houses built either, and it may even discourage house building. Any changes that drive up the cost of renting further will simply make a bad situation worse.

If there remains any doubt about the cause of the housing problem and the solutions Government should reach for, it may be worth reflecting on recent comments by the Reserve Bank Governor who stated,

*"High house prices in New Zealand largely reflect structural and regulatory issues in New Zealand's housing market. In particular, land use restrictions, such as urban planning rules, limit the land available for housing and how intensively it can be used. These land use restrictions impede the ability of the market to increase the supply of houses when demand for houses increases. As a result, house prices tend to increase more than otherwise in response to higher housing demand. Other supply-side issues include infrastructure planning, the building consent process, and the cost of building."*

Please consider this plea and work with National to solve what has become a national emergency.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Judith Collins', with a large, stylized initial 'J'.

Hon Judith Collins  
**Leader of the Opposition**