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Christchurch City Council submission on the Government Policy Statement – Housing and Urban Development

Introduction

1. Christchurch City Council (the Council) thanks for the opportunity to provide comment on the Government Policy Statement – Housing and Urban Development (GPS-HUD) discussion document.
2. The Council would like to make the following summary points, and draws the Government’s attention to the accompanying attachment for the full submission on the questions posed in the Discussion Document.

Submission Overview

3. The GPS-HUD sets out a generally well thought narrative on housing within its vision, outcomes and focus areas that recognises housing as more of a wellbeing good. To help give effect to it, some clearer explanation is needed on the systemic changes and mechanisms needed to achieve its goals for affordable housing provision and security.
4. To address the housing crisis, an urgent whole of government approach is needed that addresses systemic issues and identifies new, practical solutions focused on the outcome of housing as a wellbeing good. This includes what financial mechanisms will address affordability first, rather than promote a speculative property market, and how low income households can affordably gain security through housing. Local government, with its ability to contribute through planning, design, economic and skills development, and community housing initiatives should be regarded as a logical and key strategic partner.
5. From the Council’s point of view, the Government clearly needs to look across all layers of government and its legislative and reform programmes such as the Resource Management, Climate Change and Three Waters in delivering upon both housing and urban development. Whilst the strong focus on affordable housing is good, at the local level it needs strong, joined up linkages with urban development and regeneration.
6. The Greater Christchurch area has elements of both these types of urbanism (or brownfield and greenfield), and care needs to be taken to get integrated results, so that housing provision is not at the expense of addressing transport emissions and infrastructure costs still closely associated with greenfield development. All of this reinforces that local government is an essential partner in delivering on the GPS-HUD at all levels of policy, planning and delivery, with the Council having strong expectations in this area.

7. By necessity, addressing housing and urban development also means a re-examination of key legislation such as the Public Finance Act (1989), the State Sector Act (1988) and the Resource Management Act (1991), of which only the latter appears to be up for review. After recently experiencing significant population growth Aotearoa New Zealand now faces several decades of large scale investment in housing, water, climate, and transport infrastructure to address past under-investment and tackle current challenges. District Plans and spatial plans can only go so far without an associated fundamental rethink of how key pieces of government legislation are often currently implemented to work in practice against infrastructure and housing provision.

Vision and Outcomes

8. The Council welcomes the long overdue change in conceiving of housing as a merit good rather than a commodified, market one. The GPS-HUD is consistent with the Council's Housing Policy 2016 (that, underpinned by a housing as a human right framework, good, adequate housing is the building block of individual wellbeing and strong communities), and its Community Housing Strategy 2021-2031 (that recognises community housing is a foundation of housing and wellbeing in Ōtautahi Christchurch).
9. Although the GPS-HUD does indirectly reference some aspects of the human right to housing this is not explicitly recognised. The lack of recognition is related to there being no legislatively binding power with the GPS-HUD (apart from what's expected of Kāinga Ora). To strengthen the effectiveness of the GPS-HUD, it is recommended that the human right to housing is more directly recognised. This is consistent with a wellbeing approach that moves housing away from a needs-based to a rights-based framework for enduring solutions. The GPS-HUD will then have the opportunity to better operationalise a right to housing, and by extension develop stronger accountability for it.
10. The 'Thriving communities' outcome resonates strongly with the 'Four Wellbeings' of the Local Government Act (2002). It strongly implies the values of both equity and reciprocity, in that everyone's housing needs must be attended to without anyone's being met at the expense of others. Having both homelessness and extreme forms of housing wealth is arguably a policy failure.
11. The Council agrees with the 'Wellbeing through housing' outcome, with the evidence clear that the quality of housing has a direct impact on the wellbeing of those living in that housing. What could also be better emphasised is more systemically linking homelessness to the rest of the housing continuum to avoid the risk of overly focusing on homeless specific projects (system symptoms) and not so much on how affordable housing (system settings) can be provided, both owned and rented.
12. For the 'Partnering for Māori housing and urban solutions' outcome, the Council agrees that Māori should be able to self-determine their own housing needs and aspirations. Iwi and hapū/rūnanga representatives should be enabled to work with government agencies to devise policy and direct funding for building on both multiply-owned Māori land and general land which is owned by Māori.
13. The 'Adaptive and responsive system' outcome correctly identifies that land use and infrastructure need to be well integrated, within an appropriately intensified and consolidated urban form. The expected actions could be strengthened to better recognise community driven housing models, e.g. co-operative housing.

14. Key to these outcomes as well as the focus areas will be effective, collaborative partnerships, overcoming systemic barriers toward housing as a wellbeing good, and taking a long term, urban regenerative investment approach rather than pursuing short term financing and funding measures. In relation to this, although the central and local government sectors and development sectors are consistently noted throughout the document the community housing sector is not, which needs to be better reinforced to reflect their key provision role. Both sectors are vital for what the Council sees as active, locally driven housing provision partnerships with government, e.g. Kāinga Ora.

Focus Areas

15. The Focus Area actions will clearly need to be delivered in a holistic way. The past has often been characterised by isolated, short term fix-it approaches. Addressing construction costs and the long term quality of housing (whilst needed) without addressing other system elements, such as land value appreciation (or residual land value component in private sector developments) and how housing development is financed, will not lead to effective long term results.
16. The discussion document at times treats owner occupied and rental housing tenures in an even handed way. The inherent insecurity of renting in New Zealand is not really addressed, being rather benignly treated as though it is as secure as home ownership. This is significant as renting does not provide or lead to equity, with reduced levels of home ownership contributing to wealth inequality, and insecurity as people age. The wealth inequality that has been both produced and reproduced by the reduction in homeownership and the commodification of housing is also not adequately recognised or addressed. This means that options such as shared equity and rent to buy receive little mention.
17. Both central and local government should be leaders in innovative forms of housing provision models to meet a greater range of, and changing, housing need. A greater range of tenures, such as leasing and co-operative models, are more likely to provide more integrated, secure housing outcomes for households where the gap between social or community housing and home ownership is too great.
18. The references to local government are encouraging, although their roles, capacity, capability and empowerment to act need to be both recognised and broader policy settings developed. Examples would be giving local government access to finance and funding for community housing support and provision (e.g. the Income Related Rent Subsidy), and tackling land value issues via access to instruments such as inclusionary zoning and value uplift capture. In and of itself this is unlikely to be sufficient, and the government will need to re-establish its role in infrastructure provision alongside more active affordable housing provision. Other examples include addressing restrictive covenant practices that implicitly if not explicitly exclude community housing from developments.
19. Further, the breadth of local government functions and role in delivery of the aspirations, particularly regulatory roles and associated partnerships, and spatial planning needs greater recognition and support. The purpose and role of planning and design at all levels should be more explicit to deliver on the aspirations of 'thriving communities' and 'wellbeing through housing'.

20. The document is rightly very strong on Māori housing issues and placing Māori at the forefront of solving them (Pasifika housing, however is mentioned only sparingly which is in stark contrast to the plight of their housing issues). To enable iwi and Māori -driven housing solutions the Council recommends promoting acceptance of housing being a necessary social infrastructure, funding Māori housing providers for a range of housing provision, and promoting knowledge/awareness of papakāinga and shared/communal housing models.
21. The recent tax settings, which disincentivise investment in existing stock and encourage investment in new stock, will inevitably push investors to the new build sector. This is likely to provide a steady demand from investors for new housing but will crowd first-home buyers out of that market. What really needs to be prioritised and incentivised is new-builds for owner-occupiers, especially first home buyers, as part of the systemic shift away from housing as a property good to that of affordable housing that provides long term security.
22. The Council certainly endorses both the Government's and the GPS-HUD's intent and actions on home ownership. To better deliver them, Kāinga Ora should be more active in affordable housing provision, working alongside local authorities. This extends to moving away from current stop gap measures in emergency housing, through to ensuring new housing remains affordable for owner-occupiers, and not for unintended outcomes such as speculative investment that undermine community wellbeing (e.g. Airbnb).

Implementation of the GPS-HUD

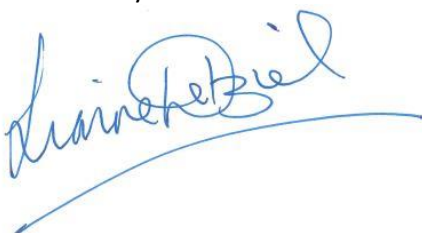
23. The Council supports the place based approach of the GPS-HUD, and notes that Ōtautahi Christchurch is identified as an urban growth partnership area. However, we do question how it will ensure equity and the distribution of investment across different places / regions so that not all of the funding literally ends up in one or two cities in Aotearoa New Zealand.

Conclusion

24. The Council looks forward to working with Government in achieving the vision set out in the Government Policy Statement – Housing and Urban Development discussion document. We thank you for the opportunity to provide this submission.

For any clarification on points within this submission please contact Paul Cottam, Principal Advisor, at paul.cottam@ccc.govt.nz.

Yours faithfully



Lianne Dalziel
Mayor of Christchurch

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Government Policy Statement on Housing and Urban Development Survey:

Completed by the Christchurch City Council

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) is leading the development of the Government Policy Statement on Housing and Urban Development (GPS-HUD).

The GPS-HUD will communicate the long-term vision and change needed in housing and urban development in Aotearoa New Zealand. It will take a multi-decade outlook, with outcomes for people, communities, the economy, and our built and natural environments at its centre.

It will set out how Government and others will work together to make this happen, and shape future government policy, investment, and programmes of work.

We are proposing a vision, outcomes, focus areas, actions, and ways of working to shape housing and urban development over the next 30 years.

Your thoughts are important to us—we would like to hear your feedback to shape a better housing and urban future for Aotearoa New Zealand.

We recommend that you read the discussion document before you complete the survey:

<https://haveyoursay.hud.govt.nz/read-the-gps-hud/>

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Summary Points of the Council's Submission

The GPS-HUD sets out a generally well thought narrative on housing within its vision, outcomes and focus areas that recognises housing as more of a wellbeing good. To help give effect to it, some clearer explanation is needed on the systemic changes and mechanisms needed to achieve its goals for affordable housing provision and security.

To address the housing crisis, an urgent whole of government approach is needed that addresses systemic issues and identifies new, practical solutions focused on the outcome of housing as a wellbeing good. This includes what financial mechanisms will address affordability first rather than promote a speculative property market, and how low income households can affordably gain security through housing. Local government, with its ability to contribute through planning, design, economic and skills development, and community housing initiatives should be regarded as a logical and key strategic partner.

From the Council's point of view, the Government clearly needs to look across all layers of government and its legislative and reform programmes such as the Resource Management, Climate Change and Three Waters in delivering upon both housing and urban development. Whilst the strong focus on affordable housing is good, at the local level it needs strong, joined up linkages with urban development and regeneration.

The Greater Christchurch area has elements of both these types of urbanism (or brownfield and greenfield), and care needs to be taken to get integrated results, so that housing provision is not at the expense of addressing transport emissions and infrastructure costs still closely associated with greenfield development. All of this reinforces that local government is an essential partner in delivering on the GPS-HUD at all levels of policy, planning and delivery, with the Council having strong expectations in this area.

By necessity, addressing housing and urban development also means a re-examination of key legislation such as the Public Finance Act (1989), the State Sector Act (1988) and the Resource Management Act (1991), of which only the latter appears up for review. District Plans and spatial plans can only go so far without an associated fundamental rethink of how key pieces of government legislation are often implemented to work in practice against infrastructure and housing provision.

Vision and Outcomes

The Council welcomes the long overdue change in conceiving of housing as a merit good rather than a commodified, market one. The GPS-HUD is consistent with the Council's Housing Policy 2016 (that underpinned by a housing as a human right framework, good, adequate housing is the building block of individual wellbeing and strong communities), and its Community Housing Strategy 2021-2031 (recognising community housing as a foundation of housing and wellbeing in Ōtautahi Christchurch).

Although the GPS-HUD does indirectly reference some aspects of the human right to housing this is not explicitly recognised. The lack of recognition is related to there being no legislatively binding power with the GPS-HUD (apart from what's expected of Kāinga Ora). To strengthen the effectiveness of the GPS-HUD, it is recommended that the human right to housing is more directly

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recognised. This is consistent with a wellbeing approach that moves housing away from a needs-based to a rights-based framework. The GPS-HUD will then have the opportunity to better operationalise a right to housing, and by extension develop stronger accountability for it.

The 'Thriving communities' outcome resonates strongly with the 'Four Wellbeings' of the Local Government Act (2002). It strongly implies the values of both equity and reciprocity, in that everyone's housing needs must be attended to without anyone's being met at the expense of others. Having both homelessness and extreme forms of housing wealth is arguably a policy failure.

The Council agrees with the 'Wellbeing through housing' outcome, with the evidence clear that the quality of housing has a direct impact on the wellbeing of those living in that housing. What could also be better emphasised is more systemically linking homelessness to the rest of the housing continuum to avoid the risk of overly focusing on homeless specific projects (system symptoms) and not so much on how affordable housing (system settings) can be provided, both owned and rented.

For the 'Partnering for Māori housing and urban solutions' outcome, the Council agrees that Māori should be able to self-determine their own housing needs and aspirations. Iwi and hapū/rūnanga representatives should be enabled to work with government agencies to devise policy and direct funding for building on both multiply-owned Māori land and general land which is owned by Māori.

The 'Adaptive and responsive system' outcome correctly identifies that land use and infrastructure need to be well integrated, within an appropriately intensified and consolidated urban form. The expected actions could be strengthened to better recognise community driven housing models, e.g. co-operative housing.

Key to these outcomes as well as the focus areas will be effective, collaborative partnerships, overcoming systemic barriers toward housing as a wellbeing good, and taking a long term, urban regenerative investment approach rather than pursuing short term financing and funding measures. In relation to this, although the central and local government sectors and development sectors are consistently noted throughout the document the community housing sector is not, which needs to be better reinforced to reflect their key provision role. Both sectors are vital for what the Council sees as active, locally driven housing provision partnerships with government, e.g. Kāinga Ora.

Focus Areas

The Focus Area actions will clearly need to be delivered in a holistic way. The past has often been characterised by isolated, short term fix-it approaches. Addressing construction costs and the long term quality of housing (whilst needed) without addressing other system elements, such as land value appreciation (or residual land value component in private sector developments) and how housing development is financed, will not lead to effective long term results.

The discussion document at times treats owner occupied and rental housing tenures in an even handed way. The inherent insecurity of renting in New Zealand is not really addressed, being rather benignly treated as though it is as secure as home ownership. This is significant as renting does not provide or lead to equity, with reduced levels of home ownership contributing to wealth inequality, and insecurity as people age.

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The wealth inequality that has been both produced and reproduced by the reduction in homeownership and the commodification of housing is also not adequately recognised or addressed. This means that options such as shared equity and rent to buy receive little mention.

Both central and local government should be leaders in innovative forms of housing provision models to meet a greater range of, and changing, housing need. A greater range of tenures, such as leasing and co-operative models, are more likely to provide more integrated, secure housing outcomes for households where the gap between social housing and home ownership is too great.

The references to local government are encouraging, although their roles, capacity, capability and empowerment to act need to be both recognised and broader policy settings developed. Examples would be giving local government access to finance and funding for community housing support and provision (e.g. the Income Related Rent Subsidy), and tackling land value issues via access to instruments such as inclusionary zoning and value uplift capture. In and of itself this is unlikely to be sufficient, and the government will need to re-establish its role in infrastructure provision alongside more active affordable housing provision. Other examples include addressing restrictive covenant practices that implicitly if not explicitly exclude community housing from developments.

Further, the breadth of local government functions and role in delivery of the aspirations, particularly regulatory roles and associated partnerships, and spatial planning needs greater recognition and support. The purpose and role of planning and design at all levels should be more explicit to deliver on the aspirations of 'thriving communities' and 'wellbeing through housing'.

The document is rightly very strong on Māori housing issues and placing Māori at the forefront of solving them (Pasifika housing, however is mentioned only sparingly which is in stark contrast to the plight of their housing issues). To enable iwi and Māori -driven housing solutions the Council recommends promoting acceptance of housing being a necessary social infrastructure, funding Māori housing providers for a range of housing provision, and promoting knowledge/awareness of papakāinga and shared/communal housing models.

The recent tax settings, which disincentivise investment in existing stock and encourage investment in new stock, will inevitably push investors to the new build sector. This is likely to provide a steady demand from investors for new housing but will crowd first-home buyers out of that market. What really needs to be prioritised and incentivised is new-builds for owner-occupiers, especially first home buyers, as part of the systemic shift away from housing as a property good to that of affordable housing that provides long term security.

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The Council supports the place based approach of the GPS-HUD, and notes that Ōtautahi Christchurch is identified as an urban growth partnership area. However, we do question how it will

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ensure equity and the distribution of investment across different places / regions so that not all the funding ends up in one or two cities in Aotearoa New Zealand.

The future we want to see

To improve housing and urban development outcomes for all New Zealanders, we need a shared vision across the system, to guide the actions of everyone who contributes.

Our vision is that everyone in Aotearoa New Zealand lives in a healthy, safe, secure, and affordable home that meets their needs, within a thriving, inclusive and sustainable community.

1. Do you agree with this vision statement?

In the main yes. The government should be commended for:

- Developing the GPS-HUD in such a holistic way, the vision and actions, of which are by necessity timely, comprehensive and ambitious.
- The bilingual English/te reo Māori nature of the document – a demonstrable expression of the early, meaningful and continuous partnership with, and support of, iwi and Māori committed to in the document.

From the Council's perspective there are two key principles that apply to the GPS-HUD:

- A human rights based approach that prioritises affordable housing provision.
- Effective, localised engagement and decision-making with councils and their communities.

2. Is there anything you would like to tell us about the reason for your choice?

The Council welcomes the long overdue change in conceiving of housing as a wellbeing based good rather than an overly market orientated, commodified one. As a basic human right, the Council recognises through its Housing Policy 2016 that good, adequate housing is the building block of individual wellbeing and strong communities, ensuring that all our citizens can be all that they wish to be. The Council's Community Housing Strategy 2021-2031 further posits community housing as a foundation of housing and wellbeing in Ōtautahi Christchurch, placing it as a central requirement of housing provision and urban development.

How housing is framed and discussed is important for identifying a broader set of responses to the housing crisis. To strengthen this philosophical position, it is recommended that the human right to housing, based on the premise of the seven dimensions of 'housing adequacy' (United Nations Universal Declaration of Human Rights), is more explicitly noted in the GPS-HUD rather than indirectly referencing some aspects of it. This is consistent with a wellbeing approach that moves housing away from a needs-based to a rights-based framework for enduring solutions. The GPS-HUD will then have the opportunity to operationalise a right to housing, and by extension develop accountability for it.

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The lack of explicit recognition of the human right to housing is also related to there being no legislatively binding power with the GPS-HUD (apart from what's expected of Kāinga Ora), i.e. no guaranteed permanency so it could be changed at the Ministerial level with or without a change in government. One way to overcome this is to specifically reference housing as a human right which would lead to stronger accountability and policies.

Giving effect to housing as a human right should then lead to more participatory policy making and transparent, constructive accountability. The housing crisis response would likely improve if there was some formalised means to hold the government to account for housing outcomes.

In general, the Council agrees that the vision wording:

- integrates urban development and housing;
- includes and focuses on people in many contexts or settings;
- requires us to enable and respond to iwi and Māori housing aspirations;
- is aspirational and captures notions of quality of life and wellbeing, including environmental quality and climate change;
- validates a variety of different housing and urban needs and beliefs about housing, such as the need for affordability, accessibility for disabled and older people, and aging-in-place; and
- speaks to community empowerment.

However, it does not obviously permit and require us to consider that individual places are unique, as well as national settings, without the suggested amendment below or words to that effect to better recognise the character and identity of individual communities and local circumstances. It also does not make explicit the need for well-planned and designed housing, sites and neighbourhoods that support rather than impact on the community as a whole.

Addressing these points would also reflect the GPS-HUD's proposed place-based approach. To be given effect, it will need to recognise existing communities and their connections within them, i.e. the security of both people living there and of the community itself.

Suggested amendment:

In line with and giving effect to the human right to housing, everyone in Aotearoa New Zealand lives in a healthy, safe, secure, and affordable home that meets their needs, within a place-based, thriving, inclusive and sustainable community.

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Outcomes

We are setting four aspirational outcomes we are proposing the housing and urban development system works towards, to help us achieve our vision.

1. Thriving communities

Everyone is living in homes and communities that meet their employment, education, social and cultural wellbeing needs and aspirations — places that are affordable, connected, environmentally sustainable, safe, and inclusive.

3. Do you agree this is an important outcome to be working towards?

Yes. The Council supports the expected outcomes for 'Thriving Communities', noting that overcoming systemic barriers needs to apply to all aspects of the housing continuum.

4. Is there anything you would like to tell us about the reason for your choice?

This outcome resonates well with the 'Four Wellbeings' of the Local Government Act. It strongly implies the values of both equity and reciprocity, in that everyone's housing needs must be attended to without anyone's being met at the expense of others. Having both homelessness and extreme forms of housing wealth is arguably a policy failure.

Achieving this outcome and indeed all of the outcomes will require much more active, direct participation than the GPS-HUD outlines, given that by definition new ways of planning, designing and providing housing will be required.

2. Wellbeing through housing

All New Zealanders own or rent a home that is affordable, healthy, accessible, secure, and which meets their needs and aspirations.

5. Do you agree this is an important outcome to be working towards?

Yes, although as noted housing as a human right needs to be specifically recognised rather than selecting some aspects of its 'housing adequacy' framework in this outcome.

6. Is there anything you would like to tell us about the reason for your choice?

The Council agrees with the outcome and the goals and expectations of this outcome. The evidence is clear that the quality and design of housing has a direct impact on the wellbeing of those living in that housing. All New Zealanders should be living in houses that promote rather than diminish wellbeing. The outcome and goals/ expectations articulate that well.

That said, the discussion document at times treats owner occupied and rental housing in an almost benign, even handed way. This is significant as renting does not provide or lead to equity, with reduced levels of home ownership contributing to wealth inequality, and insecurity as people age.

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Research shows most people choose or want to own their own home if at all possible, which points toward developing a greater range of ownership options. Given the New Zealand contextual link between housing equity and long term security, there is a risk that the GPS-HUD will fall into the somewhat ethically unacceptable position of accepting that significant portions of the population will always be renting.

These tenure differences and consequences need better teasing out in the expected actions, especially as rental accommodation for many modest income households is unaffordable, inaccessible and insecure. Security of tenure for example needs to be better reflected in this outcome.

What could also be better emphasised is more systemically linking homelessness to the rest of the housing continuum to avoid the risk of overly focusing on homeless specific projects and not so much on affordable housing provision, both owned and rented. The past has shown us that housing crises often result in the dealing with symptoms rather than their policy setting causes.

Also central to housing wellbeing is the quality of the neighbourhoods that are developed. Well-designed homes, sites and neighbourhoods are integral to safe, sustainable and thriving communities. The decisions made at building and site level can have substantial impacts on the future of our communities, and how well they function and thrive within the resultant environment.

The purpose and role of planning and design at all levels should be more explicit to deliver on the aspirations of 'thriving communities' and 'wellbeing through housing'. More broadly, to fully support the place of the homes in the community, emphasis is needed on homes, sites and neighbourhoods being well designed to support community function, health and wellbeing.

For housing quality the whole-of-life impacts and the ability of people to make informed choices needs consideration. Many of our decisions are made with little or no knowledge e.g. a home buyer or renter determining the energy efficiency performance of a home or a designer determining low carbon options.

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3. Partnering for Māori housing and urban solutions

Māori are determining their housing needs and aspirations, supporting whanau prosperity and inter-generational wellbeing, and deciding the means to achieve those aspirations.

7. Do you agree this is an important outcome to be working towards?

Yes

8. Is there anything you would like to tell us about the reason for your choice?

Māori should be able to self-determine their own housing needs and aspirations, and iwi and hapū /rūnanga reps should be enabled to work with government agencies in particular, e.g. Te Puni Kōkiri, Māori housing providers and even private organisations such as Kiwibank, to devise policy and direct funding for building on both multiply-owned Māori land and general land which is owned by Māori.

At a national level, the reviewing and updating the Māori Housing Strategy 2014 should look to address systemic issues regarding its effectiveness. One issue the Council sees impacting on legislative and strategic delivery is the fact that a small number of rūnanga representatives have to bear the huge (mostly unpaid) workload of consultation which has arisen in recent years, with a number of central and local government initiatives requiring such consultation.

4. An adaptive and responsive system

The housing and urban development system is integrated, self-adjusting, and responsive to emerging challenges and opportunities. The system is able to meet the needs of New Zealanders and provide for constant growth and change.

9. Do you agree this is an important outcome to be working towards?

Yes, land use and infrastructure need to be well integrated, within an appropriately intensified and consolidated urban form. However:

- Such a high level statement glosses over what the '*housing and urban development system*' comprises. That it includes both the public and (especially) private sector players requires clarification, given that the majority of Aotearoa New Zealand's housing is delivered by the private sector.
- The phrase '*self-adjusting*' also requires better explanation.

Missing from this outcome's expectations are people who want to be more actively involved in the planning, design and construction of their own homes (e.g. proponents and prospective residents of co-operative housing) and could be, should the housing system be more responsive and enabling of alternative housing models, products and wellbeing outcomes.

10. Is there anything you would like to tell us about the reason for your choice?

The Council seeks clarity on whether '*self-adjusting*' mean that the housing system will genuinely respond to housing needs/market demand, i.e. supply will provide what's needed as opposed to dictating what's available.

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For more comprehensive housing outcomes to be achieved, these will need to occur through locally driven partnerships and decision-making processes. Housing and urban development will be most effective when addressed and responded to at the local level rather than a one size fits all approach.

11. Are there any other outcomes that you think would help us achieve our vision?

The GPS-HUD is largely silent on meeting the housing needs of the growing proportion of ethnicities other than European, Māori and Pacific which make up Aotearoa New Zealand's population. This need not require a fifth outcome, but some explicit recognition beyond their implied inclusion under 'everyone' would be appropriate in such a document.

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Six focus areas

We are proposing six areas to focus collective action by everyone in the housing and urban development system. It will require concerted and ongoing action across all of them to achieve the vision and outcomes.

1. Ensure that more affordable homes are being built

We need to free up more land, deliver the infrastructure and drive action to build enough homes to support everybody's wellbeing and make homes more affordable.

We need to create a housing and urban land market that credibly responds to population growth and changing housing preferences, that is competitive and affordable for renters and homeowners, and is well planned and well regulated.

12. Do you agree this should be an area of focus for Government and the housing and urban development system?

Yes. The Council supports the GPS-HUD's intent of achieving more diverse, accessible mixed housing communities as reflected in its objectives. A greater range of tenure and typology models, connected to other forms of urban development, are clearly needed to overcome the current development models in the housing system that are contributing to household stress. As noted, this means differentiation is needed between owner-occupier and renting tenures.

Housing statistics cited in the Discussion Document concerning house and rental price increases, people living in sub-optimal accommodation and people on the public housing waiting list all speak to the lack and under-provision of affordable housing in Aotearoa New Zealand.

However, given that the majority of housing (for both purchase and rental) in Aotearoa New Zealand is delivered by private sector developers motivated by profit to capitalise land, this is an omission in terms of 'What we are responding to', 'What we expect to see', 'What needs to change' and 'What needs to happen' in respect to this focus area.

The government's focus should more explicitly include doing what it can to regulate and/or incentivise itself, private sector developers and community housing providers to provide affordable housing. Industry capability and skills development need prioritising, and the Council is well-placed to support this work, through its economic development agency, ChchNZ.

13. What else should we consider when ensuring that more affordable houses are being built?

The Council recommends taking the following points into account:

- Clarify what is meant by 'affordable' housing, i.e. while it obviously means price and ability to either obtain and service a mortgage or pay rent, it needs to be remembered that house prices reflect factors such as development costs, location, typology, size, quality, operating cost, and environmental impact that need to be taken into account.
- In addition to using instruments like Fast Track Consenting and Streamlined Planning Processes where appropriate, any regulation and its associated administration needs to be enabling insofar as is possible, not restrictive.

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- Providing for and enabling innovative building methods through the building regulatory system reform.
- Regulating for and/or incentivising the provision of a greater diversity of homes to better meet needs, e.g. more 1 and 2 bedroom units to meet demand as the result of the aging demographic, as in the Greater Christchurch area.

The Council finds the meaning of a 'competitive' housing market a little ambiguous. We assume that this is indeed about choice and affordability, thereby moving away from an almost anti-competitive market where investors and landlords dominate to one where housing is in the main accessible, secure and affordable as much of the text implies. We suggest replacing the words '*competitive and*' in the summary statement with '*competitively*', to better reflect the intended meaning of 'competitive' in the context, i.e. aiming for a less restrictive housing market. At a wider level, the Council's observation is that when we collaborate a much greater level of innovation occurs (e.g. the Superhome Movement).

It also appears that there is an implied focus on greenfield land when the GPS-HUD talks about 'freeing up more land'. This doesn't resonate well with other commentary in the document on infrastructure, transport and climate change.

14. What actions do you think Government, yourself or others could take to ensure that more affordable houses are being built?

Both central and local government should be leaders in innovative forms of housing provision models to meet a greater range of, and changing, housing need. A greater range of tenures, such as leasing and co-operative models, are more likely to provide more integrated, secure housing outcomes for households where the gap between traditional social housing and home ownership is too great.

Key to all the focus areas will be effective, collaborative partnerships, overcoming systemic barriers toward housing as a wellbeing good, and taking a long term, urban regenerative investment approach rather than short term financing and funding measures.

In relation to partnerships, although the central and local government sectors and development sectors are consistently noted throughout the document the community housing sector is not, which needs to be better reinforced to reflect their key provision role.

In other words, given that this section describes the focus on affordable houses, it needs to relate to other partners and involve the knowledge base, current capacity and the potential capacity of the not-for-profit CHPs who can both manage developments and raise private investment.

Of concern to the Council is that the community housing sector has moved virtually by necessity in recent times to a narrower, almost constrained provision role on 'social' or 'public' housing, and less on affordable rental and ownership options due to policy settings, e.g. IRRS eligibility and associated supply contracts.

Government assistance will be needed on policy settings to support local government and others deliver the GPS-HUD's outcomes and actions, to establish frameworks for a housing 'reset' that

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the discussion document points toward. Examples where this ought to happen to prevent bespoke, reinventing wheel approaches for local authorities include affordable housing requirements (e.g. inclusionary zoning, with the Council strongly supporting Local Government New Zealand's 2020 remit on affordable housing requirements), value uplift capture, and tenures such as leasehold and co-operative housing. Doing so would better enable councils to lead by example in the best use of their land and resources. Government level support is also needed to overcome 'exclusionary' practices such as covenants that implicitly if not explicitly restrict or prevent community housing within developments.

Diversifying and expanding housing stock will also mean addressing the land value component, e.g. the private value uplift capture via public planning decisions to then improve affordability and infrastructure provision. In of itself this is unlikely to be sufficient, and the state will need to re-establish its role in infrastructure provision alongside more active affordable housing provision.

It's anticipated that the GPS-HUD will provide strategic direction to even small-scale developers and people building their own homes. The Council's engagement with community housing providers and co-operative housing developers, who arguably fall into those categories, demonstrate that associated regulation will need to be very accessible, i.e. easy to understand and be complied with.

The new planning and infrastructure framework to be delivered via systemic reform needs to enable and facilitate housing and urban development where appropriate, taking into account the need to reduce emissions, provide a diversity of housing typologies and residential environments, and constraints such as protecting highly productive soils and avoiding natural hazards. This needs to be reflected in the focus area (or, more specifically, its summary statement).

In respect to looking for new opportunities to facilitate and deliver new housing and development at scale, local government should be added as a potential partner. Local authorities are also constrained due to current policy settings that constrain the role they can play, e.g. being ineligible for the Income Related Rent Subsidy and so less able to capitalise their stock to both increase and diversify their community housing.

Following an inquiry from the Government, the Council has noted that utilising access to the IRRS funding stream would mean that it could build 100 one to two bedroom units a year for three years initially, likely using a Council-controlled organisation as the means to do so. The Council would also want to explore the opportunity to build such stock as part of a mix of public and affordable housing, to both create diversity within developments and to take an integrated approach to meeting housing need. The Council would seek local partnerships with community housing providers and others, such as Ngāi Tahu, to meet particular housing need.

Additional actions for the Government could be:

- Doing what it can to regulate and/or incentivise private sector developers to provide affordable housing, including further reducing investment incentives that commodify housing.

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- Promoting knowledge and awareness of alternative housing models and their benefits (both for the occupants and wider community) to both the public but, more significantly, to banking, valuation, legal and insurance professionals.
- Identifying and addressing the financial, legal and other systemic settings that are a barrier to, for example, obtaining finance for the provision of alternative housing with economic, social, cultural and environmental benefits to the occupants and wider community, such as co-operative housing.
- At present, there's a need for an independent organisation that facilitates financing by bringing together and bundling people's individual money into a package the banks will accept, like The Property Collective in Australia (see <https://www.thepropertycollective.com.au/>). Feedback obtained from people involved in the establishment of co-operative housing is that banks are not interested in financing a multiple ownership scenario. If the barriers are unable to be removed, is the establishment of such an organisation something the Government could take responsibility for investigating and establishing?
- Encouraging a shift towards more corporate or institutional providers of rental accommodation.

2. Provide homes that meet people's needs

We want to ensure every New Zealander has an affordable, safe, warm, dry, and accessible home to call their own, and which meets their needs and changing life circumstances – whether they are renters or owners.

15. Do you agree this should be an area of focus for Government and the housing and urban development system?

Yes

16. What else should we consider when ensuring that every New Zealander has an affordable, safe, warm, dry, and accessible home to call their own?

From a strategic point of view, housing is about realising opportunities to deliver housing at scale, but as long as it is in the right place, such to achieve multiple outcomes. Building more homes in greenfield development might deliver many homes and a good proportion of affordable ones (although not always guaranteed), but it may not support transport outcomes for example (i.e. as mass rapid transit does), so therefore it will only solve part of the problem and may result in exacerbating problems.

17. What actions do you think Government, yourself or others could take to ensure that every New Zealander has an affordable, safe, warm, dry, and accessible home to call their own?

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3. Support resilient, sustainable, inclusive and prosperous communities

We need our communities to be well equipped to meet long-term climate, social, environmental, cultural, and economic challenges and opportunities.

18. Do you agree this should be an area of focus for Government and the housing and urban development system?

Yes

19. What else should we consider when working to support resilient, sustainable, inclusive, and prosperous communities?

There are overlapping objectives between the RMA reform programme and the outcomes identified in GPS-HUD. Further work is needed to explore the apparent tensions in national direction and policies. The Council recognises that there are challenges in achieving multiple objectives; greater understanding of how these policies will integrate is needed. For example, actions to increase housing supply by building up and out can create a tension with actions to reduce greenhouse gas emissions and protect productive land, if urban areas sprawl outwards.

The Government needs to provide strong support for local government decisions on land use and transport/infrastructure integration, for example by prohibiting urban development outside of designated growth corridors, and addressing housing pressures first and foremost through increased density. The National Policy Statement on Urban Development has encouraged a number of plan changes (approximately 20) in Selwyn District for Greenfield residential urban expansion. Whilst if these are approved they will increase housing supply, they will also increase emissions from transport because of their greenfield location.

20. What actions do you think Government, yourself or others could take to support resilient, sustainable, inclusive and prosperous communities?

The expected outcomes include bullet points on better public and active transport improvement and connected communities which are supported. On the ground practicalities such as parking management will also need to be part of the transport solutions, along with more mixed use developments, located close to services, to reduce trip distances and reliance on private vehicles.

The New Zealand housing industry also needs to be better enabled to deliver across the housing continuum the homes that people need, e.g. regarding quality, price, and performance.

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4. Invest in Māori-driven housing and urban solutions

The right to self-determine better housing and urban development solutions for iwi and Māori should be realised.

21. Do you agree this should be an area of focus for Government and the housing and urban development system?

Yes. This focus area is a significant step forward to address Māori housing issues. That said, better recognition needs to be made elsewhere in the GPS-HUD on Pasifika housing issues which are often more critical than those of others.

22. What should we consider when enabling iwi and Māori-driven housing and urban solutions?

In the Christchurch context, all Māori Freehold Land under the jurisdiction of the Māori Land Court (normally multiply owned land) is located in rural areas in Banks Peninsula rather than in urban areas. This poses issues of distance from employment, the need for at least some economic base for members of the runanga who wish to live near one of the four marae, and the need for bespoke solutions for servicing additional housing, since it may be uneconomic to connect these settlements to bulk infrastructure in the main urban areas (one of the settlements, Rapaki is connected to bulk services since it is the closest to the built –up areas of Christchurch City).

General land owned by Māori is in both rural and urban locations. Papakāinga developments have recently been completed on Crown Land reserved for Māori in Ōtautahi Christchurch at the Ngā Hau e Whā National Marae and on general land owned by Māori at the Rehua urban marae. One has been consented for kaumatua flats on general land owned by a Māori Trust at Rapaki.

There are multiple ways of holding and developing “Māori” land and there are multiple issues associated with its development for housing. For example, funding (In most cases); getting agreement between owners if there are multiple owners; traversing the Māori Land Court system if occupation orders are required; and finding appropriate ways of servicing remote development. Nothing in this field is simple and the final HUD document, whilst being aspirational, should avoid overpromising if its actions are not followed up on.

The Council as a decision-maker has recently notified its Plan Change 8 for Papakāinga zones to enable more development on Māori land in the zones (there will be a hearing later this year). It is in the process of adopting a Development Contributions rebate scheme for development in these zones and is working to update its rates remission scheme for Māori Land in accordance with the recently passed Local Government (Rating of Whenua Māori) Amendment Act.

The Council’s recent proposed Plan Change 8 to the District Plan has been seen as facilitating the raising of finance for housing development on general land owned by Māori. The Plan Change, amongst other things, proposes to extend the definition of Māori Land (for planning purposes only and in the Papakāinga zones only at this stage) to include not just formal Māori Land but general land owned by Māori, so that a range of land uses, including residential activity, become permitted activities.

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The Council notes that the biggest issues are financing development either on multiply-owned land or in the face of low incomes. There appear to have been multiple public funding programmes over the years, with some being relatively short lived and most limited in terms of total government input. For example, the Te Puni Kōkiri website mentions only \$28m in funding for 2020/21 for repairs to houses owned by whanau Māori who have low incomes, and development of new housing. And even the \$380m Māori housing fund announced in the Budget in May will only build 1000 new (cheap) homes, if it is all spent.

23. What actions do you think Government, yourself or others could take to enable iwi and Māori-driven housing and urban solutions?

The Council recommends the following actions:

- Promote acceptance of housing being a necessary social infrastructure.
- Funding Māori housing providers and iwi/ hapū to work in housing provision for their communities, and in the rent to own or shared equity space.
- Promote knowledge/awareness of papakāinga and shared/communal housing models.

5. Prevent and reduce homelessness

Homelessness is rare, brief and non-recurring because people have access to adequate housing, and to the support services that can work with people to resolve the health, financial, addiction and other social issues that place them at risk of becoming homeless.

24. Do you agree this should be an area of focus for Government and the housing and urban development system?

Yes

25. What else should we consider when working to prevent and reduce homelessness?

As noted earlier, what could be better emphasised is more systemically linking homelessness to the rest of the housing continuum to avoid the risk of overly focusing on homeless specific projects and not so much on affordable housing provision, both owned and rented.

26. What actions do you think Government, yourself or others could take to prevent and reduce homelessness?

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6. Re-establish housing's primary role as a home rather than a financial asset

Reduce speculative investment in existing housing stock, making home ownership more accessible for first-home buyers, and supporting a more productive, resilient and inclusive economy.

27. Do you agree this should be an area of focus for Government and the housing and urban development system?

Yes. Consistent with the human right to housing, it needs to be transitioned from an investment orientated market good to that which is one of key social infrastructure.

28. What else should we consider when working to reduce speculative investment in existing housing stock, making home ownership more accessible for first-home buyers, and supporting a more productive, resilient and inclusive economy?

The recent tax settings, which penalise investment in existing stock and incentivise investment in new stock, will inevitably push investors to the new build sector. This is likely to provide a steady demand from investors for new housing but will crowd first-home buyers out of that market. What really needs to be prioritised and incentivised is new-builds for owner-occupiers, especially first home buyers, as part of the systemic shift away from housing as a property good to that of affordable housing home that provides long term security.

As it stands, first-home buyers will probably be largely buying existing housing which may be poor quality ex-rental stock investors have sold. This will mean first-home buyers will face the costs of improving homes to be warm, dry and healthy. Access to funding to assist first-home buyers to insulate and improve existing homes is likely to be important. The government could also make it the responsibility of vendors (particularly if an investor) to ensure housing for sale meets specified minimum healthy home-related standards before it's sold.

Although unlikely given actual reactions to recent policy changes, the Government needs to be careful its policy settings don't cause long term investors to exit the existing home rental market abruptly in large numbers.

For better tenant outcomes, institutional investment should be prioritised for the provision of rental housing as part of a more balanced market, as it is unlikely that government and community housing providers can be the predominant providers of rental housing for most households in that tenure.

29. What actions do you think Government, yourself or others could take to reduce speculative investment in existing housing stock, making home ownership more accessible for first-home buyers, and supporting a more productive, resilient and inclusive economy?

There is a disconnect in the Discussion Document on stimulating the economy so that we don't use housing to build private investments and speculation, versus little discussion on leasehold options or build to rent options. However the proposed actions do point to identifying and removing barriers to alternative tenures (i.e. rent to build or leasehold). The Council would

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suggest that these alternative tenures are included in the text so that it is explicit about enabling these options.

The Government may have done enough to reduce speculative investment in existing housing through the new tax settings and its community housing development programme. Some actions the government could consider if house price rises persist are:

- increase the deposit required for an investment property;
- open-end the bright line test to create a true CGT for investment property – the current situation provides a window of opportunity to do this; and
- remove investor tax breaks on new housing to free up stock for first home buyers.

Diversifying and expanding housing stock will mean addressing the land value component to then improve affordability and infrastructure provision. In and of itself this is unlikely to be sufficient, and the government will need to re-establish its role in infrastructure provision alongside more active affordable housing provision.

By necessity this also means a re-examination of key legislation such as the Public Finance Act (1989), the State Sector Act (1988) and the Resource Management Act (1991), of which only the latter appears to be up for review. After recently experiencing significant population growth New Zealand now faces several decades of large scale investment in housing, water, climate, and transport infrastructure to address past under-investment and tackle current challenges. District Plans and spatial plans can only go so far without an associated fundamental rethink of how key pieces of government legislation are often currently implemented to work in practice against infrastructure and housing provision.

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Implementing the GPS-HUD

- Government agencies will support the direction and focus areas in this GPS-HUD. It is proposed that to effectively deliver the GPS-HUD, government agencies will take a range of actions.

30. Do you have any feedback on the proposed approach to implementing the GPS-HUD?

Following its previous points the Council supports the 'Ways of Working' summary statement, 'The system can rely on long-term sustainable sources of funding and financing (both private and public) to support and incentivize housing and urban development outcomes', and the accompanying identification of need (e.g. 'The system has lacked the right policy, regulatory, funding and participatory settings that enable others, including iwi and Māori as partners, local government and private and non-government (e.g. philanthropic, social impact) capital to invest confidently and consistently in housing and urban development for the long-term').

One critical and missing focus area is to first systematically identify and understand all of the aspects of the '*housing and urban development system*', as a necessary prerequisite to achieving the expected outcomes from the existing six focus areas, i.e. what are the aspects (could be organisations, regulatory or other tools), what are their areas of influence, what barriers or incentives do they present? Doing so may identify that some aspects duplicate or conflict with each other, or are no longer fit for purpose and require review to better achieve the GPS-HUD's vision and outcomes.

The Council supports the place based approach of the GPS-HUD, and notes that Christchurch is identified as an urban growth partnership area. However, we do question how it will ensure equity and the distribution of investment across different places / regions (e.g. Greater Christchurch) so that not all the funding ends up in one or two cities in Aotearoa New Zealand.

For the place based focus in the GPS-HUD, Christchurch's Central City should be included as a redevelopment area. This is an area where central and local government investment is providing significant opportunities for urban development and intensification.