

Urban Intensification and Affordable Housing in Auckland

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Abstract

This thesis investigates the relationship between urban intensification and affordable housing in Auckland. The Auckland Region has a policy of intensification that is reinforced by urban containment within metropolitan urban limits. Auckland has an affordable housing problem, which has received some attention at a national, regional and local level. However, the statutory mandate to address affordability at local, regional or national levels is not strong and attempts to address affordable housing issues often lack necessary resources.

Research in this field has suggested a causal relationship between urban intensification and a lack of affordable housing. If this is indeed the case the claimed sustainability merits of intensification would be diminished or undermined.

To test the existence of the relationship between urban intensification and affordable housing, a research design was developed to look at the reality and theory of urban form and its relationship to housing. Literature, legislation, policy and planning strategies were considered because they provide a framework for the public policy intervention in this area. Primary field data was collected from key informant interviews with local, regional and central policy makers and practitioners. The key informants were selected because of their active role in the area of intensification and affordable housing in Auckland's four cities of Waitakere, Manukau, Auckland and North Shore.

The critical evaluation and analysis of results reveals that no measurable relationship between urban intensification and the lack of affordable housing exists, both internationally and in an Auckland context. This conclusion could reflect the relative infancy of the intensification approach in Auckland, or it could reflect that the relationship between intensification and affordable housing is too complex to be easily measured. Clarification of the roles and mandates of different levels of government with respect to affordable housing, and more concerted action on the issue across social development and resource management policy will help to improve affordable housing and growth management issues in Auckland.

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List of Abbreviations

General Abbreviations

HNZC: Housing New Zealand Corporation

LTCCP: Long Term Council Community Plan

MUL: Metropolitan Urban Limit

NIMBY: Not-In-My-Back-Yard

RMA: Resource Management Act 1991

SQM: Square Metres

UK: United Kingdom

UN: United Nations

USA: United States of America

Key Informant Abbreviations

AI = Academic Informant: Affordable housing researcher

CI = Community Informant: Community organisation representative

GI = Government Informant: Central Government representative

RI = Regional Informant: Regional Council representative

TA = TA Informant: Territorial Authority representative

1.0 Introduction

Effective urban planning tools are becoming increasingly important as population growth puts pressure on existing infrastructure and land resources. The inefficiencies of sprawling development are being blamed for costs on society, the environment and the economy. These costs include rising traffic congestion, development of environmentally sensitive land and poor public transport systems. Authorities throughout the developed world are promoting alternative intensive forms of urban development as a more effective way of achieving the intended outcomes of managing growth.

While there is rapidly growing support for managing urban growth, there are concerns about the impacts of growth management on affordable housing. These concerns have been expressed in New Zealand and internationally in countries such as the United States of America, Canada, Australia and the United Kingdom. However, there are no clear descriptions of the relationship between growth management approaches and affordable housing. Urban intensification is encouraged as a growth management tool, as part of the Regional Growth Strategy for the Auckland Region of New Zealand. Like other growth management techniques criticised overseas, the intensification approach in Auckland has been criticised for its failure to provide adequate affordable housing.

This thesis investigates how a policy of urban intensification can influence the availability of affordable housing, with particular respect to the Auckland Region. Affordable housing pressures in Auckland are reflected in high land prices and long waiting lists for State housing in the face of significant population growth and increasing demand for houses. Present difficulties of affordability are likely to be exacerbated, with the population of Auckland anticipated to reach two million by

2050 (Auckland Regional Growth Forum, 1999). Pool et al. (2005 p37) articulate the significance of Auckland's population growth:

The significance of this increasing concentration in Auckland for all national demographic, social and economic dynamics cannot be overrated.

Pool et al. (2005) identify the three factors that create population growth as fertility, mortality and migration. Despite popular perceptions that overseas migration to Auckland is the single cause of population change, in reality natural increase is the first factor driving population growth in all of New Zealand's cities.

A policy of urban intensification is a tool used to manage growth by promoting higher density more compact forms of development with mixed land uses, thereby making resources such as public transport more viable. However, the success of a policy of intensification depends on the existing urban environment on which it is imposed. This study aims to **investigate and assess the affordable housing situation in the Auckland context, and assess the impact of Auckland's approach to intensification on affordable housing.**

1.1 Definitions of Affordable Housing, Growth Management and Intensification

Before the research objectives for the present study can be explained, the critical concepts of affordable housing, growth management and intensification need to be clarified. Definitions have been selected for their relevance to this study. Affordable housing is a difficult term to define because of the variable interpretations of the term 'affordable'. Different affordable housing definitions are used on different scales, for example, nationally and locally. Definitions are contested and vary in detail however, because of the central importance of affordable housing to this study a definition is necessary. A basic definition is that housing is affordable if a household unit can acquire use of that unit (owned or rented) for an amount of up to thirty percent of its household income (Miles et al. 2000; Krishnan, 2001; Susilawati and Armitage 2004). This definition requires a direct comparison between income and housing cost. Nelson et al. (2004) acknowledge the difficulty in defining affordable housing but

recognise that most definitions involve the capacity of households to consume housing services and include a measure of household income, house prices and rents.

The definition of affordable housing used in the Auckland Regional Affordable Housing Strategy 2003 will be used in the present study because it recognises that housing has to be accessible as well as adequate, and that income is not the only factor that measures affordability. The definition used in the Strategy is:

Housing is considered to be affordable if households can access suitable and adequate housing by spending a maximum of 30 percent of their gross income.

(Regional Growth Forum, 2003 p9)

The Auckland Regional Affordable Housing Strategy focuses on affordability for the bottom four deciles of household income as it is these households which are least likely to be able to afford inflated house prices. The benefits of affordable housing to health, the environment and the economy are generally accepted. However, unlike affordable housing, the benefits of growth management are vigorously contested. Growth management is defined by Carlson and Mathur (2004 p 20) as:

The utilisation by the government of a variety of traditional and evolving techniques, tools, plans, and activities to purposefully guide local patterns of land use, including the manner, location, rate and nature of development.

It is important to distinguish growth management from growth control. Growth control involves specific regulatory practices aimed at deliberately slowing growth within a region (Downs, 2004), whereas growth management approaches accept the inevitability of growth and aim to direct that growth in the most efficient manner.

A policy of intensification is one of many growth management tools, and proposes more compact forms of development at higher residential densities. An intensification approach is adopted under the Auckland Regional Growth Strategy 1999, defined in the Strategy as:

An increase in density (of dwellings, activity units, population, employment etc) over the current density of a given area.

(Auckland Regional Growth Forum, 1999a p77)

As the Auckland approach to intensification forms the basis for the case study the Auckland Regional Growth Strategy's definition of intensification will be used. All local authorities in Auckland are members of the Auckland Regional Growth Forum which advises on and oversees the implementation of the Auckland Regional Growth Strategy so local authority approaches to intensification should also be consistent with the definition in the Auckland Regional Growth Strategy.

1.2 Research Objectives

Four research objectives guide this study and place the Auckland experience of affordable housing and intensification in an international context. The research objectives are:

Objective One: *To analyse international literature on the relationship between urban intensification and affordable housing.*

Objective Two: *To assess the Auckland affordable housing and intensification context in light of the findings from international research.*

Objective Three: *To evaluate the merits of a policy of urban intensification in light of affordable housing issues in Auckland.*

Objective Four: *To inform planners and policy makers of the ramifications of an urban intensification policy for affordable housing and thus contribute to the quality of public policy in New Zealand.*

Objective one focuses on international debates about intensification and affordable housing in order to place Auckland's housing issues in an international context. International approaches to affordable housing and intensification could help New Zealand develop new, more effective planning techniques. The second objective investigates the Auckland context, to determine the extent of the affordable housing issues in Auckland, and the causes of these issues. The drivers of affordable housing

issues in this country and in Auckland might not be experienced in other countries. Therefore, a thorough investigation of Auckland's distinctive situation is necessary before the merits of a policy of urban intensification can be assessed. The third objective addresses whether or not affordable housing shortfalls are exacerbated by a policy of intensification, or if in fact more intensive forms of development make more housing accessible for more people.

Well informed planners and policy makers are more likely to make quality decisions about growth and management. The fourth objective for this study is to contribute to the understanding of the relationship between affordable housing and intensification in the hope that this will lead to more effective and efficient growth management decisions. With a focus on Auckland, this study will contribute to the five year review of the Auckland Regional Growth Strategy.

1.3 Justification for Research

The Auckland Region contains four of New Zealand's five most populous cities and population growth in Auckland is significantly larger than in other urban regions within New Zealand. Access to affordable housing for low income households is becoming increasingly difficult in this city because of high house prices. McShane (2003) criticises the Auckland Regional Growth Strategy and Metropolitan Urban Limit for increasing the cost of housing by restricting the supply of land.

The Growth Strategy and the existence of the MUL make it so difficult, time consuming and costly to respond to increasing demand by increasing the supply of land.

(McShane, 2003 p30)

Criticism of the Regional Growth Strategy is evident in Auckland's the media. McShane (2001) argues that forced high densities fail to achieve their claimed benefits and in fact can increase congestion, increase pollution and degrade the quality of housing and the environment. However, the approach of the Regional Growth Strategy suggests just the opposite: that intensification will achieve more housing choice and may alleviate some of the affordability issues in the Auckland Region.

Both the inconclusive relationship between intensification and affordable housing, and the lack of research about the effect of intensification in an Auckland context, is justification for this research.

Councils throughout the world, for example in London, have adopted similar approaches to Auckland's Regional Growth Strategy and yet there is doubt about the benefits of intensification throughout the literature (Jenks, 2000). Research is needed to investigate some of the debates that question the merits of a policy of intensification, especially in a New Zealand context. DTZ research (2004 p99) has identified the need for further housing research in a recently released report: "Research is needed that would investigate the options open to government (central and local) to address barriers to affordability". The Regional Growth Strategy itself states that "further work needs to be done to identify and implement mechanisms that can facilitate a range of affordable housing provisions" (Auckland Regional Growth Forum, 1999a p41). The Regional Growth Strategy was launched in 1999. In 2005 it is, therefore, timely to evaluate the intensification approach taken under the Regional Growth Strategy to ensure it is achieving its desired outcomes in relation to affordable housing. It is also timely to gauge local authority opinions on the effectiveness of the Strategy in providing for affordable housing.

1.4 Thesis Design

This research is presented in eight chapters. Chapter one establishes the issues that create the potential for tension evident in the pursuit of intensification and affordable housing. Chapter two considers theoretical debate surrounding urban growth management and more compact forms of growth, including intensification. It expands on the definition of affordable housing presented in this chapter and the barriers to accessing affordable housing. The relationship between growth management and affordable housing is then explored, as well as policy approaches to affordable housing, both internationally and in New Zealand. Chapter three explains the methodological framework including a qualitative approach to research, based primarily on council documents and key informant interviews. A case study approach

is used, focusing on Auckland's urban area comprising four cities, Waitakere, Manukau, Auckland and North Shore.

Relevant legislation and policy explaining the framework and responsibilities that come with urban intensification and affordable housing are outlined in chapter four. Chapter five outlines approaches to affordable housing including the Auckland approach under a residential intensification policy. Key housing issues in the Auckland Region's four cities, a summary of affordable housing provision and results from key informant interviews are presented in chapter six. Chapter seven draws together the findings of the research in a useful discussion about the housing need in Auckland and how some aspects of this need could be addressed by local authorities and central government. Finally, chapter eight provides overall conclusions about the relationship between intensification and affordable housing followed by observations and recommendations about how these policies might be better integrated.

Academic Debates relating to Affordable Housing and Intensification

2.0 Introduction

Policies of urban intensification have been introduced throughout the developed world in an effort to manage inevitable population growth in the most efficient manner possible. The arguments for a more intensified urban form, as opposed to continued low-density development, include improved accessibility, efficient use of infrastructure, protection of the environment, and most notably, an improvement in access to affordable housing. Intensification policies are, therefore, dynamic and aim to achieve social, environmental and economic outcomes. The complex nature of intensification makes it difficult to evaluate the efficiency of this form of urban development. The literature on this topic presents a continuum of perspectives ranging from strong believers in intensification, to those who seriously doubt its benefits. Opposition to intensification includes arguments about the lack of infrastructural capacity to cope with increased densities and the view that government intervention could cause market inefficiencies.

This chapter will explore the debate relating to urban growth management including the reasons why decision-making authorities adopt growth management policies such as intensification. It will then explain the concept of affordable housing, and identify the relationship between urban growth management and affordable housing.

Effective implementation of policy requires co-ordination between different levels of government. The concept of subsidiarity emphasising the importance that decisions are made at the most appropriate level of government is discussed in section 2.5. The chapter then goes on to outline how different political perspectives will impact on the approach Government takes to affordable housing and intensification. This is discussed in section 2.6 and 2.7.

2.1 Urban Growth Management and Intensification

High rates of spatial urban growth are a management challenge for authorities in charge of urban policy, as management often involves competing considerations. It is evident that there is growing interest by planners and decision makers in growth management, as concerns are increasing about the congestion and pollution effects of sustained sprawling development (Nelson et al., 2002).

A useful definition of urban growth management is provided by Nelson et al. (2004 p119):

Urban growth management involves the deliberate use of the planning, regulatory and fiscal authority of State and local governments to influence patterns of growth and development in order to meet projected needs.

Nelson et al. (2004) definition of growth management recognises that planning tools (such as zoning) can be used deliberately to meet the needs of the community, including housing. Urban growth management is a broad concept and encompasses many tools for managing growth, including zoning, subdivision regulations, property taxes and development fees, infrastructure investments and other policies that influence the development of land (Nelson, et al., 2004). Nelson's definition of growth management is used in this thesis because of its broad nature, and because it recognises that growth management can be used as a tool to meet the projected needs of the community.

Growth management accommodates projected development in a manner that can be directed towards achieving public goals. Growth management techniques and the needs and opinions of the public vary throughout different authorities, therefore, the appropriate methods for managing growth are contested. Debate about whether cities should be constrained by boundaries and zoning or whether they should be left to the free market is prevalent in discussions about urban growth management.

2.1.1 Urban Sprawl

Unconstrained or modestly constrained peripheral growth (sprawl) has been the predominant form of urban growth in many countries, such as the USA, the UK and Australia. Not all spatial growth is sprawl, however in Auckland sprawl has dominated the spatial form of urban growth in all periods, but most notably in the period since World War II. State led suburban sprawl has been a feature of Auckland growth in places such as Tamaki, Otara, Mangere and Northcote (Bloomfield, 1967). Growth management policies are implemented to accommodate growth while limiting the negative effects of sprawl.

Generally, sprawl is a term that describes low density residential development and outward growth, but ways of measuring sprawl are contested. Contention exists about whether sprawl should solely be measured by density, or if the definition should include the relationship of sprawl to 'liveability', such as a neighbourhood mix of homes, jobs and services, the strength of activity centres and accessibility of the street network (Chapman and Lund, 2004). Sprawl has been held responsible for poor quality living environments and causing common urban problems including rising traffic congestion, development of environmentally sensitive land, increased air pollution, a high cost to taxpayers and ratepayers, and a loss of a sense of community (Downs, 2004). These problems alone justify government intervention into sprawl. Minimising sprawl and encouraging more intensified development can have positive impacts on the community, including making it practical to extend public transport, improving interaction between neighbours, increasing energy efficiency and improving housing affordability and choice (Leitmann 1999; Nelson 2000; Searle 2004).

In the UK a 'compact city' concept has been developed to combat the negative effects of sprawl (Burton, 2000). The compact city involves intensive use of urban buildings, a good transport network, mixed land uses and an increase in the density of the population in an area (Burton, 2000). Although the benefits of the compact city have been well documented, there remains little empirical evidence measuring those benefits. There is some scepticism about the ability of a more compact urban form to achieve social, economic and environmental sustainability (Burton, 2000). A

significant limitation of the compact city as a model for sustainable development has been highlighted by Williams et al. (1996, p83):

Compact cities are often discussed as if they are models which could be built now. The implication is that there are a set of options available for construction of the ideal urban form, and that we can set about creating it.

In reality, opportunities to build entirely new settlements are rare. A more likely approach to achieve compact city objectives is through increasing density and intensifying the existing urban form. Parts of the USA, such as Oregon, with a similar aversion to sprawl, have adopted 'smart growth' tools that encourage the development of compact, pedestrian-oriented, liveable communities within urban growth areas (Carlson and Mathur, 2004). Similarly, urban consolidation has developed in Australia, also seeking to combat the costs associated with sprawl (Troy, 1992).

2.1.2 Urban Intensification

Urban intensification is a planning process that, by encouraging development at higher densities than currently prevail in an area, can achieve objectives of the compact city. The urban intensification process involves the re-use of brownfield land, more intensive use of urban buildings, sub-divisions and conversions of existing development and an increase in the density of population in urban areas (Burton, 2000). Auckland's Regional Growth Strategy, adopted in 1999, advocates regional urban containment, to be matched by intensification at a local level (Auckland Regional Growth Forum, 1999a). The strategy aims, among other things, to create desirable communities, to allow for improved accessibility and to protect valued natural environments (Auckland Regional Growth Forum, 1999a). Syme et al. (2005) identify three factors that will influence the success of an intensive development to improve accessibility, including the proximity to different services, the capacity of existing facilities to cope with increased demand, and ease of access by public transport to facilities and work. Achieving the desired benefits of intensification is a difficult task, heavily dependant on the existing urban form and facilities. Additionally, for intensification to result in benefits such as increased public transport provision, significant increases in density are required. Even with substantial increases in population there remains uncertainty about the benefits of intensification.

The only fact that remains clear is that intensification is a complex process and will continue to be debated a way of managing growth. The success of intensification is heavily dependant on the political, social and spatial context it is applied to. This thesis assesses the merits of urban intensification in the Auckland context.

Urban Consolidation

Urban consolidation is a planning tool that promotes urban intensification and involves the development of land at higher densities than prevails in the immediately surrounding area (Berkhout and Hill, 1992). Urban consolidation has been one of the major planning policies in Australian cities over the past two decades (Searle, 2004). A policy of urban consolidation was adopted in Australia because it offered solutions to a range of urban problems, including the high infrastructure costs of low density sprawl, excessive car use, declining housing affordability and a lack of housing choice (Searle, 2004). Consolidation strategies have been in use in Auckland since the 1950s, and were adopted to achieve objectives of intensifying housing and making transport and infrastructure operate more efficiently (Auckland Regional Growth Forum, 1997).

The benefits identified above are not accepted by all in the urban consolidation literature. Troy (1992 p240) expresses great scepticism at the benefits of urban consolidation in response to sprawl:

Consolidation is offered as a way of overcoming the alleged costs of sprawl. We are led to believe that if we all shuffle up a bit we'll receive huge benefits.

Troy (1992) believes the benefits of urban consolidation have been overstated. In relation to increased housing densities, Troy (1992) is concerned about the higher residential densities leading to the consumption of parks and other recreational areas and identifies that the burden of a loss of recreational areas will fall heavily on poor people. Troy (1992) also argues that the water, drainage and sewerage systems are often old, costly to expand and unable to cope with increased densities. Therefore, infrastructural savings are also often overstated.

Searle (2004) recognises that there are significant limits to the extent to which urban consolidation can solve urban growth problems. Many of the limits to urban consolidation identified by Searle (2004) are consistent with Troy (1992). Searle (2004) identifies that road capacities are limited and may not be able to cope with the increase in traffic. Consolidation policies may cause job losses when industrial activity is forced out of intensifying residential areas.

Searle (2004) warns planners of the need to measure and factor in the social limits, and the existing urban fabric, when assessing the potential for urban consolidation. Kirwan (1992) is sceptical about the acceptance of urban consolidation by Australians, but acknowledges that a more intensive urban environment is inevitable in Australia. Similarly to Searle (2004), Kirwan (1992) accepts the important role of planners in assessing the role of urban consolidation and encouraging intensification.

Urban Containment

The containment of an urban area using an urban growth boundary could help facilitate the process of intensification. Urban containment is defined by Nelson (2000 p45) as “drawing a line around an urban area, within which development is encouraged... to accommodate future growth over a specified future time period”. Historically, in places such as Portland and Kentucky in the USA, urban growth boundaries were implemented in an effort to protect fertile farmland (Mayer and Provo, 2004). However, as urbanisation has increased, attention has shifted from the protection of agriculture to managing the form of growth that has developed within urban growth boundaries, such as development of ‘downtowns’ and transportation systems (Mayer and Provo, 2004). Nelson (2000 p45) asserts that containment policies are implemented to protect agriculture and open space, and further identifies urban containment policies as promoting “compact, contiguous, and accessible development provided with efficient public services”.

Both Nelson (2000) and Seltzer (2004) acknowledge that urban containment policies, whilst appealing because of promoted benefits such as efficient use of infrastructure, can limit land supply and potentially cause an increase in house prices. The ability of urban containment to increase house and land prices is asserted in most related

economic literature. The argument being that urban containment raises prices by constraining supply and failing to accommodate new demand for serviced land (Nelson, 2000). Additionally, house prices might further increase under a policy of urban containment, as the benefits of living at higher densities, such as improved accessibility and public services, are capitalised in house and land prices (Nelson, 2000).

Potential price increases because of a policy of urban containment make it difficult for low income households to access affordable housing and expensive for authorities who are trying to expand their housing stock. Despite possible house price increases, Seltzer (2004) and Nelson (2000) do not condone the use of urban containment policies. However, they both recognise urban containment can create a challenge for planners and decision makers to house the least affluent households in locations close to services and jobs.

2.2 Affordable Housing

‘Affordability’ is a variable term that means different things to different people; housing that one household can easily purchase may be completely out of reach for another household. The variable nature of the term ‘affordable’ makes it very difficult to give a precise definition to ‘affordable housing’. Nelson et al. (2004), recognise that ‘affordable housing’ is difficult to define, but, acknowledge that definitions generally involve the capacity of households to consume housing services, and include a measure of household income, house prices and rents. Discussions surrounding the definition of affordable housing will be outlined below, and following that, the definition used in this thesis will be explained.

2.2.1 Defining Affordable Housing

Currently there is not an agreed definition of what is meant by the concept of affordable housing. Variable interpretations of the term ‘affordable’ make it difficult to formulate a precise definition. A holistic definition of affordable housing is difficult as it is used in different contexts, such as in a national and local context. Defining the concept is critical to this research, as the selected definition will be used

to assess the housing situation in Auckland. Therefore, this section will evaluate definitions from the affordable housing literature and explain the definition that will be used in this thesis.

A definition of affordable housing has been slow to emerge, but, there is a lot of congruence in relevant literature around a definition that affordable housing is achieved if a household unit can acquire use of that housing unit (owned or rented) for an amount of up to thirty percent of its household income (1992; Miles et al. 2000; Krishnan, 2001; Susilawati and Armitage 2004). This definition requires a direct comparison between household income and the cost of using a house. An advantage of using a direct comparison between income and expenditure ensures housing affordability can be measured and easily compared over time. This is a relatively simplistic approach to affordable housing and omits any reference to adequately meeting the needs of the household in terms of liveability, such as accessibility, and suitability of the housing type to personal needs.

Downs (2004 p3) defines affordable housing as:

“Decent quality” housing that low-income households (those whose income is below the poverty level or fifty percent of the median income for their area) can afford to occupy without spending more than thirty percent of their income or that households with slightly higher incomes (fifty to eighty percent of the median income) can simply afford.

Downs’ (2004) definition of affordable housing includes a direct comparison between income and housing costs, but eliminates some of the variable nature of the term ‘affordability’ by identifying the group of ‘low-income’ households that need affordable housing. Downs’ (2004) definition also refers to ‘decent quality’ recognising the importance of housing to quality of life, and identifying that housing ought to meet the needs of its occupants.

The Auckland Regional Affordable Housing Strategy 2003 expands on what is meant by ‘decent quality’. The housing strategy considers housing to be affordable if “households can access suitable and adequate housing by spending a maximum of thirty percent of their gross income” (Auckland Regional Growth Forum, 2003 p9).

The phrase ‘access suitable and adequate housing’ includes factors such as design and construction, suitability to specific household needs and access to passenger transport (Auckland Regional Growth Forum, 2003). Furthermore, the strategy is focused on those in the bottom four income deciles (40 percent) and includes people who are renting or mortgaging their house. Focusing on households in the lower income deciles is appropriate for an affordable housing strategy, as it is these households that are least likely to be able to afford adequate housing. This is especially important in a situation where house prices are rising faster than income is rising. Access to housing that suitably meets the needs of individual households is important for a New Zealand definition of affordable housing, especially with the culturally diverse population living here.

Definitions of affordable housing thus far in this chapter relate to the ability of households to demand housing and identify that affordability of housing is directly related to income. However, Glaeser and Gyourko (2002) take a supply side approach to defining affordable housing. Glaser and Gyourko (2002) are concerned that individual ability to pay for housing confuses affordability with poverty. They believe that an appropriate measure of affordable housing is achieved by measuring the physical construction costs of housing. According to Glaser and Gyourko (2002) if there is an affordable housing crisis, the correct policy response is to construct more houses as an increase in the quantity of houses would then make housing more affordable.

For this research a comparison between income and house prices is important, especially because social policy needs to be targeted to people of relatively low income. It is necessary that these people are identified in an affordable housing definition and housing policy is directed at their needs not only in terms of the price of housing, but also in terms of the quality, location and size.

The definition of affordable housing that will be used for this research has been extracted from the Auckland Regional Affordable Housing Strategy 2003 p9:

Housing is considered to be affordable if households can access suitable and adequate housing by spending a maximum of thirty percent of their gross income.

This definition is used as a guide for this research for three reasons. First, a direct comparison between household income and housing costs is important to enable a quantitative way of measuring affordability. The use of quantitative data will allow comparison of affordability between regions within New Zealand and internationally and will therefore be important in assessing the affordable housing situation in Auckland. Secondly, recognising that affordable housing is not just about having a somewhere to live, this definition acknowledges that it is important to have a house that adequately meets the needs of the household. Thirdly, the adopted definition was initially developed for the Auckland Region and therefore includes important aspects of affordable housing relevant to Auckland such as access to passenger transport.

2.3 Accessing Affordable Housing

Adequate housing underpins people's participation in society. In its most literal sense, housing provides shelter and has a significant impact on health and the well-being of a community. However, in a broader sense housing does much more than this and is crucial as a base for social interaction, education and social development (Maclennan and More 1999). The New Zealand Housing Strategy discussion document (2004) also acknowledges that secure and affordable housing plays an important role in delivering good health, educational and economic outcomes (Housing New Zealand Corporation, 2004). Housing is, therefore, very important to individual quality of life and to community well-being.

2.3.1 Barriers to Accessing Affordable Housing

Public perceptions and opinions have direct consequences for affordable housing. Government initiatives to increase the supply of affordable housing might be perceived as threatening to those in the existing or adjacent communities, and create negative perceptions of affordable housing tenants. Schrader (2005) identifies that prejudice against the poor is central in explaining negative public perceptions of State housing (rental housing provided by the government) in New Zealand. Historically, perceptions that the poor do not work as hard and are less deserving than the middle class have been prevalent in opposition to State housing (Schrader, 2005). State

housing tenants are also often stereotyped negatively with behaviour such as idleness, drunkenness and violence, as the actions of a few people are applied to the wider group (Schrader, 2005). Existing homeowners often become concerned that State housing nearby may adversely affect the value of their property (Downs, 1992a). State housing developments are often influenced by public opinion and have political ramifications. Councillors might be reluctant to implement policy if community resistance is strong, because they rely on community support at election time.

Community resistance and other barriers to housing can 'trap' people in areas where employment and opportunities are shrinking, reinforcing their low-income status and further limiting housing choice. This increases social exclusion and results in disconnection of disadvantaged groups from the mainstream institutions of civil society (Berry, 2003). However, Schrader (2005) also acknowledges that perceptions of State housing are improving in New Zealand as State housing tenants develop pride and celebrate the history of their housing. An example of how this has been achieved is in Wellington's Porirua State housing development where community and heritage was celebrated with an exhibition called 'Our Places/Our Stories' (Schrader, 2005).

Institutions involved in housing such as builders, insurers, realtors, mortgage lenders and all homeowners have significant invested interest in housing and want their assets to rise in value or debts to be repaid. Hence these groups oppose any policies they believe might reduce house values (Downs, 2004). Downs (2004) believes these groups who have a vested interest in housing think that letting more affordable units into their communities would reduce their asset value, could lower the quality of schools and raise property taxes. Therefore, homeowners are unlikely to accept new low cost housing in their area. Downs (2004) suggests getting over this political obstacle will require shifting some of the decision-making power to other stakeholders such as developers, State government, regional agencies and public-private partnerships. The removal of local government decision-making power in deciding where affordable housing would go may help to eliminate local political opposition to affordable housing. However, local government should know their community needs better than State and regional authorities, and taking decision-making power away from this level of government may actually work against affordable housing initiatives.

Regulatory barriers can also act as a deterrent to affordable housing. Downs (1991) conducted research on the nature and extent of regulatory barriers in the USA. Downs (1991) identified three ways in which regulations can raise housing costs. First, direct regulatory restrictions on housing supply such as zoning, limits on multifamily units and urban growth boundaries can increase housing costs. Secondly, direct cost increases such as requiring expensive building materials or methods, and thirdly, regulations that cause excessive delays can also increase the cost of housing. Regulations that unnecessarily increase the cost of housing make access to affordable housing more difficult. However, regulation is necessary to co-ordinate development and to ensure developments are of a reasonable quality.

Although Downs' (1991) research recognises the negative impact regulations can have on affordable housing, it also recognises that removing regulatory barriers will not necessarily solve affordability problems. This is because affordability of housing relates to the ability of the market to supply housing, and to the ability of households to demand housing. If poverty and low incomes are the predominant cause of a lack of affordability, removing regulations will not solve affordability issues.

Affordable housing is crucial to achieving a decent standard of living. Despite the importance of access to affordable housing, several barriers make it difficult for low income people to rent or purchase a house. Resistance by neighbourhoods to State housing tenants illustrates the barriers to accessing affordable rental housing, whereas regulatory barriers impact predominantly on the supply of affordable housing. A balance needs to be struck that can provide the quality and appropriate form of residential development while limiting barriers to affordability.

2.4 The Link between Growth Management and Affordable Housing

The previous sections in this chapter have illustrated the debates related to intensification as a tool of urban growth management and the definition and importance of access to affordable housing. A common area of debate in the growth management literature is whether policies such as intensification increase or decrease

the affordability of housing. This section discusses the literature assessing the relationship between growth management and affordable housing.

Smart growth ideas have developed in the USA in an effort to control the costs of sprawl as heavy dependence on cars, underutilised infrastructure and development of environmentally sensitive land. Smart growth is a form of urban growth management and supports policies of intensification and containment discussed earlier in the chapter. A smart growth approach includes both incentives such as accelerating the approval process for ‘smart’ development, and regulations such as the imposition of an urban growth boundary (Voith and Crawford, 2004). The relationship between smart growth and affordable housing was discussed by Voith and Crawford (2004). Key elements of smart growth are summarised in Table 2.1 and include the promotion of compact higher density development.

Voith and Crawford (2004 p101) assert that well designed smart growth approaches that encourage high density development can assist low and moderate income households into “better housing”. They claim that there is no theoretical reason why smart growth should worsen the affordability of housing, but contend that affordable housing needs to feature in a policy of smart growth.

Table 2.1: Key elements of smart growth policy

Key Elements of Smart Growth Policy	
<i>Nearly universal elements</i>	
1.	Limiting outward growth
2.	Reducing dependence on vehicles
3.	Promoting compact, higher density development
4.	Preserving open space
5.	Redeveloping inner-city areas and infill sites
<i>Occasional elements</i>	
6.	Placing the cost of infrastructure for new growth on new residents
7.	Creating local government incentives for locating growth in limited areas
8.	Speeding the approval of entitlement process
9.	Increasing the supply of affordable housing
10.	Promoting mixed-use development
11.	Removing regulatory barriers to new urbanist and other innovative designs
12.	Sharing regional resources among local governments
13.	Creating a greater sense of community
14.	Developing a public-private process on achieving consensus on plans for the region’s future
Source: Voith and Crawford (2004 p86)	

However, Schill (2004) believes that local authorities are likely to adopt smart growth policies without simultaneously promoting affordable housing. Therefore, although it is possible for smart growth to improve the affordability of housing, it is not likely.

A comprehensive review of academic research relating to growth management and affordable housing was undertaken by Nelson et al. (2004). From their review, Nelson et al. (2004) drew four conclusions. First, the primary determinant of house prices is the elasticity of market demand, not land constraints. If buyers/occupants of housing are relatively indifferent about the location of their house, then house prices throughout the region remain very similar. If locations are not substitutable, prices are linked more to the lack of substitution than to the presence of growth management.

Secondly, Nelson et al. (2004) found that both traditional land use regulations and growth management policies can raise the price of housing. However, Nelson et al. (2004) assert that there is a significant difference between the causes of house price increases under traditional land use regulations, versus growth management policies. Traditional land use regulations such as low-density zoning, increase house prices and exclude low-income residents. Whereas growth management is designed to overcome the exclusionary effects of low-density zoning, but can cause house prices to increase through increased demand because the neighbourhood is a more desirable place to live (with the new growth management regime).

Thirdly, Nelson et al. (2004) found that land use regulation is inevitable, and increasingly the choice for authorities is between exclusionary zoning and growth management, rather than between regulation and non-regulation. Growth management is far more encouraging of affordable housing than exclusive low-density zoning, and it is therefore more likely to produce affordable housing than exclusive zoning techniques. However, Troy (1996) contends that there is no evidence that housing is more affordable under growth management regimes and moreover, claims that traditional forms of low-density growth could give Australian cities the best chance to reduce environmental stress.

The final finding of Nelson et al. (2004) is that housing affordability calculations must include factors such as transportation costs and provision of public services in order to get a realistic interpretation of the impact of a policy on affordable housing. Overall the findings of Nelson et al. (2004) are consistent with Schill's (2004) in that growth management policies need to include provisions for affordable housing in order to expand housing opportunities to lower income households.

Determining precise relationships between urban growth policy and the price of housing is very difficult as the relationship between these two factors is complex. However, policies that ensure enough land is zoned for development and are not exclusionary in nature are much more likely to result in affordable housing. The relationship between growth management policies, house prices and the market is explored by Nelson et al. (2004 p144):

The housing price effects of growth management policies depend heavily on how the policies are designed and implemented. If they serve to restrict land supplies then house price increases would be expected. However, the extent of these effects depends on the relative effect on development costs for new developers and incumbent developers as well as the strength of the local and regional market.

Nelson et al. (2004) identify that although a growth management approach is strongly related to house prices, there are many variables that influence the growth management – affordable housing relationship. These include the design and implementation of policies, the nature of urban growth management such as land use restrictions, and the state of the housing market. Any one of these factors could negatively affect the affordability of housing. It is, therefore, difficult to identify direct cause and effect relationships of growth management policy with house prices, there being too many variables in the equation.

From this discussion on the link between growth management and affordable housing it is clear that the way policy is integrated and implemented is of central importance. The only way to ensure that growth management techniques such as intensification will not exacerbate affordability issues is to have explicit affordability goals

integrated into growth management approaches. Part of this integration of policy requires that the appropriate level of government has decision-making authority.

2.5 Subsidiarity

Subsidiarity is about making sure that decisions are taken at the most appropriate level of government (Guerin, 2002). Craig (2004 p7) describes the principle of subsidiarity as “what can be done at more local levels should be done there”. The concept of subsidiarity is important to a discussion of intensification and affordable housing because decisions made at the appropriate level of government are likely to be the most beneficial for society. Furthermore, subsidiarity relates to the co-ordination of different levels of government with each other. Intensification involves land use processes and affordable housing involves a combination of land use and income related processes. Therefore, the co-ordination of different government departments and different levels of government is important in aligning affordable housing and intensification goals. The lack of clearly defined roles is likely to result in ongoing confusion and friction over governance (Craig, 2004). Table 2.2 summarises criteria for considering subsidiarity and illustrates that the degree of government involvement in decision-making should reflect the complexity and extent of the decision.

Table 2.2: Criteria for considering subsidiarity

Goals for Decisions	Assumptions	Local Control	Regional Control	Central Control
Balanced	Allocation of powers is optimal if decisions are made by those who feel the effects and bear the costs	No externalities exist	Externalities can be internalised within the region	Significant externalities exist
Informed	Whether the necessary information is objective or subjective affects who is best placed and most capable to make decisions	Info is held locally or in unimportant	Regional scale data is important	Info is held centrally and is important or complex
Cost-effective	Economies of scale in decision-making may exist, particularly if preferences are homogenous	Low decision-making costs	Medium decision-making cost	Preferences homogenous or unimportant High decision-making costs

(Source Guerin, 2002 p5)

Craig (2004) uses the term ‘slippery subsidiarity’ to describe the situation where functions are constantly reassigned up and down government levels, where no-one takes responsibility. Many inefficiencies result from slippery subsidiarity as community agencies and local government bear the brunt of sorting out the mess. They are forced to exerting enormous effort while community groups complain of conflicting processes such as ‘over consultation’ and ‘under representation’ at the same time (Craig, 2004).

Both affordable housing policies and intensification policies take a long time to be implemented. For example, the Auckland Regional Growth Strategy has been designed with a fifty year implementation time-frame. Constantly changing government policy could result in slippery subsidiarity and cause serious inefficiencies in affordable housing and intensification policies. In New Zealand the failure to adequately fund emerging local responsibilities or clarify roles at a local level have contributed to the poor decision-making ability of local authorities (Craig, 2004). Craig (2004 p9) asserts that what is needed in New Zealand is a way to “get the right people with the ability to make decisions consistently to the table”.

The relationships between central, local and regional government in New Zealand are constrained by the scope within which local and regional governments can operate and by the degree to which central government can intervene to modify outcomes (Guerin, 2002). Craig (2004) introduces the concept of ‘sticky subsidiarity’ as a desirable goal in achieving more sustainable decision-making processes. The concept of sticky subsidiarity holds that once something has been allocated to a certain level of government the intention is that it should stick to that level. This enables people to adjust and develop networks and more efficient ways of working based on familiarity and trust (Craig, 2004). The level of government or community that should take responsibility for different functions is contested in New Zealand (Craig, 2004). For New Zealand, it is important that the role of different stakeholders in decision-making is clear to enable the more sustainable decision-making processes of sticky subsidiarity to be applied here.

2.6 Social policy and the Role of the State

This section will explore how the role of the State in affordable housing is reflected in theoretical perspectives. Social policy decisions are based on a series of assumptions between the State, individuals and various groups in society (Cheyne et al., 2005). The philosophy of a political party will dictate its social policy decisions, and therefore, the approach a government might take to affordable housing. Different theoretical perspectives are reflected in the role government plays and some of these perspectives will now be outlined.

A liberalist perspective stresses the rights of the individual to act as a rational and autonomous human being. A liberalist considers the market the central and fundamental structure for production and distribution (Cheyne et al., 2005). According to liberalist theory, the role of the State should either be eliminated, or used only as a means to support individual welfare. According to Cheyne et al. (2005), a liberalist is reluctant to support democracy, but given a democracy, would advocate that more votes be given to the able and talented rather than for everyone to have an equal say. A liberalist would therefore advocate that the State play as minimalist a role as possible in affordable housing, because the market is more efficient. In contrast, social democrats advocate that the State should intervene in managing the economy. This is to avoid 'evils' such as the depression in the late 1920s and early 1930s (Cheyne et al., 2005). More recently, through the 1970s and 1980s throughout the western world there was a significant change towards a new revitalised form of social democracy, labelled the 'Third Way' (Cheyne et al., 2005).

Third Way thinking seeks to resolve the ideological tension between socialism and liberalism, and believes that the ethical foundations of socialism can coexist with the free market liberal approach (Latham, 2001). The Third Way represents the political approach of Tony Blair's government in the UK and has also been applied to many of the policies of New Zealand's Labour led government since the late 1990s (Cheyne et al., 2005). A Third Way approach to politics has been criticised as averaging out of two extremes between capitalism and socialism, and a retreat from social democracy (Cheyne et al., 2005). The Third Way recognises that the State has a role to guarantee certain goods but need not directly provide them, and gives priority to employment-

centred policy to ensure people have sufficient income to be responsible for their own well-being.

Similarly to the manner in which the Third Way has been attributed to New Zealand's Labour-led government, neo-liberalism (the new right) is linked with the institutional reforms from 1984 until the late 1990s. These institutional reforms were underpinned by neo-liberal principles of economic rationalism involving privatisation, devolution and deregulation (Dupuis and Dixon, 2002). Neo-liberals are highly critical of State intervention because they believe that through market forces individuals can pursue their best interests (Cheyne et al., 2005). According to neo-liberals deprivation is caused by poor choices by the individual rather than because of individual needs not being met. Under neo-liberal thought, welfare should be a safety net, and must not be viewed as a right (Cheyne et al., 2005). Neo-liberalism implies that the State should withdraw from intervention into affordable housing and encourage individuals to pursue their own self interest.

In contrast to neo-liberals, adherents to Marxism and neo-Marxism theories do not hold that the free market will lead to greater wealth, but to greater poverty and exploitation. Neo-Marxists seek to achieve greater equality through State intervention in the market distribution of burdens and benefits. For Marxists capitalism is the source of poverty and inequality, and only a radical move to a socialist society will ensure that people's needs are fully met (Maloney and Taylor 2001). Neo-Marxism would encourage significant State intervention into affordable housing to ensure that housing needs in society are met.

The nature of social policy implemented in New Zealand is directly related to the political philosophy of the party that has the greater influence in government. Under a Mixed Member Proportional (MMP) representation system that policy can also be tempered or skewed by the influence of other political parties from left and right. Thus, the above synthesis of political economic theory can be reflected in the decisions about social welfare, thereby having a direct influence on affordable housing policy. Essentially a liberalist approach to policy will see a move away from government intervention in affordable housing with the belief that the free market is the most efficient way to produce individual wealth while a more socialist approach

would see significant market intervention by the State and redistribution to those in need. Although politicians may not directly relate their decisions to a theoretical political perspective, their decisions can be categorised in ideological or theoretical classes.

2.7 Policy Approaches

There is a relationship between political theory and political practice. Theoretical perspectives are reflected in the ideologies that political parties have and in turn will affect the type of policies implemented. The benefits and weaknesses of these policies are discussed in affordable housing literature, and discussions revolve around finding an appropriate balance between different types of government policy. Mitchell and O'Malley (2004) identify three types of policy intervention that can be used by government to improve affordability of housing. Government can raise the ability of individuals to acquire housing, increase the supply of housing and, finally, they can regulate using local government mechanisms to foster the private market into the provision of low income housing.

2.7.1 Demand Side Intervention

Demand side intervention in affordable housing involves increasing the ability of low income households to afford housing, and generally involves the provision of a direct income supplement to households with housing need. Rental assistance can be provided by an ongoing accommodation supplement or with short term assistance to households to overcome temporary problems such as a threatening eviction. Home ownership assistance involves assisting low income households with finance options to purchase a house and could include low interest or interest free loans, guaranteeing mortgages or assistance with deposits.

When low income households are suffering because of high housing costs rather than poor quality housing, demand side intervention is favourable (Downs 1992b; Yates and Wulff, 2000). However, the effectiveness of demand side intervention is dependant, to some extent, on the supply side of the housing market (Mitchell and O'Malley, 2004). Income supplements can help individuals into affordable housing,

but if the supply of housing is constrained, the increase in income may have minimal impact on improving that household's housing need. For example, in New Zealand a criticism of demand side intervention articulated by Mitchell and O'Malley (2004) is that, when introduced, the Accommodation Supplement acted simply to raise rents.

Household's that receive an income supplement have more freedom to make its own choices about housing related expenditure (O'Sullivan 2000). If demand side intervention is in the form of an income supplement, the household can choose to either move into a more expensive and higher quality house or to stay in the same house and spend the money on other needs. Therefore, the success of demand side intervention in the form of a direct income supplement is dependant on the elasticity of supply in the housing market.

An advantage of demand side intervention that enables households to move into home ownership is that they are able to build some equity and improve their financial status. However, Katz et al. (2003) warn that a policy of increasing the ability of low income households to purchase property should proceed with caution, as home ownership may not be the best option for all low income households. Katz et al. (2003) recommend education about home ownership to ensure potential home buyers are aware of the risks and the costs, such as maintenance on a house, interest rate rises affecting repayment ability, insurance and devaluation.

2.7.2 Supply Side Intervention

Supply side intervention into affordable housing involves Government or other agency provision of housing by giving a variety of discounts to those people and businesses involved in the production side of the housing sector (Mitchell and O'Malley, 2004). Mitchell and O'Malley (2004) outline that if there is a shortage of housing, intervention should seek to solve this problem by increasing the supply of housing.

Supply side rental programmes focus on producing and maintaining housing units that are earmarked for occupancy by low and moderate income households. Berry (2003), suggests that there is a role for government to lure private investment into the market

and explores five different ways government could achieve this. Table 2.3 summarises the benefits and weaknesses of each of these five models. The consortium model is likely to generate maximum private sector involvement, and will provide affordable housing for households in the second bottom, low income quintile. However, it is unlikely to provide affordable housing for the very low income earner (Berry, 2003). To help very low income earners into affordable housing, a combination of demand and supply side government intervention may be most appropriate. For example an income supplement to very low income households combined with an increase in supply of housing would improve their access to adequate and affordable housing.

Table 2.3: Getting the private market involved in affordable housing

Model	Explanation	Benefits	Weaknesses
1. Consortium Model	Government sells long term bonds at market prices to private investors and then this is lent to State housing authorities.	<ul style="list-style-type: none"> - High degree of leverage of private funds. - State housing authorities able to provide housing stock that reflects demand. - Establishes a framework for long term co-operation between different levels of government. - Least cost way to stimulate substantial expansion of affordable housing stock - Can work within existing housing policies 	<ul style="list-style-type: none"> - Requires a government subsidy to provide for the difference between rent received and debt payments - Requires new management systems to be put in place for State housing authorities
2. Shared Equity Model	Equity of a house is shared between the household and a private investor.	<ul style="list-style-type: none"> - Improves access to home ownership - Reduces the stress of home ownership - Low income households share in capital gain of property - Does not require a government subsidy 	<ul style="list-style-type: none"> - Finance market imperfections make the model difficult to implement - Difficult to target to low income and those in need of affordable housing - Banks unlikely to get involved - Might only work in areas with high capital gains
3. Pooled Fund	Individual investors put money into a group fund for housing.	<ul style="list-style-type: none"> - Aggregate large volumes of small savings 	<ul style="list-style-type: none"> - Significant government subsidies would be needed to make it work - Likely to only attract 'ethical investors'
4. Taxation Exemption and Tax Model	Government incentives for small investors to leave savings in affordable rental housing.	<ul style="list-style-type: none"> - Provides long term basis for secure leases - Could encourage downward filtering of higher rent stock 	<ul style="list-style-type: none"> - Difficult to accrue tax benefits to affordable stock - Possibility of fraud - High surveillance costs - Politically infeasible
5. Tax Credit Model	Tax credits to landlords who are renting affordable housing.	<ul style="list-style-type: none"> - Total tax subsidy can be capped - Could encourage downward filtering of higher rent stock 	<ul style="list-style-type: none"> - Difficulty in accruing tax benefits to affordable stock - Distorts the market - Politically infeasible - Contradicting existing government philosophy

Source: (Berry, 2003)

As well as encouraging the private market into affordable housing local authorities themselves can intervene on the supply side of affordable housing. In New Zealand many local authorities provide rental dwellings for low income households. Council housing is common overseas, in countries such as the UK and Australia and can make a significant contribution to the supply side of affordable housing.

Another avenue for expanding the social housing sector is by promoting the development of third sector housing. For the purposes of this study third sector housing is defined as “non-profit housing which usually combines public and private finance to produce affordable homes for low income people” (Clements, 1999 p10). Badcock and Waldegrave (2004) identify the advantages of encouraging third sector involvement in housing, for example, non-government organisations can be better able to respond to the diverse needs of social housing clients, the third sector can secure voluntary donations and obtain private finance, and the risk of asset ownership will be spread across a wider range of providers. Badcock and Waldegrave (2004) believe that in New Zealand, partnerships between government and the third sector are likely to increase.

2.7.3 Regulatory Intervention

Regulatory policies play a critical role for both demand side and supply side policies for affordable housing. Policies that govern land use, residential development, construction standards, subdivision design and property maintenance are particularly important for housing (Mitchell and O’Malley, 2004). Historically, these regulations have not had promoting affordable housing as their primary purpose. However, increasingly the ability of regulatory tools to increase affordable housing is being recognised. In the UK quotas of affordable housing units are required in larger developments and in the USA a reform of zoning techniques and the adoption of inclusive zoning in many states has helped make housing more affordable (Mitchell and O’Malley, 2004). In order to ensure regulations do not unnecessarily have a negative impact on affordable housing, communication between policy makers, those involved in affordable housing provision and private developers should be encouraged. A useful comparison of demand, supply and regulatory interventions into the housing market is provided by Katz et al. (2003) in Table 2.4.

Table 2.4: Impacts of supply, demand and regulatory interventions on desired housing policy outcomes

	Rental Housing Assistance		Home ownership Assistance			Land Use Regulations
	Supply-Side Production	Demand-Side Vouchers	Supply-Side Mortgage Credit	Demand-Side Homebuyers Tax Policies and Assistance	Supply-Side Production	
Preserve and expand the Supply of Good Quality Housing Units?	Yes – rental stock has expanded though more units need to be produced	Somewhat – may encourage landlords to maintain existing housing	Maybe – but impact is indirect	Maybe – but impact is indirect	Yes – primary goal of these programmes is expanding owner-occupied stock	Mixed – some programmes expand supply while others limit new affordable construction
Make Housing More Affordable and More Readily Available?	Yes – but affordability depends on size and duration of subsidies	Yes – primary goal is affordability; success depends on households' ability to find units	Yes – but impact is indirect	Yes – enhances buying power but depends on price of housing stock	Yes – primary goal of the programmes is affordability and access	Maybe – rent control may moderate rent increases in tight markets
Promote Radical and Economic Diversity in Residential Neighbourhoods?	Rarely – depends on where new units are located and who is eligible to occupy them	Possibly – if recipients can find units in diverse neighbourhoods	Possibly – depends on location decisions of buyers	Possibly – if recipients can find units in diverse neighbourhoods	Possibly – depends on the location of the units produced and local economy	Mixed – some reforms can expand affordable housing in affluent communities
Help Households Build Wealth?	Generally not – though lower rents may lead to increased family assets	Generally not – though lower rents may lead to increased family assets	Yes – but depends on house price appreciation and individual borrower circumstances	Yes – but depends on house price appreciation and individual borrower circumstances	Yes – but depends on house price appreciation and individual borrower circumstances	Mixed – some programmes provide wealth-building opportunities, while others do not
Strengthen Families?	Possibly – but little literature exists to confirm programmes' ability to strengthen families	Possibly – but less if units are located in distressed neighbourhoods or occupancy rules discourage family unification	Yes – but less impact if units are located in distressed neighbourhoods	Yes – but less impact if units are located in distressed neighbourhoods	Yes – but less impact if units are located in distressed neighbourhoods	No
Link Housing with Essential Supportive Services?	Sometimes – when units are designed in conjunction with effective supportive services	Generally not	No	Probably not – unless services are explicitly linked with assistance	Probably not – unless services are explicitly linked with assistance	No
Promote Balanced Metropolitan Growth?	Rarely – depends on where the new units are built	Possibly – depends on recipients' ability to find units in suburban areas and close to job opportunities	Unclear – depends on general population's location choices	Unlikely – though possible if recipients can find units in suburban areas and close to job opportunities	Rarely – the location of units thus far has generally not promoted balanced growth; however, neighbourhoods have benefited from home ownership	Mixed – zoning and regulatory reforms can promote affordable development in all jurisdictions, though some do not

Source: Katz et al. 2003 p viii

Table 2.4 not only illuminates that ability of different supply, demand and regulatory interventions to make housing more affordable but also the ability of these interventions to achieve other desirable community outcomes such as the ability to strengthen families.

Katz et al. (2003) indicate that the impact of different affordable housing interventions of 'balanced metropolitan growth' is uncertain, but regulatory intervention such as zoning can simultaneously promote balanced growth and affordable housing.

The strengths and weaknesses of different types of policy intervention in housing illustrates that there is no 'one size fits all' approach to affordable housing. Instead the different approaches need to consider the state of the housing market, including if current housing stock can meet demand, and the quality of housing. A combination of demand, supply and regulatory policies is most likely to meet housing needs requiring involvement from the government and the local community. A combination of policies is also most likely to ensure greatest flexibility and choice for households in need of affordable housing.

International experiences of different types of intervention can inform policy approaches in Auckland. Strengths and weaknesses of each of the demand, supply and regulatory interventions need to be assessed for their appropriateness to the Auckland situation. Planning approaches such as intensification are used internationally, and international experiences should be considered by policy makers in Auckland.

2.8 Intensification in Auckland

While the experience of Auckland has been continual urban sprawl, land use planning policy has consistently promoted the restriction of peripheral urban growth and the protection of areas of prime agricultural land. This concept was exemplified in the Town and Country Planning Act 1977 which required the protection of prime agricultural soils from urbanisation (Town and Country Planning Act 1977).

Intensifying housing in the Auckland region to make transport and infrastructure operate more efficiently has been an objective of regional consolidation strategies since the 1950s (Auckland Regional Growth Forum, 1997). Intensification has been adopted in response to urban problems consistent with the impacts of sprawl experienced overseas. Causes of sprawl in New Zealand include the State funding of motorway development, poorly developed public transport, and low cost developments on greenfield land (Dupuis and Dixon, 2002). State housing and workers' housing developments that were built on the periphery of Auckland, have contributed to the problems associated with sprawl and have resulted in dormitory suburbs. Growth management is necessary in the Auckland Region because it contains four of New Zealand's five most populated cities and these are expected to continue to grow, with high fertility and migration rates relative to the rest of New Zealand (Pool et al, 2005).

In New Zealand the reforms of local government and resource planning laws have had important implications for urban growth management in Auckland. The establishment of the Auckland Regional Growth Forum has had a major impact on the growth management regime here (Dupuis and Dixon, 2002). The establishment of this body has been heralded as a significant step in a political context which up until recently was polarised and parochial (Dupuis and Dixon, 2002). The Auckland Regional Growth Forum was formed in reaction to the failure of Resource Management Act 1991 processes to deal with issues resulting from significant population and spatial growth. The Growth Forum produced the vision for the Auckland Region's development until the year 2050 in its Regional Growth Strategy for Auckland (Auckland Regional Growth Forum, 1999a). The strategy encourages both a policy of intensification and a policy of affordable housing. The legislative and policy framework of the Regional Growth Strategy is discussed further in chapter four (section 4.1.1 and 4.2.1). The growth strategy policy of intensification is supported by containment of Auckland's growth enforced by a Metropolitan Urban Limit imposed under Auckland's Regional Policy Statement.

The merits of the intensification in Auckland are criticised. McShane (2005 p2) believes that "there has been no attempt to quantify the costs of 'smart growth' or 'growth management' or 'growth strategy' policies, methods and rules" in Auckland.

Moreover, McShane (2005) criticises land use regulations implemented under the Resource Management Act 1991 as having posed significant extra costs on the residential housing market in the Auckland Region in terms of both time and money. McShane (2005) recognises that increasing house prices in Auckland are having an impact on the Consumer Price Index and significantly contribute to inflation in New Zealand. McShane (2005) also believes that the costs associated with increasing house prices fall most heavily on low income households, who struggle to become established and are either forced to pay inflated house prices or priced out of the market altogether. The inflationary impact of increasing house prices in Auckland results in higher interest rates for those who have a mortgage on their home (McShane, 2005). McShane's (2005) criticisms of urban growth management tools are justified if government is unnecessarily intervening in land use policy. However, if the private market is unable to provide an efficient and sustainable form of urban growth, including sufficient quantities of affordable housing, then government intervention is necessary.

The Regional Growth Strategy for Auckland recognises the need to plan for growth through its vision. However, because of the complicated and diverse relationship between intensification and affordable housing it is at present unclear whether the Growth Strategy's approach is achieving its vision to sustain strong supportive communities, a high-quality living environment, a region that is easy to get around and protection of the coast and the surrounding natural environment (Auckland Regional Growth Forum, 1999a). The unclear relationship between intensification and affordable housing requires investigation.

2.9 Model for Research

There is uncertainty about the implications of a policy of intensification on affordable housing. Troy (1996) asserts that the advocated benefits of intensification are overstated in Australia, and that policies to consolidate growth might reduce housing and development standards. Similarly, Nelson et al (2004) acknowledge that intensification might cause house price increases, but that under intensification and other growth management approaches, price increases relate to the elasticity of an increase in demand rather than land constraints caused by regularly intervention.

They assert that growth management can make regions more desirable, and therefore increased demand is the principal cause of house and land prices increases. There is a fundamental difference between house prices increasing because of land constraints, and house prices increasing because of demand. This thesis uses these criticisms to develop a model of the Auckland housing situation, where there is a policy of intensification.

The context within which growth management policies are implemented (including the market for housing, political perspectives and the type of housing policy currently in use) impact on housing affordability. The nature of the relationship between these societal characteristics will be explored in this thesis, in relation to the Auckland Regional Growth Forum's policy of intensification under the Auckland Regional Growth Strategy. The Regional Growth Strategy justifies a policy of intensification in that it seeks to "avoid capacity shortages and adverse impacts on the housing market in terms of affordability, whilst providing greater flexibility and opportunities for the market and greater housing choice for residents" (Auckland Regional Growth Forum, 1999a p39). With this justification in mind and the pressing affordable housing issues in Auckland, it is both important and timely to review the Regional Growth Strategy as an approach to affordable housing, and to evaluate whether it is achieving its desired housing objectives.

2.10 Conclusion

The complex nature of affordable housing ensures that there is no common definition for the term, nor is there a single accepted approach to enabling low income households greater access to affordable housing. However, it is accepted that the importance of affordable housing relates to qualities of life, such as health, education and strong communities. The nature of the relationship between intensification and affordable housing is unclear because of the complex and multi-faceted factors that influence the price of housing, such as the housing stock, the housing market, the economy and the diverse housing needs of different populations.

The approaches to making housing affordable are numerous and are directed at improving the ability of households to acquire housing, or are directed at increasing housing stock. Participation in affordable housing can involve many stakeholders including, government, the third sector, private organisations and individual households. The impact on each of these stakeholders needs to be considered by decision-makers when implementing a policy of intensification to manage growth. The debates identified in this chapter will be assessed and evaluated in an Auckland context in the chapters that follow, considering Auckland's unique planning regime, population and housing market characteristics.

Research Approach and Design

3.0 Introduction

This chapter outlines the research design that best achieves the research objectives outlined in chapter one. These objectives aimed to analyse the international experience of affordable housing and intensification, and investigate and assess the merits of Auckland's policy of intensification in light of affordable housing issues. An effective research design will help to achieve these research objectives while recognising time, financial and ethical limitations. A qualitative research approach is deemed the best method to achieve these objectives, allowing in-depth contextualisation of Auckland's intensification and affordable housing issues through interviews with key stakeholders in public planning and housing. Secondary research will use some quantitative data, presenting relevant growth, population and house price statistics for Auckland. Secondary sources also include a literature review and an exploration of how other countries deal with affordable housing issues.

Research objectives were developed at the start of the study to facilitate the production of an orderly examination of the issues in Auckland. These objectives are outlined in chapter one and include both evaluation and assessment processes. Achievement of these objectives requires in-depth research reflected in a qualitative research approach. Research objectives focus the study, but can change as the enquiry evolves:

Although you should begin your research with a clear set of research questions this is not to suggest that they cannot or should not change as the study develops.

(Valentine, 2001; 43)

The high price of housing in Auckland is an important issue as it affects human well being and social condition. The importance of affordable housing warrants research, attention and understanding. This research intends to identify how urban

intensification affects house prices, and to encourage policy in a direction that deals effectively with managing growth and affordable housing. This approach to research is known as applied research, where the research focuses on an ‘application’ (Sarantakos, 2005 p322). Applied research can include elements of evaluation, and this will be particularly useful in achieving the third research objective involving an assessment of the merits of a policy of urban intensification. Evaluation research has the main purpose of providing:

information about various aspects of the programmes such as whether proposed programmes, policies, services or interventions are worth pursuing, supporting or continuing.

(Sarantakos, 2005 p322)

3.1 A Qualitative Approach

The assessment of Auckland’s affordable housing situation in a growth management context, and research into possible policy solutions will predominantly rely on a qualitative investigation. Qualitative approaches are characterised by an in-depth intensive approach, rather than an extensive or numerical approach and have significant advantages in social research.

Qualitative methodologies... see the social world as something that is dynamic and changing, always being constructed through the intersection of cultural, economic, social and political processes.

(Dwyer and Limb, 2001 p 6)

As qualitative methods realise the intersection of different spheres of society, they are appropriate to housing and growth management research. An issue as complex as housing, has not only economic and financial implications, but is important to society and quality of life. This research identifies, describes and analyses the social context including how people feel about intensification, and why affordable housing is important. A qualitative approach allows these relationships to emerge and recognises the complex multi-faceted nature of social research.

Central principles of qualitative research include openness, the process-nature of the research and the object, reflexivity of object and analysis, explication and flexibility

(Sarantakos, 2005 p52). A focus on qualitative methods, however, is not without weaknesses. It has been criticised for the way in which it perceives reality, people and research, the methods it uses, the politics it supports, as well the relationship it establishes with the researched (Sarantakos, 2005 p52). Research methods should be selected depending on desired outputs. For this study, the openness and flexibility of the research method is more important than possible weaknesses of qualitative research. It is important that the actual Auckland context emerges from this research process, rather than assuming that international experiences are going to be the same as those of Auckland. Qualitative research therefore is advantageous and necessary to this investigation as it allows data to emerge without presupposed results and allows context sensitive ideas to emerge (Patton, 1990; Corbetta, 2003).

3.2 A Case Study

The present research uses a case study approach to achieve the research aim and objectives explained in chapter one. Auckland was selected as a case study because of its policy of intensification under the Regional Growth Strategy, and because of the high house prices and population growth pressures that prevail in Auckland. There are four cities in the Auckland Region: Manukau, Waitakere, Auckland and North Shore. This research employs a single case study of the Auckland Region, but the four cities of Auckland are able to approach housing issues autonomously, and their approaches reflect different local contexts. Studying each of these cities independently and then collectively contributes to the overall case study of the Auckland Region. The disparities between these cities provide critical opportunities for comparison and evaluation.

A qualitative case study allows understanding of complex interrelationships seeking patterns of unanticipated, as well as expected, relationships (Stake, 1995). In a qualitative case study the researcher aims to understand and approach the case in a holistic manner (Stake, 1995). The uniqueness of Auckland and the uncertainty of the strength and nature of the relationship between intensification and affordable housing demands a qualitative case study. Stake (1995, p133) explains this justification and desire to comprehend a particular case: “The case, in some ways has a unique life. It

is something that we do not sufficiently understand and want to – therefore, we do a case study”.

Data collection for the Auckland case study includes both primary and secondary research sources. Primary data collection involves conducting in depth key informant interviews with key stakeholders in housing and growth management policy for Auckland. Secondary research includes compiling relevant council documents and reports, and the collection of quantitative statistics on population growth.

3.3 Data Collection

The use of a case study helps to prescribe the methods used for data collection. A case study is seen more importantly as an element of research design, rather than merely a method of data collection. A combination of data collection methods will be employed in an effort to strengthen the quality of information collected, as studies that use only one method of data collection are more vulnerable to errors (Patton 1990). Both primary and secondary data collection methods are used, including a literature review, document analysis and key informant interviews. These data collection techniques primarily involve a qualitative investigation, although some data collection methods include quantitative research, such as population and building consent statistics for each of the councils.

3.3.1 Literature Review and Document Analysis

A literature review involving secondary analysis of available information illustrates that, within academic circles, the impact of planning controls on housing is a contentious issue. The literature review illustrates that varying relationships have emerged in different planning contexts and that there is relatively little empirical data on the New Zealand situation. Because the information collected on the New Zealand situation is insufficient to answer the research objectives, a case study approach was chosen. Sarantakos (2005) acknowledges that insufficient information out of the literature review is sufficient grounds for undertaking case study research.

A preliminary document analysis involved an assessment of the non-conventional or grey literature on the relationship between intensification and affordable housing. The results of this analysis are conveyed in both chapter two and chapter five of this research. Literature from government reports and council documents was a useful tool in finding out whether local authorities thought there was a relationship between affordable housing and growth, the nature of this relationship and the reaction of local authorities in terms of policy and regulation. Many of these perspectives have not been peer reviewed, but may still be relevant to the New Zealand context. The literature review provided the theoretical standpoint and justification for the research whereas an analysis of the grey literature highlighted local approaches and situations that could apply to the Auckland situation.

3.3.2 Key Informant Interviews

Key informant interviews provide detailed and rich information not able to be achieved by quantitative methods of data collection. The semi-structured key informant interviews employed in this research allow the interviewee to present their unique experiences and explanations, while focusing on topics relevant to the overall research aim. By using a semi-structured interview technique the interviewer is able to seek both clarification and elaboration on answers given (Patton, 2002). This enables flexibility to probe beyond initial responses and thus create a dialogue with the interviewee (Patton, 2002). Semi-structured interviews allow participants to answer on their own terms more than a standard interview permits, yet still provide greater structure for comparability over that of the focused interview (Patton, 2002). Comparisons can be made between interviewee responses, while retaining the opportunity to ask extra questions should they arise from the initial conversation. The general list of questions asked of key informants is provided in appendix A.

Developing a list of key informants is not an easy task, and involves both an individual analysis of the key organisations to talk to and discussions with people involved with housing and growth management for Auckland. To develop a comprehensive and representative list of people, the snowballing technique was used. This technique involves beginning with a small number of respondents and asking them to recommend other people who would be relevant to the research (Davidson

and Tolich, 1999). Initially, there were relatively few informants, and these people helped to generate contacts with other people with significant involvement in intensification and affordable housing in Auckland. The snowballing technique was used both prior and during key informant interviews. Table 3.1 and 3.2 provide a summary of the key informants and illustrate how representatives from both public organisations and non-government organisations contributed to this research. A more detailed summary of Key Informants is provided in Appendix B. Interviewing a range of people who have different roles and experiences of intensification and affordable housing ensures a detailed case study approach, as required by a qualitative investigation.

Most interviews involved one-on-one communication. However, several small group interviews of two to four people were conducted at the request of the interviewee. Although this research approach was requested by the interviewee, the benefit of a small group interview is that participants engage in discussion about relevant topics and bounce ideas off of each other without waiting for guidance from the interviewer (Patton, 2002).

Table 3.1: Summary of public organisation key informants and their relevance to this research

Public Organisations		
Territorial Authority	TA Informant	Why Were They Interviewed?
Waitakere City Council	1, 2, 3,	Territorial authorities were selected for their high population growth and because of their approach to urban residential intensification.
Manukau City Council	4, 5, 6,	
Auckland City Council	7, 8, 9,	
North Shore City	10, 11,	
Regional Authority	Regional Informant	Why Were They Interviewed?
Auckland Regional Council	1,2, 3	The ARC implements the Auckland Regional Growth Strategy, and plays an important role as co-ordinator between each of the local councils.
Central Government	Government Informant	Why Were They Interviewed?
Housing New Zealand Corporation	1, 2, 3, 4, 5	HNZC is the key advisor from a central government perspective on housing policy. It is also a provider of social housing.

Table 3.2: Summary of non-government key informants and their relevance to this research

Non-Government Organisations		
Community Groups	Community Informant	Why Were They Interviewed?
Community Group Representatives	1, 2, 3, 4, 5, 6	Community group representatives provide localised experiences of government policy. Less likely to be subjected to the politics by which government organisations can be influenced.
Academics/ Researchers	Academic Informant	Why Were They Interviewed?
Academics/ Researchers	1, 2	Academics and researchers who have examined similar topics might be able to relate Auckland's experience to others and are likely to be specialists in this research topic.

Group interviews were beneficial to this research because participants were able to provide more coherent answers on housing and intensification issues in a group than they might have individually. Small group interviews allowed key informants who might previously have opted not to be interviewed, to take part in the research.

Two key informants indicated that they were not available during the field research period, and a phone interview replaced the face-to-face interview in this instance. To maximise the quality of the telephone interview careful consideration of questions that encourage participation but do not breach ethical standards is needed (Snook, 1999). The limitations of interviewing over the telephone were considered, and to limit inefficiencies questions were e-mailed to both participants before the interview commenced to maximise efficient use of time.

3.3.3 Ethical Considerations

Ethical considerations and other constraints have set the boundaries for this thesis. The ethical issues embedded in the proposed research objectives and possible methodologies underpin decisions about the research design. The most common ethical dilemmas focus around participation, consent, confidentiality, safeguarding personal information, and giving something back to those who have participated in the research (Sarantakos, 2005). As required by the University of Otago Human

Ethics Committee, an application was made and approved at Geography Department level to undertake research involving participants. The information sheet that received ethical approval was presented to applicants at the beginning of each interview, clearly stating that their identity would be protected, that they could withdraw from the interview at anytime and, if they wished, could request a copy of the research. Employing these ethical considerations makes interviewees feel more comfortable about participating in the research.

Ethical considerations are reflected in, and have restricted the research design for this study. Initially, low income households were going to be interviewed about their experiences in trying to access affordable housing but, ethical and resource considerations ensured that this approach would be too difficult, as income is a sensitive issue and participants might not have felt comfortable discussing these details. Ethics, therefore, did affect the field work methods chosen. The decision to focus on policy and processes is partly because ethical considerations and limited resources permit this approach.

3.4 Data Analysis and Interpretation

The data collection phase created a wealth of information on affordable housing and intensification, including interview recordings, reports, council documents and other secondary data. Interviews were transcribed and research notes created on relevant documents, but before the collected data could be interpreted, it needed to be coded. Coding was achieved by reading through the collected information and identifying areas of theoretical and empirical interest along the way. Davidson and Tolich (1999) identify four functions of coding in qualitative research including identifying research themes, interesting data outlying data, areas where further research is needed and information worthy of storage within a thematic file.

Results for this research were coded into five tables, one for each city in Auckland and one for the region as a whole. The use of tables allowed significant data reduction into a manageable form, and data organisation around themes such as 'central and local government leadership'. An organised layout, such as a table, presented the relevant collected information clearly, ready for interpretation and

comparison. Data interpretation is concerned with finding patterns in collected information and relating it back to the original research objectives (Davidson and Tolich, 1999). Interpretation of the tabulated data was organised according to the different research objectives. For example, illustrations and explanations provided by key informants about the impact of planning procedures on affordable housing were flagged in coding and then compared to each other during the interpretation phase. This process contributed towards the fourth objective of this research, to inform planners and decision makers of the ramifications of introducing a policy of intensification, and thus contributing to the quality of public policy in New Zealand.

3.5 Preliminary Limitations of the Research

It is important to recognise that there are a number of limitations when undertaking any research and this study should be read in light of these constraints. The main factors that constrain this research are lack of time and monetary resources, and this has an impact on the methodology of this research. With these constraints in mind it was not possible to interview as large a number of key informants as would have been ideal. However, care has been taken to ensure that key informants are representative of a broad range of government and community perspectives.

Given the limits of existing resources it was decided to focus on the use of a qualitative approach. Conducting surveys and interviews with either residents in areas that need affordable housing or prospective house hunters who require affordable housing would have created significant increases in the time taken to collect data. Therefore, this approach was not seen as a feasible option. With the comprehensive data collection techniques and expert key informants, the results are still relevant and useful in a consideration of the impact of intensification on affordable housing issues.

3.6 Conclusion

The methods have been selected not only for their appropriateness in achieving the objectives of this research, but also in considering the constraints and limitations

involved in undertaking field research and writing a thesis. Interviews are the predominant source of primary data collection. The wide range and expertise of the key informants selected has effectively achieved the rich and comprehensive information required by a qualitative research approach. Secondary sources such as academic literature and council reports provide theoretical stance and background information to back up the data provided by the key informants. The combination of data collection techniques strengthens the quality of the information collected. Employing a comprehensive methodology is pivotal to ensuring the most accurate and useful results possible are achieved.

4.0 Introduction

This chapter will outline the relevant legislation, regulation, policy and guidelines that are important to planning for housing and for growth management in Auckland. The legislation sets up sustainable management and sustainable development mandates for decision-makers. These mandates are important to intensification and affordable housing, because sustainable communities require effective growth management techniques that provide for affordable housing. The Local Government Act 1974 establishes a legislative framework for the Auckland Regional Growth Forum and the Auckland Regional Growth Strategy. There are several housing statutes that are important and require analysis in this thesis. The Building Act 2004 requires buildings to be constructed in a way that promotes sustainable development, while other housing legislation develops a framework for Housing New Zealand Corporation and the Ministry of Social Development to intervene in the housing market.

This chapter will analyse policy relevant to affordable housing and intensification. These policies include the Auckland Regional Growth Strategy, and the Sustainable Development Programme of Action set up by Government. The development of New Zealand's housing policy will also be discussed and analysed, as it is important to understand how Auckland evolved into its current housing context.

4.1 Legislation

In New Zealand the policy requirements that regulate for intensification and affordable housing are outlined in legislation. The Local Government Act 2002 and the Resource Management Act 1991 set out the roles and responsibilities of central government and local authorities in preparing policy. The Local Government (Auckland) Amendment Act 2004, prepared specifically to promote the integration of land

use and transport is of particular importance to this study with reference to ‘compact sustainable urban form’. The different statutes that set out responsibilities in relation to State housing, the quality of buildings and the ability of the Government to intervene in the housing market are discussed in section 4.1.3.

4.1.1 The Local Government Act

The Local Government Act 2002

In December 2002 a new Local Government Act was passed, repealing much of the Local Government Act 1974 and its amendments. The 2002 Act is fundamentally different from the previous legislation in three ways. The 2002 Act is led by principles, has a sustainable development mandate, and gives councils powers of ‘general competence’ in section 12 which allow them to do whatever is necessary to give effect to the purpose of Local Government (section 10) and the role of local authorities (section 11).

The Local Government Act 2002 defines the purpose of the Act and then defines the purpose of local government. The purpose of the Local Government Act 2002 is to provide for democratic and effective local government that recognises the diversity of local communities. The Act outlines a framework and powers for local authorities to decide which activities they undertake, the manner in which they undertake them, and promotes the accountability of local authorities to their communities (Local Government Act 2002). The purpose of the Act also illustrates that local authorities have a role in the sustainable development of their communities, the Act:

3 (d) provides for local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach.

(Local Government Act 2002 s.3 (d))

The purpose of local government is set out in section 10:

(a) to enable democratic local decision-making and action by, and on behalf of, communities, and;

(b) to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future

(Local Government Act 2002 s.10)

Section 14 sets out principles that local authorities must follow in performing their role. Section 14(h) of the Act is of particular importance to this thesis as it establishes principles relating to local authorities. These are the matters that local authorities must take into account in order to take a sustainable development approach:

14(h) (i) the social, economic and cultural well-being of people and communities;

(ii) the need to maintain and enhance the quality of the environment;

(iii) the reasonably foreseeable needs of future generations

(Local Government Act 2002 s.14 (h))

Collectively sections 3, 10 and 14 (h) provide a framework for local authorities to provide for the well-being of their communities. Both the notion of affordable housing and the notion of intensification relate to the well-being of communities because they are about the social, cultural, economic and environmental well-being of people. The Local Government Act 2002, therefore, has placed more accountability on local authorities to be responsible for the well-being of their communities.

Part 8 of the Local Government Act 2002 also provides a specific power for territorial authorities to require development contributions of money or land from developers. Development contributions are able to be charged where the effect of development requires new or additional assets and as a consequence, the territorial authority incurs capital expenditure to provide appropriate reserves, network infrastructure or community infrastructure. Powers relating to development contributions are outlined in section 198. Development contributions can be levied before resource consent is granted under the Resource Management Act or a building consent is granted under the Building Act 2004. Construction of a residential property may incur a development contribution charge to contribute to infrastructural costs incurred by the territorial authority such as water and roading costs.

The Local Government Act 2002 enables local authorities to undertake their role by identifying outcomes of the future of their regions. Once the local authority has worked with the community to identify these outcomes, they will become part of the council's Long Term Council Community Plan (LTCCP). The LTCCP includes a description of how their outcomes have been identified and how the local authority will contribute to achieving them, including how they will work with other organisations (including Maori, government, non-government and the private sector). The Local Government Act 2002 therefore, has placed more accountability on local authorities to be responsible for the well-being of their communities.

The Local Government Act 1974

Even though the Local Government Act 2002 largely repealed previous legislation, some sections of the Local Government Act 1974 still remain in force. The saved provisions include those parts of the 1999 amendment to the 1974 Act that established the statutory framework for the Auckland Regional Growth Strategy and Regional Growth Forum. Section 37SE requires the Auckland Regional Council to adopt a Regional Growth Strategy for its Region and to ensure that growth is accommodated in a way that best meets the interests of inhabitants of the Auckland Region. Section 37SE (3) states that the Regional Growth Strategy may include, but need not be limited to:

- 37SE (3) (a) Identification of the anticipated and preferred locations of growth within the Auckland Region*
- (b) A statement of key values for considering growth issues*
- (c) Information about the future growth to assist regional providers of infrastructure to plan to meet future requirements*
- (d) Such other matters as are considered appropriate.*

The Regional Growth Forum in Auckland was initially set up without a legislative framework in 1996. However, the 1999 amendment to the Local Government Act 1974 mandated the existence of a Regional Growth Forum under section 37SG. Section 37SG required the Auckland Regional Council to establish the Auckland Regional Growth Forum, to consist of persons appointed by the Auckland Regional Council and to include all territorial authorities within the region. This section outlined the function of the Regional Growth Forum as to:

Advise on and approve the regional growth strategy prepared under section 37SE and any amendment to that strategy before any such strategy or amendment is adopted by the Auckland Regional Council.

(Local Government Act 1974 s. 37SG (4)).

Local Government (Auckland) Amendment Act 2004

The purpose of the Local Government (Auckland) Amendment Act 2004 is to improve integration of transport and infrastructure policy in Auckland. The Amendment Act requires Auckland local authorities to change land transport and land use provisions of their RMA policies and plans to be consistent with the Auckland Regional Growth Strategy. The relevant sections of the Amendment Act will now be outlined.

Sections 38-43 effectively amend the Resource Management Act 1991. Section 38 (1) and 39 (1) of the Local Government (Auckland) Amendment Act 2004 require land transport and land use changes to policy statements and plans prepared under the Resource Management Act 1991. The Amendment Act required changes to these documents by 31 March 2005. However, the Amendment Act is not limited to only these changes and can continue to be used in the future so that it has a lasting effect on land transport and land use planning in Auckland.

The Amendment Act requires that local authorities ‘give effect’ to the concepts in the Auckland Regional Growth Strategy and should contribute in an integrated manner to the matters in schedule 5. Auckland policy statements and plans are now required to contribute in an integrated manner to compact sustainable urban form and intensification, as is outlined in Schedule 5 (d):

Schedule 5

(d) supporting compact sustainable urban form and sustainable urban land use intensification (including location, timing and sequencing issues, and associated quality, character and values of urban form and design)

Clause (d) of Schedule 5 ensures local authorities consider sustainable intensification and urban form. In consideration of intensification and land uses, local authorities have a responsibility to consider housing issues.

Section 40 (4) makes it difficult to change the Metropolitan Urban Limit for the Auckland Region contained in the Regional Policy Statement. This illustrates the importance of both containment and intensification to growth management in the Auckland Region. The Metropolitan Urban Limit is effectively an urban growth boundary. The Metropolitan Urban Limit as it stood in 1999 is shown in Figure 4.1.

Section 41 and 42 require a single panel to hear submissions on land transport and land use changes for Auckland. This indicates a more holistic and integrated approach to decision-making. Local authorities are required to ensure their statutory documents are not only integrated in relation to intensification, but also in relation to what intensification entails, including land uses such as housing. The Local Government (Auckland) Amendment Act 2004 provides a vital connection between the Resource Management Act and the Local Government Act 2002.

4.1.2 The Resource Management Act 1991

The Resource Management Act 1991 sets up a regime for the sustainable management of natural and physical resources including the use in a manner that avoids adverse effects on the environment. The sustainable management approach is set up in the purpose of the Act in section 5. The courts have consistently interpreted the meaning of section 5 in a holistic and broad manner (Skelton and Memon, 2002). Skelton and Memon (2002) acknowledge that the onus is on decision-makers to take into account in a holistic integrated fashion, the diverse values different groups place on the environment, as a basis for decision-making about allocation and management of resources. A holistic interpretation of the meaning of the word environment is also needed to fulfil the purpose of the Act. The definition of environment in the Resource Management Act 1991 includes the social, economic, aesthetic and cultural conditions which affect ecosystems, natural and physical resources and amenity values (Resource Management Act 1991 s.2). Affordable housing and intensification fall

into this definition of environment and, therefore, need to be considered in the definition of sustainable management.

Many amendments have been made to the 1991 Act, and in August of 2005 an amendment seeking to address issues raised through a consultative review of the Act carried out in 2003 and 2004 was passed by Parliament. These issues included the lack of guidance on matters of national importance, the lengthy plan making process, the costs involved in obtaining resource consents, and the general performance of local authorities. The amendments aim to provide greater certainty and efficiency in the way the Resource Management Act operates, while not sacrificing public involvement and protection for the natural environment (Ministry for the Environment, 2005a). Improving national leadership and improving local policy and plan making were two of the areas addressed by the 2005 amendment. This amendment makes it a clear responsibility of regional councils to strategically integrate “infrastructure with land use through objectives, policies and methods” (Ministry for the Environment, 2005a). Additionally, regional plans and district plans must now “give effect to” the Regional Policy Statement (Ministry for the Environment, 2005a). Both of these amendments should result in improved consistency between councils and increase the power of regional authorities to implement their regional policy statement.

The Local Government Act 2002 takes a sustainable development approach, and the Resource Management Act 1991 takes a sustainable management approach. Affordable housing is important to achieving social sustainability, and intensification is important to sustainable urban form, and both these concepts are important to quality of life. Therefore, both affordable housing and intensification are able to be considered by decision-makers in fulfilling the purpose of the Resource Management Act 1991 and the Local Government Act 2002.

4.1.3 Housing Legislation

Several pieces of housing legislation are relevant to this study and are summarised in Table 4.1. Collectively the housing legislation outlined in Table 4.1 provides a framework for the government to intervene in the affordable housing market, regulate

for healthy housing of reasonable quality and for the Ministry of Social Development to administer an accommodation supplement to low income households.

Table 4.1: Summary of housing legislation

Relevant Legislation	Description of Legislation and Relevance to this Study
Housing Act 1955	This Act enables the Minister of Housing to authorise the acquisition and development of land for State housing purposes and to "determine...any other matters of State housing policy".
Health Act 1956	This Act deals with nuisances which may arise in connection with the condition and use of dwellings. Under this Act the Housing Improvement Regulations 1947 set minimum standards of fitness for dwellings and includes controls on overcrowding.
The Housing Corporation Amendment Act 2001	This Act amends the Housing Corporation Act 1974. The main purpose of this Act is to establish Housing New Zealand Corporation to administer the Crown's housing operations and to define its objectives, functions, powers and duties. The Corporation will give effect to the Crown's social objectives, exhibit a sense of social responsibility, a sense of environmental responsibility and operate with good financial oversight.
Residential Tenancies Act 1986 and Housing Restructuring (income related rents) Amendment Act 2000	<p>The Residential Tenancies Act 1986 defines the rights and obligations of landlords and tenants, and establishes a dispute resolution service, including a tribunal, to determine disputes between them. The Act also establishes a fund in which tenants' bonds are held. The Act provides for mediators (appointed as public servants) to mediate in tenancy disputes. Under the Act, Tenancy Adjudicators (at the Tenancy Tribunal) are appointed by the Governor-General upon the recommendation of the Minister of Justice. The Minister of Justice consults in this with the Minister of Housing.</p> <p>The Housing Restructuring Amendment Act 2000 implements the Government's policy of setting the rent for persons on low income in State houses to be based on their income and the allocation of Housing New Zealand housing.</p>
Building Act 2004	In New Zealand, the building of houses is controlled by the Building Act 2004, which applies not only to the construction of new buildings but also to the alteration, demolition and maintenance of existing buildings. The building Act 2004 sets performance standards for buildings that ensure the health and safety of users, amenity, fire safety, and requires that buildings are constructed and used in a way that promotes sustainable development.
Housing Restructuring Act 1992	This Act outlines the objectives and responsibilities of HNZC, which owns the government's stock of rental properties. The Act requires HNZC to operate as a successful business that will assist in meeting the Crown's social objectives by providing housing and related services, and provides for the vesting in HNZC of State housing land and the rental assets previously administered by the Housing Corporation. Under the Act the Crown owns HNZC through two shareholding Ministers. One is the Minister of Finance, the other is the Minister responsible for the Act (currently the Minister of Housing).
Housing Assets Transfer Act 1993	This Act provides for the transfer of the ownership of various specified housing assets to HNZC. These are mainly mortgages previously administered by the Ministry of Maori Development.
Social Security Amendment Act 1993	This Act establishes the <i>Accommodation Supplement</i> which provides assistance with housing costs to low-income households. It is administered by the Department of Work and Income.

Source: Adapted from the Department of Building and Housing online 2005

There are clear links between housing legislation and the Local Government Act 2002 and the Resource Management Act 1991. The importance of buildings to sustainable development is explicitly stated in the purpose of the Building Act 2004, to ensure that:

3 (d) buildings are designed, constructed, and able to be used in ways that promote sustainable development

(Building Act 2004 s. 3 (d)).

Recently there has been a move to improve many of the legislative processes that have an impact on affordable housing. Amendments to the Resource Management Act should remove some barriers to developers in providing affordable housing, and changes to the Local Government Act will ensure integration and local level implementation where possible. The Building Act 2004 is intended to ensure that buildings are designed and built right the first time by improving the quality of decisions made at each of the stages in building: design, consent, build and inspect (McCormack, 2005). It is evident, especially in the Local Government (Auckland) Amendment Act, that there is a move for more integrated planning in New Zealand. Integrated planning requires more goal-oriented planning and is not just about avoiding adverse effects on the environment. It involves a co-ordinated approach to intensification and affordable housing.

4.2 Policy

Legislation has set up the ability for local authorities and government departments in New Zealand to develop policy relating to affordable housing and intensification. Relevant policy outlined in this section includes both regulatory and non-regulatory initiatives. The Auckland Regional Growth Strategy and Sustainable Development Programme of Action for New Zealand are explained. A summary of the history of housing policy in New Zealand is provided to develop an understanding of how the current policy was developed. As well as providing descriptions of relevant policy, this section also analyses the effectiveness of policy in practise.

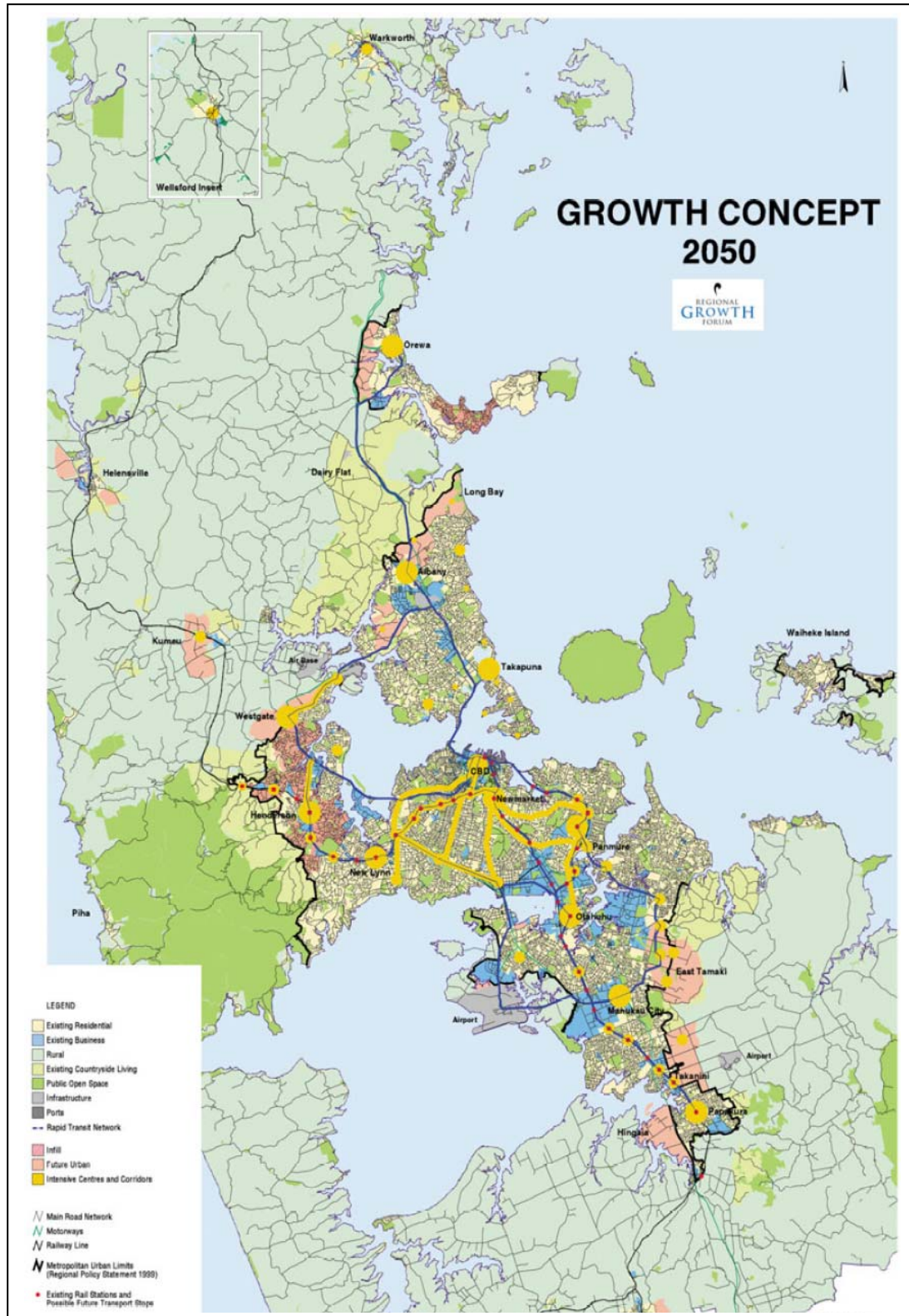
4.2.1 The Regional Growth Strategy

In accordance with the Local Government Act 1974 the Regional Growth Strategy for Auckland was produced and released in 1999. The Regional Growth Strategy establishes a fifty year vision for accommodating an anticipated population of two million people in metropolitan Auckland. The Strategy's vision is to sustain strong supportive communities, a high-quality living environment, a region that is easy to get around and protection of the coast and surrounding natural environment.

The Regional Growth Strategy growth concept for Auckland has many facets throughout the document. These are summarised in Figure 4.1 which identifies (in orange) 61 intensive growth nodes and corridors. One of the key features of the strategy is that growth will be managed by promoting quality, compact urban environments through intensification. The Regional Growth Strategy anticipates that by the year 2050 more than a quarter of the Auckland's population will be living in higher density, multi-unit residential developments. The Regional Growth Strategy recognises that land use and transport are closely interrelated and that efficient transport services depend on intensification i.e. more customers per kilometre. The process for implementing the strategy recognises the need for collective implementation and commitment from all members of the Regional Growth Forum.

Five themes for implementing the strategy include partnerships and relationships, the need for alignment of policy and funding, a long-term vision and identified short term actions, a wide and adaptable range of implementation mechanisms, and a process to keep the vision alive. Implementation will involve the use of statutory and non-statutory mechanisms, and is a long term process. The Auckland Regional Growth Forum develops policy for affordable housing and intensification, however success relies on the effectiveness of territorial authorities to implement that policy.

The growth strategy promotes growth by intensification and identifies key features of the growth concept by sector: North, West, Central and South Auckland. Growth in each of the sectors is to be accommodated predominately through intensification within the Metropolitan Urban Limit.



Source: Regional Growth Forum, 1999 p34-35

Figure 4.1: Growth Concept under the Auckland Regional Growth Strategy

Intensification in each of the sectors is outlined in the Auckland Regional Growth Strategy as (p 32-33):

<i>North</i>	<i>All urban growth will be accommodated within the existing Metropolitan Urban Limit</i>
<i>West</i>	<i>Sixty percent of growth will be in the form of intensification in existing urban areas</i>
<i>Central</i>	<i>All growth in the central sector must be by way of intensification</i>
<i>South</i>	<i>Forty-four percent of growth could be by way of intensification</i>

Each sector has quite different constraints and capabilities for urban growth and these differences are reflected in the way councils have managed growth in the last five years.

The Regional Growth Forum adopted a Regional Affordable Housing Strategy 2003 that makes clear links to the Regional Growth Strategy, and identifies the following principles from the Regional Growth Strategy as being relevant to affordable housing:

Enable people and communities to meet their basic needs of shelter, safety, health, education, cultural expression, income, recreation, leisure, to facilitate the health and safety of present and future communities

Enable a regional growth pattern which can provide a range of housing choice by type, affordability and location

(Regional Growth Strategy, 2003 p10)

The Regional Affordable Housing Strategy is analysed in chapter five, where the Auckland approach to affordable housing is explored.

4.2.2 Sustainable Cities

The Sustainable Development Programme of Action for New Zealand was released in January 2003. The Programme of Action for Government has developed out of New Zealand's international commitment to sustainable development through the 1992 UN conference on environment and development (the Rio Earth Summit) and the 2002 UN World Summit on Sustainable Development (Department of Prime Minister and Cabinet, 2003).

‘Sustainable Cities’ is one of the four action plans intended to focus and reorient government policy making and processes. Section 3.3 of the Programme of Action asserts the essential nature of sustainable cities with an overarching goal of: “sustainable cities – our cities are healthy, safe and attractive places where businesses, social and cultural life can flourish” (Department of Prime Minister and Cabinet, 2003 p19). Desired outcomes of Sustainable Cities include cities as centres of innovation and economic growth, and liveable cities that support social well-being, quality of life and cultural identities. The Programme of Action gives particular priority to Auckland with “its rapid population growth, cultural diversity and economic dynamism” and recognises that “many of the challenges for sustainable development have their strongest expression here [in Auckland]” (Department of Prime Minister and Cabinet, 2003 p19).

The Programme of Action recognises that a more integrated approach to sustainable development is needed in order to tackle urban growth issues. It proposes that central government work to remove barriers in order to empower city authorities to take appropriate control of sustainable development (Department of Prime Minister and Cabinet, 2003). Relevant sections of the programme of action are summarised in Table 4.2, and, although this is a New Zealand-wide document, it recognises the special need for sustainable development in Auckland.

In order to give effect to the Sustainable Cities action plan, a co-ordinating group of central government and Auckland local authorities has been active. As part of Sustainable Cities, the Programme of Action acknowledges that the quality of urban design is an issue in New Zealand. In recognition of this issue and as a result of the Sustainable Development Programme of Action, a New Zealand Urban Design Protocol was released in March 2005. All city councils in the Auckland Region are signatories to the protocol. The Urban Design Protocol aims to make towns and cities more successful by using quality urban design to help them become competitive, liveable, environmentally responsible, inclusive, distinctive and well-governed places (Ministry for the Environment, 2005b).

Table 4.2: Summary of relevant sections of the Programme of Action for Sustainable Cities

Programme of Action for Sustainable Cities – relevant sections
Removal of legislative impediments to sustainable medium and high density housing
Improved whole-of-government co-ordination and engagement
Land use and transport connections, particularly for urban redevelopment and greenfield development
Development of an urban design charter to support health and social well-being of urban citizens, take a holistic approach that incorporates urban, cultural and community identities, meet the diverse needs of different interest groups and encourage investment in urban design skills and training.
Develop a methodology and commit to the collection of data and indicators to record the state of social and environmental well-being of urban areas in collaboration with urban authorities
Working collaboratively with local government and business and communities, particularly in Auckland, to identify and address cross-cutting, hard to tackle social development issues that are a priority for the region including: improving housing, particularly for families with children, improving settlement outcomes for new migrants and refugees and planning for health infrastructure

Source: Department of Prime Minister and Cabinet p 22

Housing New Zealand Corporation is in the process of producing a design guide for housing at higher densities (Housing New Zealand Corporation, 2005a). The design guide has been developed as a guide for social housing at increased densities. It is clear that good quality urban design might make higher density development more acceptable to receiving communities.

4.2.3 Housing Policy in New Zealand

The Labour-led government produced the first State house in 1937, after a smaller than expected response to the workers' dwelling scheme following the Workers' Dwelling Bill 1905. Affordable housing has, therefore, been on the agenda of governments since the early 20th century. The reasons for intervening in the housing market have remained very similar, but the means of intervention by the State have varied greatly over the past 100 years. The timeline presented in Figure 4.2 provides an overview of how housing policy has changed and evolved, from provision, to income supplements to selling of housing stock. It is evident through an analysis of Figure 4.2 that, as governments have changed, so too have the policies relating to the role of the State in affordable housing. Over the past 100 years, New Zealand governments have oscillated between the two poles of direct housing provision and leaving housing to the free market.

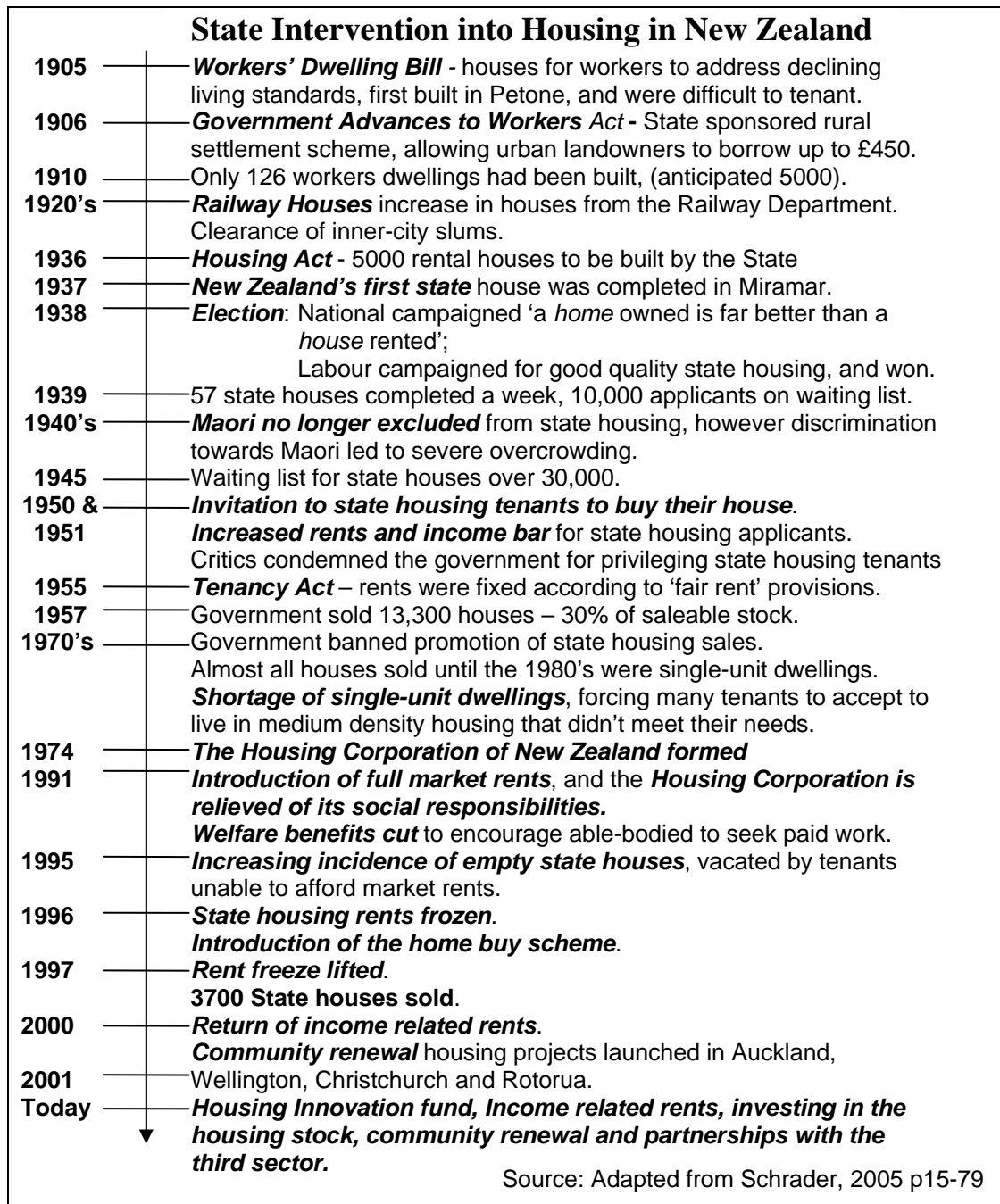


Figure 4.2: Timeline of the State's role in affordable housing in New Zealand

Schrader (2005 p30), identifies how politics have influenced intervention into housing “left leaning governments... increase provisions for State housing, while those inclined to the right... focus on home ownership”. Today, with six years of a Labour led Government, there is definitely a move to expand housing stock and to retain the income related rents that were re-introduced in 2000. As well as housing provision, the current government provides an accommodation supplement to low income households to subsidise high housing costs relative to income.

The Government provides housing and accommodation income supplements, by which it is able to target both those in the private and public housing markets and assist a large group of people. However, demand for State housing has mostly outstripped supply (Schrader, 2005). This phenomenon is still true of housing today, with 11,480 people on the Housing New Zealand waiting list in July 2005 (Housing New Zealand Corporation, 2005g).

4.2.4 Central Government Relationship to Local Government

The role of local government in relation to affordable housing in New Zealand is far from clear. Similar to the way national leadership constantly changes, local governments' view of their role in housing is also constantly changing. The reaction of local governments to National Party policy in the 1990s (see Figure 4.2) is identified by McKinley Douglas (2004 p1):

As a direct consequence of the policy changes of the 1990s, a number of local authorities, concluding that they had no role in the provision of social housing disposed of all or part of their housing portfolios.

McKinley Douglas (2004) identifies how local authorities are directly influenced by government policy, especially when financial support to local authorities changes. The impact of housing reforms was illustrated by Auckland City in 2002 when it divested itself of its entire 1,560 units of council housing. The justification for this sale was that housing was not a core activity of council (McKinlay Douglas Ltd, 2004). Fortunately, Housing New Zealand Corporation purchased the portfolio, enabling the housing to remain affordable to those in need. Perhaps with the Local Government Act 2002, there will be less fluctuation in the role of local authorities as they are now explicitly required to consider the well-being of their community.

4.2.5 Housing New Zealand Corporation

Housing New Zealand Corporation is the current government housing agency, and has two broad roles, relating to policy advice to the government, and in intervening in the housing market to provide access to good quality affordable homes. Housing New Zealand Corporation is the largest single housing provider in the country, providing

about 4.5 percent of all of New Zealand's housing stock. The corporation is responsible for providing rental housing for New Zealanders who have the greatest housing need, and is also involved in partnerships with councils and other third sector organisations. Specific Housing New Zealand Corporation initiatives such as community renewal projects and mortgage insurance programmes will be discussed further in chapter five.

The New Zealand Housing Strategy

The New Zealand Housing Strategy 2005 has been developed using the policy functions of Housing New Zealand Corporation. The Housing Strategy is important because for the first time the whole of New Zealand has some comprehensive direction for housing. The New Zealand Housing Strategy outlines a programme of action for the next ten years. The strategy's seven areas of action include: sustainable housing, affordability, home ownership, the private rental sector, housing quality, the housing sector and meeting the diverse needs of communities (Housing New Zealand Corporation, 2005c). The strategy identifies that, by 2007, government intends to expand affordable housing supply by 2000 units, and the majority of these will be in Auckland.

Clearly expanding housing stock is no simple task, as housing is an expensive commodity. Despite best intentions, government's ability to make a significant impact on housing need through the provision of additional housing is very limited because of the expensive nature of intervening in the housing market. This issue is compounded in Auckland by the high cost of residential development there, relative to the rest of the country (McKinlay Douglas, 2004).

4.3 Conclusion

Policy and legislation related to intensification and affordable housing span several statutes and government departments, illustrating the breadth and importance of these concepts. There is no central policy or piece of legislation connecting affordable housing or intensification to each other. Instead this relationship is recognised explicitly in policy such as the Auckland Regional Growth Strategy and implicitly in

sustainable development and sustainable management mandates. Policy is increasingly beginning to recognise that the need to plan for growth and affordable housing, as national documents such as the New Zealand Housing Strategy and the Sustainable Development Programme of Action explicitly refer to growth and housing issues in Auckland.

Approaches to Affordable Housing

5.0 Introduction

Outlining international and national approaches to affordable housing is important in helping to assess and compare the Auckland situation. International approaches to affordable housing can provide possible improvements and solutions to the way the Auckland Region is currently dealing with affordable housing issues. This chapter starts by summarising international approaches to affordable housing, and then presents the Auckland housing situation and the way that each of the four cities in Auckland are dealing with affordable housing issues.

5.1 Affordable Housing Approaches

International approaches to affordable housing are generally context specific, reflecting government legislation and the nature of political system and population. However, these approaches can still be applied to New Zealand, as causes of unaffordable housing are felt universally. For example, the lack of affordable housing is evident in the UK, Canada, USA and Australia (McKinlay Douglas, 2004). New Zealand wide approaches to affordable housing, such as the accommodation supplement, will also be discussed here. The approaches outlined in this section are discussed as regulatory, demand side and supply side intervention.

5.1.1 Regulatory Intervention

Affordable Housing through the Tax System

A review of the supply of affordable housing in the UK was undertaken by Kate Barker in 2003. The Barker review suggested Government actively pursue measures to share in development gains accruing to landowners, so that increases in land values

can benefit the community more widely (Barker, 2004). Several mechanisms were suggested for sharing in development gain including a 'Planning Gain Supplement'. The granting of planning permission would be a suitable point in the planning process to levy the Planning Gain Supplement. It is anticipated that developers pass the cost of the Planning Gain Supplement back to the landowners by offering a lower price for the land.

As well as taking a proportion of development gain in a tax for affordable housing, the Government could also offer tax incentives to encourage land to be brought into the market for development. The Barker review identified land constraints as the main limitation on housing growth in the UK (Barker, 2004). In Auckland there are also considerable constraints on land supply, and these constraints are likely to worsen as the Region grows and begins to feel the impact of the Metropolitan Urban Limit imposed under the Regional Policy Statement for Auckland.

Planning Gain

'Planning gain' is a regulatory planning tool implemented through the planning system that is becoming an increasingly common feature of development in the UK. Planning gain can include: provision of school resources, provision of open space, road improvements, community infrastructure and affordable housing. For affordable housing, planning gain is a regulatory mechanism that can impact on the supply side of the market, either increasing home ownership or improving the supply of rental properties available to low income people. Provided local planning authorities have policies in their adopted statutory development plans that assess the need for new affordable housing in their district, they may require private developers to contribute to this need. Once developers have agreed to make contributions, these are legally binding under the UK Town and Country Planning Act 1990.

One problem with planning gain is that many authorities are unsure about the extent of their powers covering the ability to set site thresholds and targets to demand specific tenures. Planning gain is commonly used in the UK and has been growing in importance since the 1970s.

Inclusive Zoning

Inclusive zoning (or inclusionary zoning) is another mechanism used by planning authorities to increase the supply of affordable housing. Inclusive zoning approaches initially developed in reaction to exclusionary zoning, where certain types of housing are purposefully excluded from developments. Inclusive zoning aims to respond to increasing affordable housing issues by encouraging developers to incorporate some proportion of housing for low and moderate income households in market rate residential projects (Porter, 2004). Inclusive zoning can be used as a tool for intensification that distributes affordable housing throughout the community, promotes intensification by raising the allowable density, provides a positive political climate for preserving existing affordable housing and spurs collaboration among the private and public non-profit sectors (Porter, 2004). Usually there is a threshold (for example 15 units) and any development in excess of this threshold has to provide some affordable housing. The city of Vancouver has required developers of major projects to set aside 20 percent of sites for non-market housing, and the price paid to the developer (based on typical land and construction costs in the region) is the cost of the land and construction minus the cost of developing the housing (McKinlay Douglas Ltd, 2004).

One example of inclusive zoning in New Zealand is in Queenstown, where the Queenstown Lakes District Council has entered into an agreement with a developer. The agreement sets aside five percent of all residential allotments created to be contributed in either land or money, for the purpose of affordable housing (Housing New Zealand Corporation, 2004). The Queenstown example of inclusive zoning illustrates that affordable housing developments can arise without regulations. However, mandatory approaches could be effective where it appears that developers will not have sufficient incentive to provide affordable housing.

Linkage Regulations

Linkage regulations require developers of non-residential developments to build housing, pay a fee into a housing trust or to make an equity contribution to a low income housing project. The rationale behind linkage regulation is that non-residential development creates a need for housing by attracting employees into an

area (Auckland Regional Growth Forum, 1999b). However, linkage regulation remains complicated. In the USA for example, local governments need to ensure their motives for levying linkage regulation fees relate to housing need. Traditionally linkage fees have been utilised in the provision of parks, schools and public amenities (Auckland Regional Growth Forum, 1999b).

Cities as Land Bankers

In this approach to affordable housing government can acquire land as a means of directing or influencing urban growth (Auckland Regional Growth Forum, 1999b). However, land banking can be costly, can affect land prices and requires public support to be implemented. Cities in the U.S.A and Canada have adopted this approach to address particular housing problems and opportunities in the city (Auckland Regional Growth Forum, 1999b).

Infill Development

Local governments can use infill incentives to promote the development of vacant land in already urbanised areas where infrastructure and services are in place. Infill development can be low cost, because it utilises the existing infrastructure making construction relatively cheaper. However, there is a limit to the amount of intensification that can be achieved using infill, and it is not a very holistic approach. Therefore, although infill development can achieve more compact forms of development, it is not a form of development supported by the Auckland Regional Growth Strategy because other growth management techniques are more sustainable and produce better community outcomes (Auckland Regional Growth Forum, 1999a).

5.1.2 Demand Side Intervention

Demand side intervention involves helping households with the cost of housing and can include assistance with renting or home ownership costs. Demand side intervention helps households operate more effectively in the private market and can give households more freedom about where they live than supply side intervention.

Shared Equity

Shared equity is a form of home ownership where the equity of the property is shared between two parties. The equity partnership is between the low income household and another party such as the government, some form of non-government organisation or a private institution (Smith and Robinson, 2005). An advantage of shared equity is that it helps households which were previously priced out of home ownership into the market. Additionally, these households are able to increase their asset wealth and share in equity gains if the property appreciates.

In South Auckland the New Zealand Housing Foundation runs a very small equity share scheme that is based on capital gain. The New Zealand Housing Foundation is a third sector housing organisation that builds properties at low cost and helps households to purchase the house using the capital gain of the property (Smith and Robinson, 2005). Through this model the household is able to purchase the property at any time over a five year period. The asking price for the property is the cost price, plus twenty-five percent of the difference in the initial cost of the property and the valuation at time of purchase. An example using a cost price of a \$200,000 house is shown more clearly in Table 5.1. When the household moves into the property the house is worth \$220,000 and by the time they purchase the property the house is worth \$250,000 (up to five years later). The purchasing household is required to pay \$212,500 for the property. The remaining \$37,500 can be used by the purchasing household as equity to assist with their deposit.

A weakness of the equity share scheme is that the scheme involves significant initial costs to build the housing and these costs may take five years to be recovered. However, this type of home ownership reduces stress on the market for new houses as it actually increases supply and simultaneously increases the ability of households to enter into home ownership.

Table 5.1: The equity share process

Cost Price of House	Initial Valuation	Valuation at Time of Purchase	Occupants Equity Deposit
\$200,000	\$220,000	\$250,000	\$37,500

Source: Smith and Robinson 2005 p16

There are many other forms of equity share arrangements, including rent-to-buy programmes for council and State housing and help for low income households to finance a mortgage and raise a deposit (Smith and Robinson, 2005). Equity share schemes can help households who are almost financially able to purchase a house and can, therefore, help low to moderate income household's 'staircase' into home ownership.

Subsidised Savings

Savings programmes can encourage households to save and assist them into home ownership. Saving programmes are considered important internationally and are operating in the UK Canada, USA, Taipei, Taiwan, Sweden, Mexico and Singapore (Smith and Robinson, 2005). Subsidised savings schemes in the UK include the government matching household savings for deposits. The USA offers an individual development accounts whereby Government matches savings used for education, small business enterprise or home ownership (Smith and Robinson, 2005).

Mortgage Assistance and Insurance

Housing New Zealand Corporation runs a variety of programmes to assist households into home ownership. These programmes include: assistance for households who cannot find finance through the private sector but are able to support repayments, Papakainga housing (for houses on Maori land held in multiple ownership) and Kapa Hanga Kainga for people who want to build their homes as part of a whanau group. Housing New Zealand Corporation will insure mortgages for low income households who cannot otherwise obtain finance. This scheme is on only a very small scale (1000 households) and there are restrictions including a maximum house purchase price of \$280,000 (Housing New Zealand Corporation, 2005d). Although this initiative to help people into home ownership would be beneficial in most parts of New Zealand, the maximum purchase price of \$280,000 may be too low for those who wish to purchase a house in Auckland.

The Accommodation Supplement

The demand side techniques discussed thus far have all been related to helping households into home ownership. However, some households need help in acquiring rental accommodation. In New Zealand the Ministry of Social Development administers the accommodation supplement to low income households for help with housing costs, including both mortgage and rental expenses (Ministry of Social Development, 2005). The accommodation supplement provides a variable level of subsidy depending on income, tenure type, rent or mortgage level and geographical area. The accommodation supplement allocation system illustrates that Auckland City and North Shore City are the most expensive places to live in New Zealand. The allocation system does this by setting the highest income earning limit to receive the accommodation supplement in these areas. A single adult living on the North Shore or in Auckland City can earn up to \$901 a week, and still receive an accommodation supplement (Ministry of Social Development, 2005).

5.1.3 Supply Side Intervention

Supply side intervention into affordable housing helps ease the pressure if there is a shortage of housing in the market. Supply side solutions respond by increasing the quantity of houses, rather than increasing individual incomes. Regions experiencing population growth will need to consider supply side intervention to meet the future needs of the population. Approaches to increase the supply of affordable housing usually include government or third sector involvement.

Direct Government Intervention

Direct government intervention into affordable housing is government building houses to be rented or sold as affordable for low income households. In New Zealand both central government and local government provide affordable rental housing. Central government's housing portfolio is managed by Housing New Zealand Corporation which owns and manages around 66,000 properties throughout the country (Housing New Zealand Corporation online, 2005e). In addition to central government intervention, many local authorities throughout New Zealand own properties for rent to low income households at affordable rents. For example

Wellington City Council provides more than 2,300 affordable rental units (Wellington City Council online, 2005).

Housing New Zealand Corporation has developed a 'Housing Innovation Fund' of \$64,000,000 over four years to assist local governments, and encourage them to both retain and undertake the necessary maintenance on their housing stock (Housing New Zealand Corporation, 2005e). As mentioned previously, local authorities have struggled with the costs of maintaining and expanding their stock of affordable housing. This indicates that Central Government would like to see more involvement of local authorities in providing affordable housing.

The Third Sector

The Housing Innovation Fund is also available to third sector organisations such as the New Zealand Housing Foundation. The third sector housing includes “non profit housing which usually combines public and private finance to produce affordable homes for low income people” (Clements, 1999 p10). Fostering involvement of third sector organisations is motivated by Government goals of increasing the affordability of rental housing and home ownership to low and moderate income households (Housing New Zealand Corporation, 2005f).

In New Zealand the third sector community groups provide a very small proportion of social housing, but have the potential to play a significant role in New Zealand's housing future. Internationally the third sector is playing an increasingly important role in affordable housing. The Brisbane Housing Company is one of the best known non profit housing companies in Australia (McKinlay Douglas Ltd, 2004). The mission of the Brisbane Housing company is to:

work in partnership with local communities service providers, charities and all levels of government to provide appropriate, secure and affordable rental housing in the city of Brisbane to people in need.

(Brisbane Housing Company Online, 2005)

The Brisbane Housing Company receives financial assistance from the Queensland Government Department of Housing and the Brisbane City Council. The Brisbane

Housing Company holds 120 occupied units of affordable housing, and has another 525 units either in construction, out to tender, in the design phase or at preliminary feasibility stages (Brisbane Housing Company online, 2005).

Financial resources are a major constraint to third sector housing projects, and funding from government is essential to community housing projects. In Australia there is a social housing innovation fund of \$94.5 million over a three year period (2000 -2003) to fund capital projects. Two thirds of this fund was intended for joint ventures between the State government and third party providers. Over 80 joint ventures were funded by the housing innovation fund in Australia, typically with councils partnering a community organisation (McKinlay Douglas, 2004). State governments in Australia struggle to provide for affordable housing needs, for example the Queensland Department of Housing is facing decreasing funds, while affordable housing needs are increasing (The State of Queensland Department of Housing, 2005).

Other than financial, other constraints include a lack of land zoned for housing, the capacity of housing associations to expand their development programmes, and specific local issues, for example public opinion. Many of these issues are present in New Zealand, and once addressed, will enable the third sector to take a more active role in affordable housing. A third sector organisation Community Housing Aotearoa Incorporated (CHAI) was established in 2004 to connect, support and represent community organisations throughout New Zealand (Housing New Zealand Corporation, 2005b). It is too soon to evaluate the impact of CHAI in helping community organisation to overcome financial and resource related challenges but, the development of CHAI is positive, and through collaboration and support it will help the third sector to develop.

There are many approaches to affordable housing throughout the world and across New Zealand, and only a small selection of these have been summarised here. However, the summary presented illustrates that the lack of affordable housing is not only a New Zealand issue. It also illustrates that regulatory approaches are used internationally, but that New Zealand predominantly relies on supply and demand side intervention through Housing New Zealand Corporation and the accommodation

supplement. The third sector is very small in New Zealand, but with sufficient support and funding has the potential to grow and become a larger player in the contribution to affordable housing.

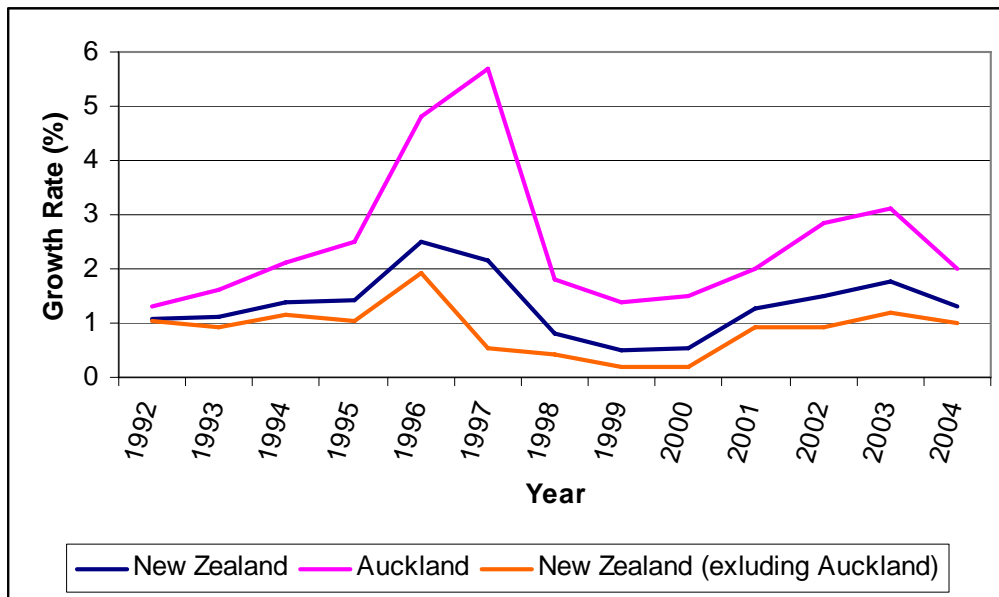
5.2 Growth in Auckland

This section introduces the nature of Auckland's population growth relative to the rest of New Zealand and identifies that dwelling prices in Auckland are particularly high. The rate and nature of population growth in Auckland to some extent will dictate the type of intervention needed for housing to become affordable. For example, continued high population growth will require significant supply side intervention to meet the demands of the growing population.

5.2.1 Population growth

Auckland's population has been growing at a faster rate than the population of the rest of New Zealand for most of this century (Auckland Regional Growth Forum, 1997). Historically, continued population growth has been viewed as positive, but this growth has put significant pressure on the Region's natural and physical resources.

Stopping population growth is not a realistic option for Auckland, and policies to divert population growth to other parts of New Zealand have been tried and generally failed (Auckland Regional Growth Forum, 1997). Fertility, mortality and migration are the three factors that create population growth, and the birth rate is the first factor driving population growth in Auckland (Pool et al., 2005). Natural increase in Auckland is particularly high because it has a high concentration of people at prime reproductive ages and a high proportion of Pacific Island and Maori people who tend to have larger families. However, immigration to Auckland from overseas is still relatively high, with fifty-four percent of immigrants to New Zealand settling in Auckland (Pool et al., 2005). Figure 5.1 illustrates that Auckland faces a much higher growth rate than the rest of New Zealand and that Auckland's growth rate has a big impact on New Zealand's overall growth rate.



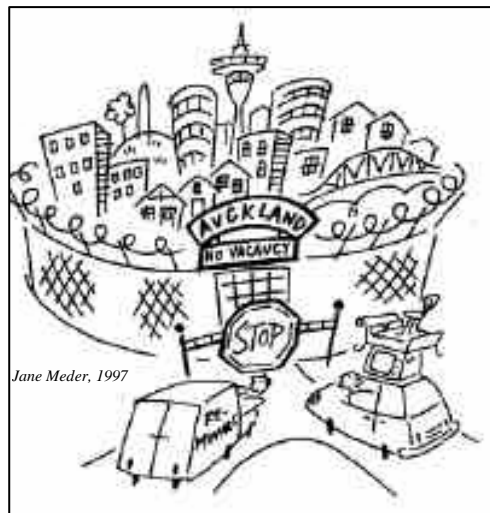
Source: adapted from: Auckland Regional Council statistics from Regional Informant 3 2005

Figure 5.1: Population growth rates for New Zealand and Auckland 1992 - 2004

Even when the rest of New Zealand was experiencing a population growth rate of 0.5 percent in 1999 and 2000, Auckland's growth remained significantly higher at 1.5 percent. Auckland is expected to account for two thirds of New Zealand's population growth over the next twenty years, estimated to grow from 1.22 to 1.77 million by the year 2026 (Statistics New Zealand, 2005).

Figure 5.2 illustrates the concern over population growth even back in 1998, and the attraction of Auckland has for immigrants. There are significant costs to continued population growth for Auckland if it is not managed efficiently. These costs include traffic congestion, air, land and water pollution, the destruction of historic buildings, and the loss of biodiversity and indigenous forest (Auckland Regional Growth Forum, 1998).

A discussion paper produced by the Auckland Regional Growth Forum in 1998 outlined the option of no or slow growth for the Auckland Region. The majority of the possible growth control techniques were largely seen as "unacceptable", "unlikely" and "rigid" (Auckland Regional Growth Forum, 1998 p13-14). However, a regional development policy, with the aim of spreading development more evenly throughout the country, was presented as a more realistic policy.



Source: Regional Growth Forum, 1998 p.1

Figure 5.2: Artistic impression of a possible response to Auckland’s population growth

Many local authorities throughout New Zealand are trying to attract people to their area to slow their rate of decline or to encourage growth. For example Dunedin City with its ‘I am Dunedin’ campaign, trying to attract business and individuals to move to Dunedin.

5.2.2 High House Prices

Clearly, the population growth rate drives the need for housing. As house prices increase, affordable housing shortfalls are exacerbated. Every quarter year Massey University Property Group calculates an affordability index comparing average weekly earnings with the median dwelling price and mortgage interest rates. The relative affordability throughout eleven regions across New Zealand is shown in figure 5.3, illustrating that Auckland is the least affordable region to live in the country.

Obviously within the regions there will be some places that compare to house prices in Auckland in terms of affordability. For example, residents in Queenstown are also finding it very difficult to find affordable housing (Mead and Austin, 2004).

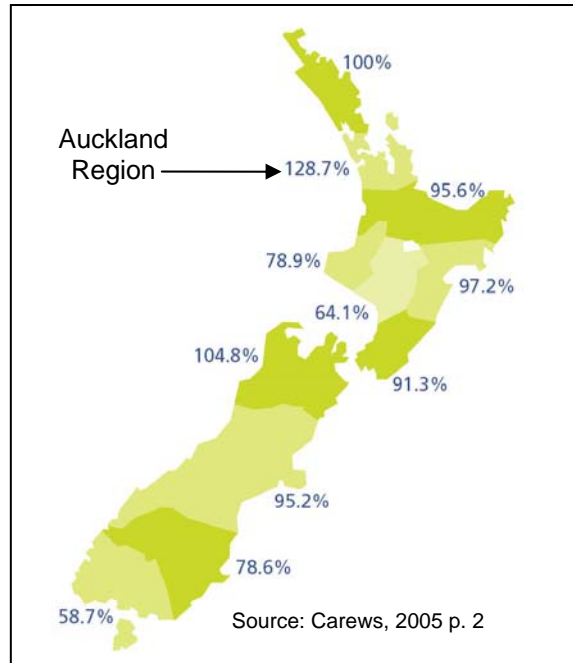
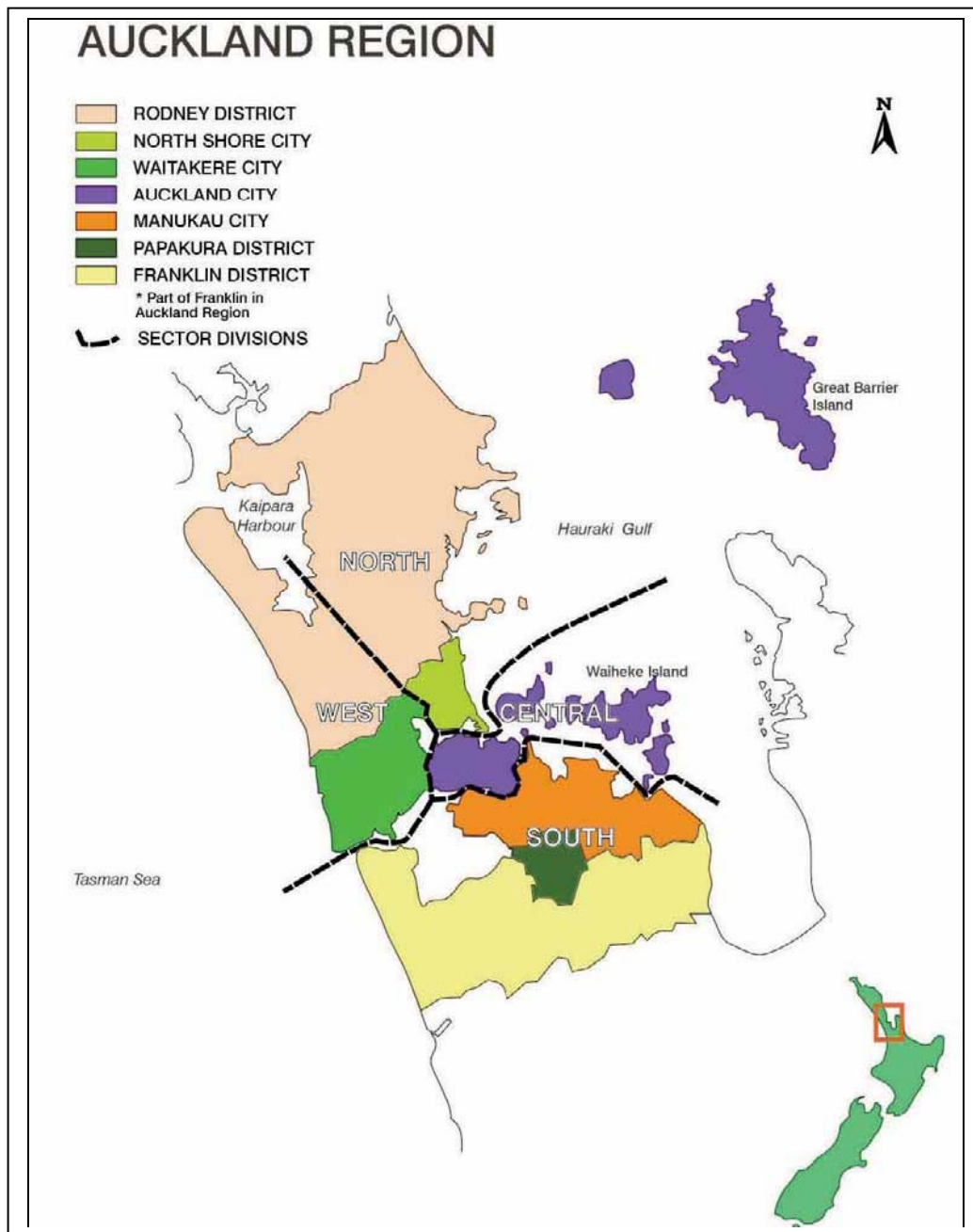


Figure 5.3: Regional affordability in New Zealand as a percentage of national average (June 2005)

The average house prices for the Queenstown Lakes District actually overtook Auckland in the March and June quarters of 2004 (Housing New Zealand Corporation, 2005c). The number of people who live in Queenstown is very small compared to Auckland. Therefore, although affordable housing in Queenstown is important, the Auckland case will need significantly more intervention to find solutions for affordable housing.

5.3 Approaches to Affordable Housing in Auckland

This section outlines the specific approaches to affordable housing that are currently being undertaken in the Auckland Region. There are eight local authorities in Auckland, including one regional council, three district councils and four city councils. This research is focused at the city level of North Shore, Auckland, Waitakere and Manukau City Councils, and also looks at the Auckland Regional Council and its relationship with each of the city councils. Figure 5.4 provides a map of the Auckland Region and illustrates the boundaries of each of the local authorities. The remainder of this section will outline the Auckland Regional affordable housing responsibilities and then outline the role that each of the four city councils is playing in affordable housing at present.



Source: Auckland Regional Growth Forum, 1999

Figure 5.4: Map of the Auckland Region showing local authority boundaries

5.3.1 Auckland Region

In 1996, the Auckland Regional Council, together with seven city and district councils of the Auckland Region, established the Auckland Regional Growth Forum (Auckland Regional Growth Forum, 1998).

The aim of the growth forum is to:

Implement a strategy for the Auckland Region which ensures growth is accommodated in a way that enables people and communities to provide for their social, economic and cultural well-being, whilst protecting environmental quality.

(Growth Forum Agenda, 1996, cited in Auckland Regional Growth Forum, 1998).

The Regional Growth Forum for Auckland not only approved the Regional Growth Strategy in 1999 (see section 4.1.1 & 4.2.1), but also developed a Regional Affordable Housing Strategy in 2003. There are two principal goals of the Regional Affordable Housing Strategy 2003 (p4):

Goal one: *to enable all households in the Auckland Region to live in housing that is affordable.*

Goal two: *to encourage affordable housing that is well located, appropriate to needs, well designed, integrated into communities, and provides for people's need for choice, security, safety and good help.*

The Affordable Housing Strategy makes several links to the Auckland Regional Growth Strategy, recognising that affordable housing initiatives need to realise that Auckland is developing in an increasingly intensive environment. The Affordable Housing Strategy for Auckland recognises that it has a “complex” relationship with the Auckland Regional Growth Strategy, and intensification's impact on affordability depends on the take-up of opportunities for higher density development (Regional Growth Forum, 2003 p8). This is especially important for supply side affordable housing solutions that will require the ability to construct housing under a policy of intensification.

5.3.2 North Shore City

North Shore City had a population of 209,000 in June of 2004 with a growing ageing population (Statistics New Zealand, 2005). By 2021 it is expected that the 65+ age group will form 15.8 percent of North Shore's total population (North Shore City Council, 2004a). Housing for the elderly is therefore of particular importance to the North Shore City Council. This is reflected in their provision of 500 council houses for the elderly, and through the council's implementation of a scheme called 'own your owns', also directed towards older people. As well as an ageing population, North Shore's population is increasing in its ethnic diversity, but retains a dominant European population, with 79 percent of North Shore's population being European (North Shore City Council, 2004b). The focus in North Shore City's planning documents is on achieving a variety of building types and creating vibrant town centres. Affordable housing has not been identified as a key issue, despite the North Shore having the second highest average for house price sales at August of 2005 (Quotable Value New Zealand, 2005a).

In 2003 Housing New Zealand launched one of its five community renewal projects in Northcote, to improve affordable housing on the North Shore. The Northcote Central project is a long term venture and involves a partnership between Housing New Zealand, North Shore City Council, and the community. The project area contains 600 properties and 2,500 residents. Work has started on the project with the site office opening in June of 2004.

In accordance with the requirements of the Local Government (Auckland) Amendment Act, North Shore City has notified changes to its district plan. These changes include objectives of: compact well designed more sustainable urban form, ensuring high levels of mobility and accessibility and improving the quality of the built environment (North Shore City Council, 2005).

5.3.3 Waitakere City

Waitakere City is the smallest of the four Auckland Cities, but remains the fifth largest city in New Zealand at an estimated population of 189,300 in June 2004 (Waitakere City Council, 2005a). Like North Shore City, Waitakere City's

population is continuing to grow in diversity but, in contrast Waitakere is a demographically young city (Waitakere City Council, 2004). Waitakere City has adopted a unique eco city vision, which entails: “working together for better social, environmental, and economic outcomes for our children our grandchildren and ourselves” (Waitakere City Council, 2005a). Urban consolidation to accommodate future population growth inside the current urban area is part of this eco city vision.

Housing affordability is explicitly identified in Waitakere City’s *Wellbeing Report* and its Long Term Council Community Plan. Sustainable housing is very important to its eco city principles, so the council encourages sustainable building, developing partnerships with community groups and providing sustainable building guidelines. For example, the Council produced ‘eco-friendly house guidelines’, which provide a range of advice to the community aimed at creating healthier and more energy efficient homes that have less impact on the environment. The well-being report also identifies the commitment of Waitakere to the provision of housing in the city for older people.

As is evident from the study thus far, land is both scarce and expensive in Auckland. Housing New Zealand has had the opportunity in Waitakere to acquire land because of the closure of Hobsonville as an air base. The availability of this land presents a unique opportunity for the Waitakere region, enabling Housing New Zealand to expand its housing stock and plan for an entire community. An integrated development that incorporated all aspects of community is being developed for Hobsonville (Housing New Zealand Corporation, 2005e). The development of Hobsonville is part of Waitakere City Council’s district plan changes in accordance with the Local Government (Auckland) Amendment Act 2004. Other district plan amendments include intensification and development around the New Lynn town centre and managing growth in such a way to ensure that the city develops to achieve a compact urban form (Waitakere City Council, 2005b).

5.3.4 Auckland City

Auckland City is physically the most constricted of the four councils having virtually no greenfield land available for residential development. Intensification is therefore

inevitable in Auckland City that was estimated to have 401,000 people in June 2002 (Manukau City Council, 2005a). As was discussed in chapter four, Auckland City Council does not provide any housing, having decided in 2002 that housing was not part of council's role. However, Auckland City Council still recognises that affordable housing is important and launched an affordable housing policy earlier this year that will contribute one million dollars towards affordable housing partnerships. These partnerships are yet to be finalised but could include the involvement of Housing New Zealand Corporation and third sector housing groups.

Auckland City Council launched a growth management strategy for the region in December 2003. The strategy identifies a 'compact city' approach as necessary and involves focusing growth around town centres, increasing the density of development and co-ordinating growth with transport facilities and infrastructure (Auckland City Council, 2003). The Auckland growth management strategy encourages a mix of housing types and communities, but contends that "Council's current position on housing is that central government is responsible for providing and managing social housing" (Auckland City Council, 2003 p3.14). Auckland City Council is encouraging intensification in certain zones through its district plan. The Residential 8 zone in Auckland City allows for apartment and terrace style housing close to town centres. The residential 8 zone is also combating 'battery hen' apartments by setting a minimum floor area of 40sqm for an apartment.

Housing New Zealand operates its second community renewal project at Auckland City's Talbot Park. This is a development involving the refurbishment of 108 flats and the construction of 97 new homes with a project budget of 45 million dollars (Housing New Zealand Corporation, 2005g). The community renewal project involves a partnership between the Housing New Zealand Corporation, Auckland City Council and the community. Talbot Park is part of the Residential 8 zone for the city, encouraging higher densities close to town centres.

5.3.5 Manukau City

Similarly to Waitakere and North Shore Cities, Manukau city also provides council housing for the elderly in need. Manukau City Council owns 1505 units that are

rented to the elderly (Manukau City Council, 2005a). Manukau is the third largest city in New Zealand and its population was estimated at 307,100 in June 2002 (Manukau City Council, 2005a). The city has a uniquely high population of Pacific Island people, and with over 160 different ethnicities in Manukau, the city has a very multicultural and diverse population (Manukau City Council, 2005a).

Manukau is a particularly demographically young city, with 42 percent of the population under the age of 25, and ethnically diverse with 27,000 people speaking Samoan in 2004 (Manukau City Council, 2004). It is estimated that less than one third of the population will be European in the year 2016 (Manukau City Council, 2004). In Manukau City's 'changing the face of Manukau document' they identify "affordable accommodation" and an elimination of the "pockets of poverty" in the region as key goals in a healthy and economically secure community (Manukau City Council, 2004 p36-37).

A third community renewal project is being undertaken by Housing New Zealand Corporation at Clendon in Manukau City. The Clendon community renewal project has included the construction of new housing, landscaping, and the development of a crime and safety programme for the area (Housing New Zealand Corporation, 2000e). The community renewal project involves a partnership with Housing New Zealand Corporation, Manukau City Council and residents of Clendon.

Currently Manukau City is working on master plans for Pakaranga which involves the development of 3,500 houses and for Flatbush where they are expecting a population of 40,000 people by the year 2020. Flatbush will have a mix of apartments, terrace houses, town houses and traditional stand-alone homes. Encouraging this range of housing types is consistent with achieving housing choice under the Auckland Regional Growth Strategy. At present, Flatbush is the largest greenfield development in New Zealand, however, there are no provisions for affordable housing in the master plan.

Manukau City Council has notified changes to its district plan in accordance with the Local Government (Auckland) Amendment Act. These changes include developing concept plans for growth nodes and aligning Manukau City Council's policies with

policies for land use and transport. Manukau is also in the process of developing a growth management strategy for the city (Manukau City Council, 2005b).

A healthy housing pilot programme was trailed in Manukau City and Auckland City. The healthy housing programme involved tenancy managers, public health nurses and families residing in State housing collaborating to improve the health of State housing tenants. The focus of the pilot was on combating health issues associated with overcrowding. Assessments were carried out on selected properties and a joint action plan developed with the tenants to combat any health issues. Improving the health of tenants involved a range of interventions including emergency food provision, design improvements to the house, extensions to accommodate the size of the family and installation of insulation and ventilation systems (Housing New Zealand Corporation, 2005e).

The above summary of each city council's role in affordable housing illustrates that they take significantly different approaches. All four city councils recognise somewhere in their planning documents that affordable housing is an issue for the quality of life of their communities. They also all recognise the impact that planning for growth is having in their region. The extent of local authority involvement varies significantly across the Auckland Region. However, there is a strong move to address affordable housing issues in an increasingly intensive built environment by all four of the city councils.

5.4 Conclusion

Auckland has many affordable housing concerns, exacerbated by land constraints and a lack of local authority co-ordination and responsibility. The withdrawal of Auckland City Council from affordable housing provision reflects a contrasting council approach to affordable housing in other Auckland cities. However, it is clear that affordable housing is increasingly being recognised as a local authority responsibility, particularly with the Local Government Act 2002 and the Local Government (Auckland) Amendment Act. International and national examples of affordable housing programmes illustrate the extensive range of opportunities for government, local authorities and the third sector to encourage affordable housing.

6.0 Introduction

The multifaceted nature of affordable housing was identified in the literature, and this chapter reinforces these findings. Data collection for the findings presented in this chapter was primarily achieved through the conducting of key informant interviews with people from local authorities, community groups and housing organisations in the Auckland Region. A total of 27 key informants were interviewed using a semi-structured interview technique. A summary of the questions asked of key informants is provided in Appendix A of this thesis.

Key informants expressed the importance of housing as much more than a physical structure; it is important to communities and individual well-being. The subsequent chapter illustrates the many facets of housing using themes identified in key informant interviews. TA Informant 1 illustrates the importance of housing:

It goes to quality of health, quality of violence – or lack of violence, it goes to the quality of education, it goes to the ability to participate in the social life of the community and in employment. All of those things are positively correlated with housing, adequate housing.

(TA Informant 1)

The key themes that were identified from key informant interviews relate to: the current nature of affordable housing, the provision of affordable housing and the role of the Auckland Regional Growth Strategy in relation to intensification and affordable housing. This chapter will explore these themes in detail. Interview respondents were chosen either because of their position in a relevant organisation or because of their expertise in relation to affordable housing and urban intensification. The results are representative of their personal professional views and are not necessarily the views of the organisation for which they work.

6.1 The Nature of Housing in Auckland

As outlined in chapter five, there are increasing pressures on housing in Auckland. In coming to terms with affordable housing, growth and the increasing pressures to intensify key informants identified several issues of concern prevalent in their geographical area. These are outlined in Table 6.1.

Table 6.1: Issues identified by key informants in their City

Issue or Area of Concern	Geographical Area			
	Waitakere City	Manukau City	Auckland City	North Shore City
<i>Financial and Resource Related</i>				
Affordability	✓	✓	✓	✓
Matching housing with demographics	✓	✓		✓
Lower income drift to South and West	✓	✓		
Reunification of families				✓
Providing for different family groups	✓	✓	✓	
Dormitory Feeder to other parts of the region	✓			
Maintenance on housing is expensive	✓	✓	✓	
Funding and resources	✓	✓		✓
Do not know enough about the state of housing	✓		✓	
Home ownership	✓	✓		
Moving from renting to owning	✓	✓	✓	✓
<i>Attitudes and Housing</i>				
Public perceptions of affordable and intensification	✓	✓	✓	✓
Creating mixed income and diverse communities	✓		✓	
<i>The Housing Stock</i>				
Urban design	✓	✓	✓	✓
Not enough houses	✓			
Low cost housing = Low Quality	✓		✓	
Amount of land	✓	✓	✓	✓
HNZC waiting list	✓			
<i>Housing Market</i>				
Affordable housing and its profitability	✓	✓	✓	✓
Housing costs	✓	✓		✓
Availability of capital & finance	✓	✓	✓	✓
Demand does not equal supply	✓	✓	✓	
<i>Policy and Housing</i>				
Housing Choice	✓	✓	✓	✓
Sustainable housing - household bills	✓			
Central Government leadership	✓	✓		
Public transport	✓	✓		
Partnerships between sectors	✓		✓	

The natural increase in population and migrants settling in Auckland are both major contributors to Auckland's growth rate. Housing Auckland's growing population is a challenge, especially when the nature of housing is changing to allow more intensive development. Table 6.1 shows that there are diverse concerns felt by different cities in the Auckland Region. Although not all issues are of concern in every city, generally they are experienced by at least one other area. More key informants were interviewed from Waitakere City, which may explain why more issues were identified in Waitakere than in any other city. The purpose of Table 6.1 is not necessarily to compare the number of issues in each city. Rather, Table 6.1 illustrates which issues are felt broadly across the Auckland Region in relation to affordable housing and intensification.

Having identified some of the key areas of concern in planning for affordable housing and intensification (Table 6.1), the following sections describe and develop each of these issues in turn. This chapter focuses on presenting the issues and understanding the problems in Auckland so appropriate improvements can be suggested.

6.1.1 Financial and Resource Related Challenges

The financial and resource related challenges identified by key informants are present at an individual level in terms of renting or owning a house, right through to the central government level, where there are definite financial constraints to social housing. This section outlines financial and resource issues in more detail specifically relating to household affordability, resource limitations and declining home ownership levels.

Household affordability

Affordability of housing was identified by all key informants as a major issue in Auckland. The impact on particular groups in society and the local impact of affordability varied across the region. It has become apparent that the number of people struggling with affordable housing is growing and affordability issues are increasingly affecting the average Aucklander (Regional Informant 2). Affordability issues tend to impact on certain members of society more than others. Particular groups that were identified by key informants as being in the greatest need of

affordable housing included young people, students, larger families, migrants, the elderly and the disabled.

The demographics of each of the four cities researched are different and affordability pressures relate to their population composition. Figure 6.1 illustrates both the population and deprivation index for each of the four cities relative to the rest of New Zealand. There is a trend for lower income people to locate in Waitakere (in the west) and Manukau (in the south) of Auckland as house prices are relatively lower in these areas (TA Informant 1, 4 and Community Informant 2). However, even with relatively lower prices, houses in Waitakere and Manukau are still unaffordable for many people. Because lower income people are being pushed to the edges of the city, significant pressures are put on community support services in these areas (Community Informant 2).

In Manukau City, only half the population is European; the remainder is Pacific Island (29 percent), Maori (16 percent), Asian (16 percent) and other ethnicities (18 percent) (TA Informant 4). The housing stock in Manukau does not adequately support the larger families which tend to be Pacific Island and Maori. Also, 43 percent of the population in Manukau is under the age of 25, so the housing stock needs to support a young population. Similarly Waitakere City is also a demographically young city and is also facing challenges with the housing stock not matching households. An emerging challenge in Waitakere is to provide for the different housing needs of new migrants, who may require their house to be laid out in a way that represents their religious practices (Waitakere City Council, 2004).

The predominance of three bedroom homes does not match the present diversity of household size. An issue in both Waitakere and Manukau is overcrowding, but the extent of this issue is unclear. It is clear that rent for larger homes in Waitakere is proportionately more than rents elsewhere in New Zealand (TA Informant 1). Overcrowding has unhealthy implications for quality of life and Waitakere is currently running a campaign to deter people from living in garages, one consequence of overcrowding.

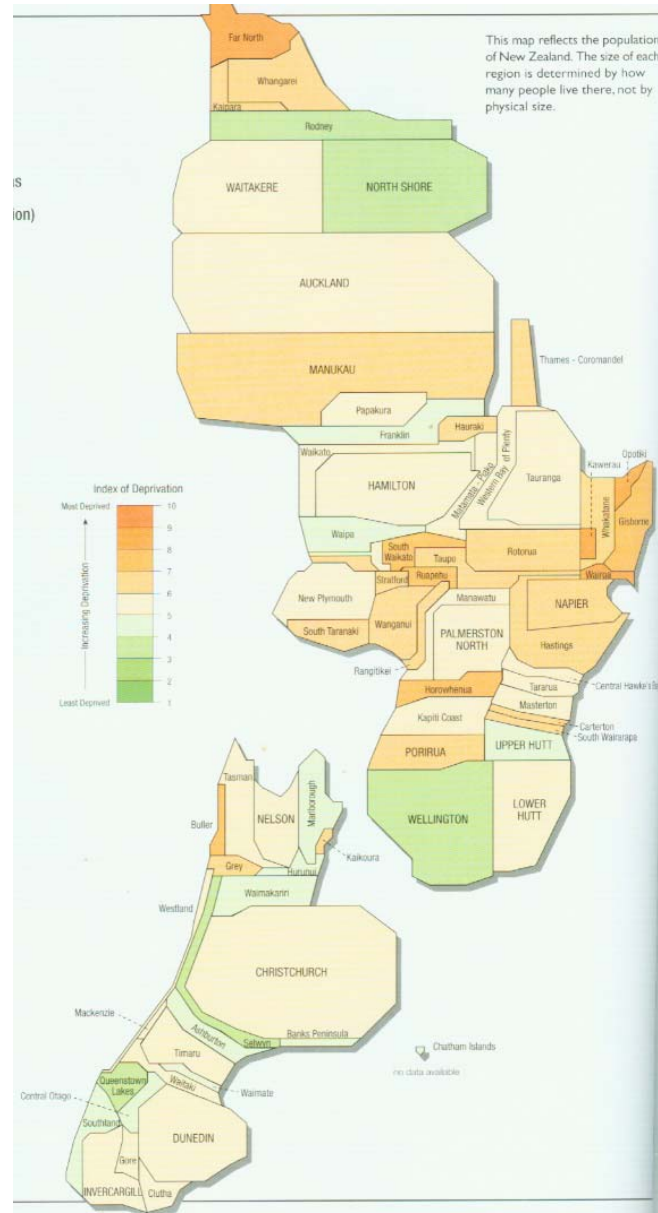


Figure 6.1: Population and deprivation in New Zealand
 (Source: Crampton et al. 2004 map 4)

North Shore City is also facing challenges with housing families. However, the demographic of the North Shore population is ageing and housing for the elderly is a top priority. North Shore City Council's strategies on housing for the elderly were discussed in section 5.3. Auckland City faces some of the highest house and land prices in New Zealand with greenfield development virtually impossible. Demographically, Auckland City is mainly made up of people in the working age groups on relatively higher incomes than the rest of the country (Auckland City Council, 2005).

Resources for Housing

Key informants (particularly from the city councils in Auckland) expressed concern over the pressure on them to play a role in housing, a challenging task with the limited resources they have. Limited resources mean councils are struggling with a lack of experience in affordable housing and an inadequate number of staff to work on housing initiatives. At present, not enough is known about the housing stock and housing situation at a local authority level, which makes it difficult to tackle housing issues (TA Informant 1 & 9). Financial constraints also affect resources and were felt relatively across the board (although on different scales), from the local community right up to central government.

Overseas they manage this whole process with a lot more resources, a lot more skill, and a lot more skill than what we are throwing at this, it is a multi-faceted approach.

(Regional Informant, 2)

The management of affordable housing and facilitating relationships between the public and the private sector are difficult with the current set of resources. There is also a significant challenge in identifying ways of maintaining affordable housing once a house or unit enters the private market. There is a risk that once these properties enter the market the first person to own them will make a huge capital gain, and thereafter the house will be set at the market price and no longer have an affordable advantage. Maintaining affordability was identified by TA Informant 9 as difficult, and finding solutions to this problem was identified as beyond the resources of council. At present in Auckland there are examples of trusts and social housing providers, but these are on only a very small scale.

It was accepted by all informants that councils do not have the resources to be able to increase their provision of affordable housing. Manukau, Waitakere and North Shore City Councils all provide housing for the elderly, and two of these councils complained that the maintenance costs for their housing were already very high. It was also generally accepted by all four city councils that New Zealand's housing provider should be central government. Because of the extremely high costs involved in providing housing, even central government is under extreme financial pressures

and does not have the resources to greatly expand its housing stock. Issues relating to the role of different sectors in housing will be explored further in section 6.3.

Home ownership

Home ownership levels are declining in New Zealand and home ownership rates are lower for people on low incomes. At the 2001 Census, 68 percent of New Zealand's private occupied dwellings were owner-occupied, down from 74 percent in 1991 (Statistics New Zealand, 2005). The benefits of home ownership are widespread and go beyond financial benefits. Asset ownership is linked to many positive outcomes including: improved health and employment, higher reported well-being, family stability, and improved educational outcomes for children (Skilling, 2004). For New Zealanders, declining home ownership is of concern and if these trends continue the rate could fall below 65 percent in 2011 (Housing New Zealand, 2005b). Moving from a position of renting to ownership is becoming very difficult because household incomes are not rising at the same rate as house prices, so those who do not already own a house are finding it increasingly difficult to get into the housing market:

There is a growing divergence between house prices and wages... house prices climb... whereas wage rates remain quite level

(Government Informant 1)

New Zealanders have a strong connection to their house, and it is a common aspiration of New Zealanders to own their own home (TA Informant 5, Community Informant 21 and Academic Informant 26). The importance of home ownership is reinforced in the recently published New Zealand Housing Strategy. The Strategy identifies declining home ownership as an issue and improving security of tenure is one of seven 'programmes of action' (Housing New Zealand Corporation, 2005c). The New Zealand Housing Strategy also gives specific reference to affordability challenges in Auckland, recognising that even lower quartile house prices in the lower priced parts of Auckland can be unattainable (Housing New Zealand Corporation, 2005c).

6.1.2 Attitudes and Housing

The attitudes and aspirations of households influence the acceptance of intensification and affordable housing in their neighbourhood. Negative perceptions make it very difficult to improve and increase the stock of affordable housing. Perceptions that are particularly challenging are those relating to intensive housing developments, and perceptions about Housing New Zealand Corporation tenants.

Intensification around selected growth nodes is part of the Auckland Regional Growth Strategy. All councils in this research are represented on the Regional Growth Forum and, therefore, share the goal of intensification. Key informants identified that there is an issue relating to the willingness of people to accept higher density housing. It appears there are two reasons for this, the first being that, traditionally New Zealanders have become accustomed to their “1/4 acre section” and do not want to give that up. The second reason is that there have been many poor examples of intensive housing in Auckland, and not many (well publicised) successful examples. TA Informant 10 identifies this phenomenon:

There is that whole perception thing about intensification; that it will become a slum or a ghetto.

(TA Informant 10)

These perceptions create an issue for authorities who are trying to encourage intensification, and a particular issue for Housing New Zealand Corporation, which is struggling, because of NIMBY reactions from existing residents, to build housing in new areas.

But the last thing they would want is HNZC tenants in Flatbush. Perhaps even with a pepper potted approach, because they are not their sort of people. They did not pay a fortune for a house in Flatbush to be next to a HNZC tenant.

(TA Informant 4)

The frustration that Housing New Zealand Corporation experiences in relation to public perceptions is demonstrated by an employee of the Corporation:

Our top priority tenants aren't necessarily all ratbags... they are people who have the most housing need. That doesn't mean they are all ex-cons, and all

rapists and child molesters and mental health patients. It means they have the highest housing need. And that is the misconception out there.

(Government Informant 4)

The NIMBY attitudes of some residents in Auckland illustrate that the constraints to build social housing go far beyond financial limitations. Over-reactions and misconceptions about housing directed at lower income people are prevalent and overcoming this issue presents a challenge to local authorities.

One key concern mentioned by several key informants, especially those already involved in the housing sector, was that affordable housing was being cheaply constructed and was of a poor quality. Cheaply constructed poor quality housing not only has significant consequences in terms of quality of life, but it also impacts on the value of the house as an asset. A house constructed as cheaply as possible, may not appreciate with the rest of the market and could create a poverty trap for the owner, who could be in a worse position than when they bought the house, as is illustrated with the following comment about low income households who invest in a ‘cheap’ house:

They... can get stuck in a poverty trap, investing in a cheap house that doesn't appreciate as quickly as a higher quality house and you are still left with a big mortgage.

(TA Informant 1)

6.1.3 The Housing Stock

Auckland has a history of low-density housing, with the norm up until recently having been a single detached family dwelling. Of all the issues in Auckland relating to intensification and affordable housing, urban design was the issue discussed most by key informants. Aucklanders have not had the opportunity to see many examples of good urban design and, as a result, are very resistant to a change in building form (TA Informant 6). Recently there has been a big push from local councils and the Ministry for the Environment to encourage better urban design especially with the launch of the New Zealand Urban Design Protocol in March 2005. In the research interviews, key informants expressed the importance of urban design and some of their comments are summarised in Table 6.2.

Table 6.2: Key informant expressions of concern over urban design

Key Informant	Comment Concerning Urban Design
TA 10	We have had a few reactions to medium density housing that has been developed in some parts of the city, because of the perception that it's ugly.
TA 6	Good urban design is really important; we haven't got any examples of good urban design.
TA 3	Urban design is a tricky thing because we are trying to get good quality, but we don't want to make that expensive.
TA 9	There are issues about how you retain character and heritage of some of our residential areas in face of development pressures.
TA 8	Neighbourhood characteristics and urban design and how they fit together, this is the thing you need to get right.
RI 1, 2 CI 25	Urban design is an important issue.
GI 2	We want quality urban design.
GI 3	There has been recently a strong push to promote urban design and I think that's fantastic.
GI 3	In NZ at the moment it is well under 10 percent of developments are designed by an architect.
CI 4	If you design for able people, you just design for able people, if you design for disabled people, you design for everybody

Government Informant 3 (Table 6.2) recognised that in New Zealand less than 10 percent of developments are designed by an architect. This has significant consequences for housing quality. Previous housing developments have not incorporated basic urban design and building principles such as a north facing orientation and good insulation (Community Informant 3). Particularly, with medium and high density developments, safe places for children to play are limited which constitutes an urban design failure if the development is intended for families. Community Informant 4 identified that inclusive urban design involves designing for disabled people:

If you design for able people, you just design for able people, if you design for disabled people, you design for everybody.

Balancing housing quality, while retaining affordability is an issue, and this was brought up several times throughout the research.

Representatives from Waitakere, Auckland and North Shore City Councils expressed concern that they have already, or are about to, run out of greenfield land for development. Government Informant 1 describes Auckland as a challenging physical environment for housing:

Along with Hong Kong, Auckland is one of the worst physical locations for a city in the world. It is a constricted site. Auckland has to grapple with its physical limits...

It is not only the councils who mentioned the lack of, and high price of, land in Auckland. Housing New Zealand Corporation is finding it very difficult to build or buy housing in new areas. The price of land has forced Housing New Zealand Corporation to increase concentrations of its housing in places where it already own the land, rather than investing in properties in new areas. This could mean they are not providing housing in areas where it is needed because they are priced out of the market.

6.1.4 The Housing Market

Economically, Auckland's housing market is very active. However, in terms of the market meeting the housing needs of the community, there are many issues that relate to intensive and affordable housing. The sheer cost of housing is a considerable barrier to many people who want to purchase a property. Key informants identified both the high land costs and construction costs to be big contributors to the cost of new houses. However, most housing in Auckland is bought and sold second hand rather than new.

It is evident that developers are not going to build affordable housing unless there are incentives for them to get into that area of the market. A developer's prime goal is to make a profit. The margins made at the affordable end of the market are not large enough to encourage their involvement in affordable housing developments. The supply of housing in Auckland is not accurately matching the demand. There is a need for both larger and smaller houses. Also, with the projected population increases, even if the type of housing matched the population, there simply are not enough houses in Auckland at present (Community Informant 2).

By international standards the cost of building a house is relatively high in New Zealand. Regional Informant 1 acknowledged that the high costs involved in building a home was partly because of the 'middle man' in New Zealand's construction

industry. As well as high construction costs in the new housing market, council are now starting to introduce development contributions under the Local Government Act 2002. Development contributions provide a way of recovering the costs of growth from those who create new development within each city. Approximate development contributions currently applicable at each of the city councils is summarised in Table 6.3.

Development contributions are a hindrance to affordable housing, as these contributions are at a set rate, irrespective of the value of the house being built. Therefore, when trying to provide housing at the affordable end of the market, compared to more expensive developments, a much higher proportion of the total cost of the house is paid in development contributions. This issue was expressed by Housing New Zealand Corporation, who find development contributions very expensive, and an obstacle in the provision of social housing. Approaches to development contributions vary across the Auckland Region. For example, Waitakere City Council is developing a policy whereby development contributions can be lowered or waived if the development is meeting objectives consistent with Waitakere's 'eco-city' framework.

The housing market has a close relationship to the finance industry which has enabled potential home buyers to borrow up to 100 percent of the value of the house they wish to purchase. High levels of finance have caused the prices of houses to increase as potential house buyers "outbid" each other in the market (Government Informant 2 and Academic Informant 1). Banks have become increasingly competitive and so flexible in their lending and people drive up the price of housing through the auction system. The increase in the availability of finance creates higher house prices, regardless of what is happening on the supply side of housing (Government Informant 2).

Table 6.3: Approximate development contributions at Auckland City Councils September 2005 (per unit)

City Council	Development Contribution (excluding gst)
Manukau City Council	\$4,505
Waitakere City Council	\$7,441
Auckland City Council	\$7,963
North Shore City Council	\$8,000 – \$24,000

Housing Choice

As mentioned earlier in the chapter, the housing stock does not support the diverse population in Auckland, and there is a lack of housing choice. Ninety percent of the housing stock at the moment is traditional two or three bedroom stand alone dwellings (Regional Informant 2). There is a shortage of larger (five, six and seven bedroom) houses, and smaller one and two bedroom properties. There was a general agreement that intensification would create more housing choice, and that there is a relationship between choice and affordable housing:

Well it ultimately comes down to choice, as being people not being trapped in one class of housing because they can't afford to move.

(TA Informant 1)

Creating a range of housing designs and typologies is not necessarily cheaper as medium and high density housing can be very expensive to build. Apartments with a very small square floor area are increasing in incidence in Auckland. Their small size is not always creating a high quality of life for the people who live there and this is a design issue. However, well designed higher density development is providing the people of Auckland more choice about where to live. Intensive housing might be more expensive to build initially, but higher concentrations of people can make infrastructure and public transport more viable. Fixed costs are decreased and intensification becomes more financially achievable.

In terms of housing choice there is an issue around student accommodation. Students need accommodation that is accessible to educational facilities, affordable and of a reasonable quality. Students also require rental accommodation and often rely on public transport. Looking into the long term future of the community and the viability of many businesses, it is very important to enable students to afford housing close to where they study. If this is not achieved, problems with traffic and parking issues on campuses will result. Students may be priced out of the market or choose to attend a university at another campus with a lower living costs.

6.2 Providing Affordable Housing

The roles of different public authorities, community organisations and the private sector in the provision of affordable housing are largely undefined in New Zealand. This is reflected in the confusion and contention about who should provide, enable and encourage Aucklanders to live in housing that is affordable. The role of managing affordable housing in a context of increasing intensification is even less well defined. When the question of ‘whose role is it to provide affordable housing?’ was put to key informants, the overwhelming majority of respondents believed that central government should provide the financial backing, and be the main housing provider in New Zealand. However, in terms of developing policy and strategies to encourage affordable housing, the responses varied. Through these responses it is clear that different community sectors hold different strengths relevant to housing. Table 6.4 provides a summary of quotes expressing the different opinions relating to the roles of different organisations in affordable housing.

Table 6.4: Whose role is it to provide affordable housing?

Key Informant	Comment on the role of different sectors in affordable housing
Central Government	
AI 1	I think you need some form of central government funding.
R1 1	Well you know if we (the Auckland Regional Council) were going to be given the ability to say, ‘if you are going to build a development you will need to provide 10 percent low cost as well’, the power to do that would need to come from central government.
GI 4	I think they could do it from a legislative point of view, but not a delivery. I don’t think the country would be able to afford that, we are not big enough.
TA 3	I think it is mainly central government’s.
CI 1	I think central government at the moment has the major responsibility. But I think that is going to change over time.
TA 11	Council would suggest that it’s central government’s role.
The Auckland Regional Council	
RI 1	The Regional Council’s role is to basically co-ordinate at Regional level... our role is a comparatively small one and we actually just set the macro rule for how the Region develops.
CI 2	Auckland Regional Council has a role, perhaps as a coordinator.
City Councils	
RI 2	My observations of what happened overseas is that when councils get involved in it, they really only get involved at the margins.
TA 9	Well it’s definitely not a local government role.
CI 2	I don’t think local councils need to provide housing. Councils have enormous pressures on them. If councils were given more funding to enable them to do it, then yes.
TA 10	That has to be funded from somewhere and this council would say that it’s not our role, we don’t have the money.
TA 1	This is not the proper function of council. It is not for the council to build houses as the local government.

A Collective Approach	
RI 1	Well I think it is a partnership really... there is not one thing that is going to make the difference with housing affordability, it is a range of tools. Some of them are central government, a few of them are Auckland Regional Council, some are private sector.
CI 6	Broader community and the public, everyone, otherwise we'll end up with communities stigmatised in terms of poor low income people.
AI 2	Obviously everyone has a role.
TA 1	I think it is a shared responsibility...I do think the local authorities do have part of a role. Because the consequences of having inadequate housing or poor housing or unaffordable housing actually bubbles out in all sorts of other ways.

6.2.1 The Role of Central Government

Traditionally central government has played an active role in housing in New Zealand. However, central government's role has varied over time, between providing housing and providing income supplements, depending on the government of the day. Currently there is an accommodation supplement administered by the Ministry of Social Development, and a move to expand the existing housing stock by Housing New Zealand Corporation (Housing New Zealand Corporation, 2005b). Generally key informants agreed that the resources for affordable housing had to come from central government:

The issue is so big that it's beyond the resources of anyone but central government. And even then I think it's beyond them.

(Regional Informant 2)

Social housing constitutes about 5.5 percent of the New Zealand housing market. This proportion is similar to that in Australia, Canada and the USA (Government Informant 3) In contrast social housing constitutes about twenty-five percent of the market in the UK. In New Zealand, in addition to being a provider of affordable housing, there may be a role for central government to encourage the third sector to increase their role as housing providers. Government can achieve this by providing funding and resources, by enabling councils to use inclusive zoning techniques, and by building partnerships with both the councils and non-governmental organisations. Currently Housing New Zealand Corporation is involved in housing partnerships with the third sector, but these are mostly new initiatives and pilot studies.

6.2.2 Auckland's Regional and City Councils

The Auckland Regional Council has shown leadership in developing the growth strategy and has produced an Auckland Affordable Housing Strategy. However, little action has been taken to implement the Regional Growth Strategy at Regional or local authority level. The Regional Council has a role to “do the sums” and look at the “big picture”, to ensure that local authorities are working towards collective goals (Regional Informant 1). The Regional Council is in a position to co-ordinate between the authorities to achieve integrated solutions to Auckland's housing problems.

Across the four cities researched there are very different approaches to affordable housing and intensification. The role that each of the four cities plays in Auckland's affordable housing is far from clear, and their approach reflects their council's approach to planning. All four city councils approach housing differently, but with the Local Government Act 2002, the role of councils in affordable housing has been heightened. Under the Local Government Act 2002, councils have been given the responsibility to consider the social, cultural, environmental and economic spheres of their communities. Through council's Long Term Council Community Plans, local councils have more of a responsibility to be involved in affordable housing. The Local Government Act 2002 and its relationship to housing was discussed by several key informants and their comments are summarised in Table 6.5. The comments in Table 6.5 highlight that councils are still coming to terms with their role under the Local Government Act, and that the Act is definitely going to play an important role for housing because of its emphasis on requiring local authorities to provide for the well-being of their communities.

Table 6.5: Linking the Local Government Act 2002 to affordable housing

Key Informant	Comment on affordable housing
AI 1	Council definitely has a role in terms of at least a policy monitoring role, under the Local Government Act, they should be aware of what is happening in the housing market and affordable issues in their area.
CI 1	I think the new Local Government Act in 2002 is going to enable councils to get into more social areas.
TA 11	The previous council had a very strong view of what was Central Government role and what was Local Government role. The Local Government Act has blurred those lines quite considerably.
GI 2	My view is that they have an obligation with their LTCCP's to encourage, foster, and promote affordable housing, particularly in areas where markets are under pressure.

6.2.3 The Private Sector and the Third Sector

As has already been discussed, there is reluctance from the private sector to get involved in affordable housing because there simply is not enough profit in it. However, the role of the private sector in affordable housing could increase considerably, especially if New Zealand follows the town planning approaches of places such as London, where inclusive zoning techniques have been adopted. Inclusive zoning is a range of planning techniques designed to encourage the development of affordable housing for lower income groups (Housing New Zealand Corporation, 2005). An example of inclusive zoning is the requirement for new developments to provide a percentage of affordable housing within their development. There is pressure on local authorities to apply such techniques, but concerns that unless all of the councils work together on implementing inclusive zoning it may not work effectively (TA Informant 9).

The competitiveness of the private sector makes it more efficient at reading the market, and therefore more efficient at ensuring demand equals supply (Regional Informant 1). As housing demand does not currently equal supply, there may well be a role for the private sector. Fostering the involvement of the private sector would have to be encouraged, as it does not seem likely that the private sector will be involved in affordable housing otherwise. Inclusive zoning is just one method that could be implemented to ensure more involvement of the private sector in affordable housing.

The third sector or community sector currently has little presence in the housing arena but this is changing and there is a move for more community involvement in housing. There is enormous potential to develop partnerships between the third sector and other stakeholders in addressing issues related to the affordability of housing. Limited funding and resources are significant constraining factor for third sector organisations. The Salvation Army, which previously owned some social housing, has had to sell its stock because of a lack of resources. Comprehensive and collaborative involvement may well be the best approach to tackling the current affordable housing shortage and there is room for growth in both the private and the third sector.

6.2.4 The Role of Politics and Affordable Housing

In terms of housing provision, a considerable hindrance to the process is the role that politics plays. The “bureaucracies of central and local government are very limiting” (Community Informant 6). It appears that constantly changing governments and councils have different opinions about how best to enable people to live in affordable housing. Councillors may be more concerned about upsetting the voting public rather than doing what is best for the housing situation. Politicians are only going to implement a policy that is acceptable to the voting public at large (Government Informant 2), and this could be significantly limiting if the public does not understand the context or magnitude of the affordable housing issue.

Aucklanders are very resistant to change, especially changing to a more intensive built environment. The aspiration of New Zealanders to own a house on a quarter-acre section was often discussed with key informants. On top of this, Aucklanders are just recovering from the ‘leaky building syndrome’ and this is making it increasingly difficult to convince the public that new and intensive housing designs can be successful. As discussed earlier, poor examples of urban design and cheap housing developments have also created resistance to intensification. Urban design is a big issue, and there is currently a move to make local councils and professionals realise of the importance of urban design.

Although the role of the different parties involved in housing is unclear, there is a consistent theme coming through from all key informants: that this issue is too big for just one sector or organisation to tackle. Words such as ‘partnerships’, ‘multilevel’, ‘integrated’ and ‘everyone’ are consistently used and it is clear that most key informants believe the funding for such partnerships should be coming from central government. Significant work is needed to build relationships to enable the most effective affordable housing response, whether it is through central government, local government or the third sector.

6.3 Regional Growth Strategy

The Auckland Regional Growth Strategy’s purpose is to ensure growth is accommodated in a way that meets the best interests of the inhabitants of the

Auckland region. The Regional Growth Strategy goes well beyond housing, taking a broad and integrated approach to intensification. There has been considerable criticism particularly in the media of the Auckland Regional Growth Strategy's intensification policies causing high house prices. There are several variables, from the labour market through to interest rates, that impact on house prices, so it is spurious to blame higher house prices solely on the growth strategy. Overall, interview respondents did not share this negative opinion of the growth strategy but felt that, if anything, the growth strategy was only just beginning to be implemented.

Several key informants said that the growth strategy would increase housing choice and make housing in more locations accessible to more people (TA Informant 2, 3, 8, 9, and Regional Informant 2). Key informants also believed that because the growth strategy is encouraging intensification it could make housing more affordable (TA Informant 8 and Government Informant 2). This is because it allows more housing to be built in the same space, actually increasing the supply of housing in the area. It was also generally accepted that there are few other options and any suggestion of reverting back to a sprawling style region was not well received, especially when achieving sustainability goals under the Resource Management Act 1991 and the Local Government Act 2002 were taken into consideration.

6.4 Improving Current Policies and Processes

Traditionally, ensuring housing remains affordable has been the role of central government and local authorities, through legislation and policies. The adequacy of these policies to achieve a quality intensive built environment that includes affordable housing was criticised by key informants. Improvements suggested by key informants include a more holistic and integrated approach to regional and local planning, increased involvement of the third and private sectors, regulatory mechanisms that encourage affordable housing, increased direction from central government for local councils, better integration between transport and land use policies, and the importance of healthy housing that is well designed. Suggestions made by key informants to improve Auckland's affordable housing and the intensification situation are discussed below.

6.4.1 Integrative Planning and Communication

Several key informants identified a need for a more integrated and holistic approach between central, regional and local government to planning for intensification and affordable housing. Key informants made it clear they would like to see more integration in the Auckland Region (TA Informant 1, 2, 5, 6, Regional Informant 2, Government Informant 2, 3 and Community Informant 23). Key informants also wanted to see more integration between the public, private and community sector in terms of encouraging, managing and providing affordable housing.

Central, Regional and Local Government Integration

The four city councils in Auckland currently take very different approaches to affordable housing. The city councils are only just beginning to realise their housing responsibilities under the Local Government Act 2002, the Local Government (Auckland) Amendment Act 2004, and the Auckland Regional and National housing strategies. However, significant involvement in the housing sector is currently seen as being beyond the legislative powers and financial resources of local government. Key informants from the city councils expressed a desire for “more direction from central government” (TA Informant 6). Several suggestions for increased central government involvement included more direction and promoting economic prosperity to increase individual wealth. These are summarised in Table 6.6.

One of the most significant constraints on local government is its limited financial resources:

The difficulty of local government getting involved in this, is that they are just too financially constrained to get involved, because housing is really, really expensive.

(Government Informant 3)

As identified by Government Informant 3, the financial resources for local governments are not sufficient to expand their roles in the provision of housing, especially as housing is a very expensive commodity. The uncertainty of local government’s role was expressed by five key informants (TA Informants 2, 4, 9, 10, and Government Informant 3).

Table 6.6: Comments about central government, and possible improvements to its role in intensification and affordable housing

Key Informant	Suggestion for Central Government.
TA 9	Changing the Building Act is important, because everybody builds to the minimum. If you live in a dense environment you need high standards for noise, ventilation and access to daylight.
TA 8	Support large non profit organisations.
TA 4, 6	More clarity and direction from central government is needed, like they do in Britain.
RI 2	The issue is so big that it is beyond the resources of central government, and I even think it is beyond them.
RI 1	The power to require inclusive zoning needs to come from central government
AI 1	You need some sort of central government funding
RI 1, 2 AI 1	Central government could intervene and provide some sort of policies, economic policies that promote income
RI 2	Housing New Zealand needs to provide houses at the lower end of the scale. At the moment they are only providing houses at the lowest end of the scale. They need to actively develop their housing sector, which they have downsized considerably.
AI 1	I think we need a Ministry of Urban Planning, like they have in New South Wales, Australia. This would promote far more integrated ways of urban planning.
TA 2 CI 2	Housing partnerships with Housing New Zealand Corporation are important
RI 1	We do not have the legislative tool to force them to provide affordable housing, so councils actually have their hands tied.
CI 2	Central government has a role in terms of making it possible to own a home.
TA 2	Central government or Local Government New Zealand could develop a housing strategy template which councils could use as a base from which to work.

Although the role of local government is far from clear, it was consistently expressed that local government did indeed have a role, especially in identifying the needs of its local communities. It was agreed there is a significant need for local, regional and central government to share their resources, and work on the issue of housing affordability as a Region (TA Informants 9 and Community Informant 5). Key informants from councils identified that they are often dealing with similar issues such as improving urban design planning for large families and integrating transport into housing developments so there is a need to pool resources to ensure efficiency in research, and consistency across the Auckland Region (TA Informant 2, 9 and Government Informant 3). There also needs to be improved communication between councils and Housing New Zealand Corporation to ensure their goals are suitably aligned (TA Informant 1). It is clear that consistency and integration of housing policies is desperately needed in the Auckland Region and improving communication between councils and other levels of government was strongly desired by key informants. Community Informant 2 suggests that the Auckland Regional Council could play a role as co-ordinator between the City and District Councils, to ensure

they are sharing resources and expertise. A far more holistic approach to planning is needed (Government Informant 3).

Planning for intensification requires a multi-level approach to ensure that land uses and transport objectives are suitably aligned (TA Informant 1, 2, Regional Informant 2, Government Informant 3 and Academic Informant 2). Intensification and transport need to be aligned because “you need to have people concentrated if you are going to have public transport” (TA Informant 1). According to Government Informant 3, planning for transport under the Resource Management Act 1991, and the Regional Policy Statement that sits under the Act, has happened only in a very piecemeal and inadequate way. This needs to be improved as part of the integrated planning mix (Government Informant 3). The close relationship of transport objectives to housing objectives, and the fact that good access to transport might actually reduce overall household costs are important in planning for affordable housing.

Public, Private and Community Sector Integration

The considerable expense involved in providing affordable housing ensured that expanding the direct provision of council housing was not considered feasible by key informants. They identified that alternative approaches to affordable housing are needed, including fostering community and private sector involvement in affordable housing. As was discussed in section 6.2.3 there is room for third sector and private market involvement in affordable housing.

Involvement of the Third Sector

Fostering involvement of the third sector (community organisations) which either directly provide rental housing, provide assistance to low income households with moving into home ownership or manage a housing portfolio on behalf of government organisations, is an approach supported and discussed by at least one third of key informants (TA Informant 1, 2, 3, Government Informant 5, Community Informant 2 and Academic Informant 1, 2). Key informants identified that involvement of the third sector is starting to grow, and that encouraging the third sector’s involvement is essential. There are two key reasons for third sector involvement. First, a holistic approach to affordable housing requires the involvement of the third sector because

community organisations are most likely to understand the local housing needs of their community. Building relationships between the third sector, councils and central government will ensure a more holistic approach for planning for growth and intensification (Regional Informant 1, Community Informant 2 and Academic Informant 2). Secondly, local government needs as much help as it can get from third sector organisations, especially since its financial resources are limited and because they rely heavily on rates to produce community outcomes (Government Informant 3). One suggestion for community sector involvement is deeming the community the registered social landlord.

Involvement of the Private Market

Currently the private market lacks incentives to build affordable housing in Auckland. The private market has significant resources that could be involved in the production of affordable housing if appropriate regulations and incentives were provided. Mechanisms suggested by key informants included inclusive zoning, streamlining affordable housing developments through the resource consent process and reductions in development contributions (Regional Informant 1, Community Informant 4 and Academic Informant 1).

At present in New Zealand local government lacks the ability to require affordable housing as part of a development. However, over half of the key informants (especially those who had lived and worked in the UK) believed that inclusive zoning was a viable option for New Zealand. The power for local authorities to ensure a proportion of private market housing developments were affordable would have to come from central government (Regional Informant 1). Key Informants, who discussed inclusive zoning believed that central government would have to provide local government with significantly more authority to foster local government involvement. Government Informant 4 outlined that inclusive zoning may be a mechanism that can address the 'affordability gap' (between households provided with government support, and households that do not have a housing affordability problem). However a significant issue with inclusive zoning is that there has to be some way of retaining the affordability of housing. Otherwise inclusive zoning will only help affordability in the short term. This dilemma was expressed by Regional Informant 3:

The other real barrier when talking about inclusive zoning... here in New Zealand we don't have the infrastructure yet, we don't have them set up for housing associations, or trusts or charities. Someone has to own them... to keep it affordable, and there has to be a list for the next person who can buy it. There are huge housing associations and trusts in other cities that maintain the stock of affordable housing, but we haven't got that set up.

Academic Informant 2 also raised the problem of deciding on what proportion of the development has to be affordable. Deciding on the proportion of affordable housing required by a developer is difficult as it will affect the developer's decision to carry out the proposed housing development. Knowing what is "achievable, reasonable and feasible" for developers is a real challenge (Academic Informant 2).

Besides inclusive zoning, other incentives could also be used to foster the involvement of private developers into affordable housing. Streamlining the resource consent process would save developers time, and money, and may encourage more developers to consider affordable housing developments. Key Informants from Manukau and Auckland City Councils identified that they are researching the possibility of streamlining the resource consent processes for affordable housing developments (TA Informants 7, 5). TA Informant 4 identified that city councils could reassess their developer contribution charges to developments of affordable housing. As outlined earlier in the chapter, a significant cost to Housing New Zealand Corporation in developing affordable housing is the development contributions they have to pay to the local authority (see Table 6.3 for development contribution charges of each local authority).

A council led development corporation was discussed by TA Informant 1 and Regional Informant 2 as part of the solution to affordable housing. The development corporation would acquire land and amalgamate land titles to enable control over a significant land area. The development corporation would then set some controls about what sort of development could occur on that land. Controls would be for things such as urban design as well as affordability, and could ensure public transport objectives such as bus lanes are part of the development. Essentially this approach is about taking a holistic approach to urban planning and, because the development

corporation would continue to own the land, it could ensure that affordable housing is retained. However, councils need to somehow acquire the land for the development corporation, and land is both very scarce and very expensive in the Auckland Region. So although this is a good idea in theory, it may not work in practice.

The Economy and Individual Wealth

A completely different approach to affordable housing is undertaken when the focus is on increasing household income. By increasing household income, low income households may be able to afford a house that is suitable to their needs. Regional Informants 1 and 2 believed that the most sustainable way of increasing income of poorer households is through economic prosperity. New Zealand's economy and property market have been booming for the past six years, but incomes have not gone up by the same proportion (Regional Informants 1, 2). The lag in wage increases makes it very difficult to move into home ownership, and makes renting increasingly expensive. Regional Informant 1 believed that helping households into affordable housing through a prosperous economy was better than direct housing provision, as households who earn their affordable housing are more likely to value their house than households that get a direct hand-out from government. Regional Informant 1 also recognised the complicated nature of affordable housing and believed that a partnership right throughout the community was the best approach.

Helping Households into Home ownership

Home ownership was considered by key informants to be really important to New Zealanders. Although it was generally believed to be central government's responsibility to help households into home ownership other institutions, including local government, have developed schemes to help low income people into home ownership. Several possible programmes for home ownership that are currently already in place in Auckland, or could be implemented, were discussed by key informants. These home ownership schemes included options for shared equity, help with deposits, mortgage insurance, education about debt and home ownership and housing trusts.

Shared equity is an approach to affordable housing that helps households financially that are just out of reach of home ownership. Shared equity helps give households a ‘step-up’ into home ownership because they do not have to own a whole house, but can own a percentage of it and build their own equity (Community Informant 4, 6). The challenge is finding a third party to share the equity, and working out how to calculate capital gains when the property is sold.

Urban Design and Healthy Housing

Apart from enabling housing to be affordable key informants from all backgrounds expressed the need for housing to be well designed, healthy, and of a reasonably quality. Historically, this has not been the situation in Auckland, especially with the construction of medium and high density developments which is the kind of development needed to achieve intensification objectives in the Auckland Region. Key informant concerns about the urban design are outlined in Table 6.2 and comments about improving the quality of housing are provided in Table 6.7.

Community Informant 20 reinforces the importance of quality urban design in intensive housing developments:

Intensification has got to be the answer, but you have got to find ways of doing it that don't create ghettos, you know, that create communities. One of the things that really illuminates for me from the council rhetoric is turning suburbs into communities. But I think that the architecture can help to create that.

Table 6.7: Comments about the quality of Auckland housing

Key Informant	Comment about the quality of housing in Auckland
CI 6	There is a need to improve urban design
AI 2	Quality Standards and design need to be sorted out
GI 3	We lack architectural skills and there needs to be a huge amount more forward planning for housing
CI 2	Healthy housing is important
TA 1	We need more efficient housing that is warmer and healthier, we are currently working on this.

Key Informants also identified other urban design related improvements that need to be implemented to ensure the success of intensification, including wider dispersal of social housing throughout the city and consideration of community dynamics into design. There is clearly a need for examples of good urban design to improve the acceptance of intensive urban environments (TA Informants 1, 2, 6, Regional Informant 2, Government Informant 3, Community Informant 6 and Academic Informant 2).

Housing New Zealand Corporation recently released a ‘housing at higher densities’ design guide. The design guide identifies that traditional stand-alone houses don’t work at higher densities. Different housing typologies are needed to suit higher density housing (Housing New Zealand Corporation, 2005a). The design guide discusses the principles of designing at higher densities including location, connections to the street, liveability, safety, and sustainability. The design guide also identifies that housing at higher densities is more complex than stand-alone houses and therefore design becomes more important as a contributor to a good outcome. Design affects the built environment, how people live and socialise, and their interaction with the wider community. Design is often critical to determining whether a project gains approval – design can both create and destroy value.

6.5 Conclusion

Key informants have expressed that there are a range of complex issues that contribute to the lack of good quality affordable housing in urban Auckland. Although key informants come from a range of organisations, their opinions on affordable housing issues in Auckland are generally consistent. The housing issues that require attention include: the poor standard of urban design, particularly of higher density developments, the lack of direction from Government about the role of different organisations in affordable housing and the need to foster involvement of third sector and private organisations in addressing affordable housing issues.

Key informants also said that planning for affordable housing is challenging because of the high cost of housing and because of the geographical constraints of planning in Auckland. All levels of government are faced with political challenges when trying to

create and implement policies of affordable housing and intensification. Public perceptions of low income tenants restrict the ability of public organisations to directly provide affordable housing. Moreover, changing political perspectives can make long term planning difficult as elected members, and therefore their approach to intensification and affordable housing, can change every three years.

Key informants supported the intensification approach of the Auckland Regional Growth Strategy. They generally agreed that this approach could actually make housing more affordable by easing supply side pressures in the housing market, by allowing more intensive housing developments. Understanding the context of their local area and then developing an integrated approach with other local authorities and organisations through documents such as the Auckland Regional Growth Strategy is imperative.

Analysis and Discussion of Key Findings

7.0 Introduction

In chapter two a definition of affordable housing was identified for this study: “Housing is considered to be affordable if households can access suitable and adequate housing by spending a maximum of thirty percent of their gross income”. Of particular importance to this discussion is the phrase ‘access suitable and adequate housing’. This chapter evaluates the Auckland affordable housing situation, drawing together the findings of preceding chapters to assess the extent to which Aucklanders can access housing that suits their household type, such as the number of bedrooms required and household needs. This chapter is structured to first identify key affordable housing issues prevalent in Auckland followed by possible solutions to these issues. The chapter will then assess the merits of a policy of intensification in light of affordable housing issues. Throughout this chapter connections are made about the relationship between intensification and affordable housing.

7.1 Key Housing Issues

Auckland’s burgeoning population has created complex issues for affordable housing and managing growth. Some of these issues are unique to the Auckland Region, and some are experienced elsewhere in New Zealand and overseas. The issues most affecting affordable housing relate to the demographics of Auckland, the role of government, the housing market, infrastructure and New Zealand values and perceptions. These key housing issues will now be explored and, where relevant, compared to international experiences of intensification and affordable housing.

7.1.1 The Demographics of Auckland and Housing Need

Auckland has a history of population growth that is expected to continue to grow. Concerns about the effects of population growth are not unique to Auckland, or New Zealand. International efforts to manage growth are prevalent throughout the developed world including in the UK, USA and Australia. Increased demand for housing in these countries reflects significant population growth in cities such as Portland and Sydney. A developing economy, significant immigration and the attractive employment and leisure opportunities contribute to population growth. However, the demography of Auckland's population growth is unique and has meant the development of housing issues reflect the cultural and age profile of its population.

The houses in Auckland do not sufficiently suit the people of Auckland. The demographic characteristics of households in Auckland are not sufficiently represented in the nature and form of housing stock which creates a fundamental housing problem at the affordable end of the market. The traditional nuclear family household dominant in New Zealand's history of Mum, Dad and two children, is becoming less common as New Zealand embraces an increasingly diverse society. This changing dynamic of households is prevalent in Auckland, and is reflected in diverse housing needs.

As outlined in chapter five, as high as fifty-four percent of new migrants who come to New Zealand settle in Auckland and there is a high proportion of Maori and Pacific Island people in the Auckland Region. Larger households are common in immigrant statistics. Pacific Island and Maori communities require larger houses of four to seven bedrooms. Additional bedrooms may be necessary for larger families and to meet the cultural needs of some migrant families, such as an extra room for prayer. These groups in society are dominant in the low to moderate income bracket, making housing at the affordable end of the market for larger families a significant issue. There is also a shortage of one and two bedroom houses in Auckland. Smaller houses are needed especially to accommodate the elderly, young couples and single adults.

Within the Auckland Region there is a trend for low and moderate income households to move to Waitakere and Manukau. Pacific Island and Maori people are over-represented in low to moderate income brackets, and are significant ethnic groups in these cities. Because affordable housing issues reflect the needs of low to moderate income groups in Waitakere and Manukau, the shortage of larger houses is significant. In contrast to Waitakere and Manukau, North Shore is experiencing an ageing population and is facing a significant shortage in housing for the elderly.

Although there is a shortage of housing for the elderly and larger families across the Auckland Region, there are disparities within the cities of Auckland in relation to housing need. Clearly the demographics of the population can help to indicate the type of housing needed in each city. In planning for housing it is therefore important that local authorities keep in touch with their communities and are aware of population and demographic trends.

The nature of the housing stock in Auckland contributes to the problem of adequate affordable housing supply not meeting affordable housing need. Because of this phenomenon, there is a role for central government and local authorities to intervene to solve this market failure. In recent years Housing New Zealand Corporation has begun to recognise the need for more diverse housing types, as discussed in chapter five with their community renewal project at Talbot Park in Auckland City. Included in this development are both smaller 1-2 bedroom units and larger 4-7 unit properties. The Talbot Park development also illustrates how to integrate different housing types to meet different housing needs, into a higher density development. Talbot Park is one of three community renewal projects currently underway in Auckland. These projects heavily involve the community (designers, future residents and builders) and exemplify that community involvement can result in sustainable and suitable long term housing solutions that reflect the needs of the community.

Increased housing choice is one of the desired outcomes of intensification in Auckland, under the Regional Growth Strategy. Although increased housing choice might be achieved through intensification it is doubtful that the Regional Growth Strategy will meet the needs of larger households and children. Intensification sees the development of smaller households that, historically, has not provided children

with suitable areas to play – this was illustrated by Dixon and Dupuis (2002) with their study of Medium density housing in Waitakere. A policy of intensification will achieve increased housing choice, but not necessarily at the affordable end of the market, and not necessarily for those most in need. It is therefore imperative that housing policy and intensification policy are aligned to meet holistic housing and urban form objectives.

7.1.2 Government Intervention

Central government currently has an important role to play in helping out low income households through Housing New Zealand Corporation's provision of social housing and the Ministry of Social Development's accommodation supplement. Central government has implemented legislation that sets out the responsibilities of local authorities and set building standards and sustainability objectives for New Zealand. However, central government has played a minimal role in terms of regulatory processes to increase the supply of affordable housing, even though internationally these approaches have proved to be successful. Inclusive zoning and incentives for developers are successful regulatory interventions used in the UK and the USA, but New Zealand has yet to implement such techniques, even with the affordability issues present in Auckland.

Through the 1990s the National Government's reforms reflected neo-liberalism principles of economic rationalism involving privatisation, devolution and deregulation (Dixon and Dupuis, 2002). The impact of these policies on housing reforms in the 1990s is presented as part of Figure 4.2. Oscillations in government intervention have resulted in poor direction from central government in relation to the role of local authorities in housing. The range of key informant opinions about whose role it is to provide affordable housing is presented in Table 6.4. Table 6.4 presents a dominant opinion that central government needs to enable other levels of government to intervene in affordable housing. Furthermore, several key informants suggested that a collective approach to affordable housing is needed.

More recently there has been a move by Government back to the supply side of affordable housing, representing the Labour-led Government's more interventionist

political perspective. These oscillations in central government intervention in housing have created uncertainty for State housing tenants, recipients of accommodation benefits and the local authorities who rely on central government support to maintain their public housing stock. The political decisions of central government need to create stability for low income households so they can be confident that they have secure tenure.

Slippery Subsidiarity in Housing Policy

The New Zealand experience and problems of oscillating government intervention can be described using the concept of ‘slippery subsidiarity’ developed by Craig (2004). The current Auckland intensification and affordable housing situation does not reflect the most cost effective, balanced and informed decisions possible, and this is partly due to the unclear role of different authorities in affordable housing and intensification. Guerin’s (2002) model for considering subsidiarity suggests (See Table 2.2) that central government needs to take a decision-making role for Auckland, considering the complexity and the significant cost involved in affordable housing and intensification.

Evidence from key informants interviewed suggests that the role of local authorities is unclear and, as a result, different local authorities have implemented affordable housing initiatives that reflect the political perspective present in their city. This lack of direction from central government to clarify the role of local authorities has resulted in disparities in affordable housing intervention across the Auckland Region. Local authorities are reluctant to implement radical affordable housing programmes such as inclusive zoning without Regional commitment.

In recognising their role under the Local Government Act 2002, local authorities acknowledge that affordable housing is part of their responsibility in promoting the social, cultural, environmental and economic well-being of their community. However, it is the extent to which local authorities should be involved in affordable housing that is contested. Chapter five and six outlined that affordable housing is an issue for all four cities in Auckland. Local authorities in Auckland, therefore, have a mandate to intervene in affordable housing in achieving their purpose to promote

social, economic, environmental and cultural well-being under the Local Government Act 2002. As explained in chapter four, local authorities are given ‘general competence’ to do whatever is necessary to give effect to the purpose of local government. At present the interventions of city councils in the Auckland region are very different, with Auckland providing no housing, and Waitakere, North Shore and Manukau councils all providing affordable units for the elderly and having a range of partnerships with the third sector. Even though council housing is meeting some of the affordable housing needs, it is not necessarily supporting those most in need, or all households who lack access to affordable housing, for example, larger families. To achieve their purpose under the Local Government Act 2002, local authorities need to implement policy that will improve access to affordable housing for low income households. According to the definition of affordable housing used for this thesis requires targeting those households in the lowest 40 percent income brackets.

A co-ordinated effort that increases affordable housing support and targets households with housing need is required in Auckland. The direction for the Auckland Region in relation to the role of local authorities needs to come from central government. Key informants consistently advocated the need for central government to direct local authorities in affordable housing (see section 6.2). Central government could either take a direct role and outline the role of local authorities in affordable housing, or devolve more responsibility to the Auckland Regional Council to enable it to co-ordinate Auckland’s local authorities. This could be achieved using the Auckland Regional Affordable Housing Strategy. Although individual local authorities are developing excellent relationships and partnerships to deal with the affordable housing issue, planning in this piecemeal manner is not the most efficient approach – a regional approach is essential.

The need for a more co-ordinated approach to planning in Auckland represents the concept developed by Craig (2004) of sticky subsidiarity. Once the appropriate level of government has been allocated the role of decision-maker, it should retain this authority and be provided with the necessary resources to successfully carry out its role. It is evident, especially when reviewing the history of State intervention in housing, outlined in section 4.2.3, that constantly changing the decision-making power and role of government is inefficient. Key informants said that the

bureaucracies of central and local government can be restrictive and that elected representatives are limited in the type of policy they can implement. Both affordable housing and intensification require long term planning, and constantly changing the role of authorities can waste resources that could have been used to better implement policy or produce low cost housing.

Finally, the dominance of Auckland as New Zealand's economic hub ensures that efficient processes here will impact on the competitiveness of Auckland in international markets. The externalities of decisions made in Auckland extend beyond its boundaries and impact on the national economy. The dominance of Auckland's housing market is identified by McShane (2005) who outlines that the housing market in Auckland forms a significant proportion of New Zealand's Consumer Price Index. Therefore, house price increases in Auckland are a significant contributor to inflation. In considering the role of different local authorities, central government needs to consider the economic dominance and importance of Auckland to New Zealand. People who work in Auckland drive New Zealand's economy and it is important that they have access to affordable housing.

Land Use and Development Regulations

Regulations imposed on the housing market can inadvertently discourage the provision of affordable housing. The idea of development contributions was introduced with the Resource Management Act 1991, but have been given more practical effect with the Local Government Act 2002. Under the Local Government Act 2002, councils are now able to charge development contributions for the infrastructural costs of a development. Key informants from Housing New Zealand Corporation, who undertake developments at the affordable end of the market, identified that these development contributions are inhibiting low cost housing developments. Development contributions are the same, irrespective of the type of market for which the house is being built. Across the board regulations such as development contributions can have a bigger impact on low cost housing developments because their budgets are much tighter. The authorities who impose land use and development regulations need to ensure that these regulations are not having an exclusionary effect by pricing out low income housing developments.

7.1.3 The Housing Market

This study identifies that Auckland, relative to the rest of New Zealand, has high land prices that result in a high house prices. Factors that contribute to high land prices include a large and growing population, a prosperous economy, willing financial lending institutions and land use regulations imposed by local authorities. Auckland is not alone in experiencing high land prices; Sydney also has high land prices for similar reasons to Auckland, such as in-migration and rising incomes (Randolph and Holloway, 2002). Controlling population growth or slowing the economy are not viable solutions to counteract the high price of land in Auckland. However, controlling the flexible and competitive nature of finance institutions and reassessing the costs imposed through land use and development regulations are more likely solutions to combating the high price of land in Auckland. These solutions are also more likely to be accepted by the public.

The availability of mortgage finance for investment has driven up the price of housing in Auckland. Prospective buyers outbid each other either through competitive tender or auction. The idea of a 'poverty trap' was identified by TA Informant 1 and is reinforced by Katz et al. who warn homeownership might not be the best option for all low income households. A poverty trap is created when low to moderate income households purchase a property that in reality they cannot afford. They are able to purchase a property because of the willingness of financial institutions to provide housing finance in New Zealand. A poverty trap itself is created when a low income household purchases a property it is unable to maintain, potentially causing the property to lose capital value. The over-extended household could end up with a depreciating and expensive asset and no equity. Readily available finance, therefore, might actually lead households into a worse financial situation than before they owned their own home. This situation could also arise because of a change in circumstances for a household, for example a marriage breakdown, where home ownership becomes financially unsustainable.

In their comprehensive review of growth management and affordable housing in America, Nelson et al. (2004) identify that house prices are largely driven by the

elasticity of demand. In New Zealand, readily available finance effectively increases the elasticity of demand as potential buyers are more flexible. The availability of finance gives potential purchasers the power to bid for more expensive properties. Therefore, as with the international housing market, New Zealand's house prices are also closely related to the elasticity of demand.

An objective of this study is to evaluate the policy of intensification under the Auckland Regional Growth Strategy in light of affordable housing issues in Auckland. The results from this study suggest that the Regional Growth Strategy is unlikely to, and has not yet unnecessarily increased the price of housing, nor is it likely to do so. There is a significant time lag between the adoption of the intensification policy for Auckland and the implementation of this policy. It is clear that part of this time lag is due to the long term nature of the strategy to be implemented over fifty years. However, there is also a lack of incentive or requirement for local authorities to prioritise the Auckland Regional Growth Strategy. This lack of incentive is unnecessarily contributing to the lag between the development of policy and its implementation.

Through intensification the Regional Growth Strategy seeks to avoid capacity shortages that cause affordable housing problems by promoting not only more housing, but more housing choice. Households do not simply own a house, but a particular type of house, in a particular place, resulting in housing sub markets. Housing sub markets driven by location, are definitely present in Auckland, but the Auckland Regional Growth Strategy's approach to increasing housing choice and accessibility will not exacerbate affordable housing problems. Furthermore, the development of more efficient and accessible neighbourhoods should make housing more affordable as households save on transportation costs. Transportation costs can significantly increase the cost of living for low income households. Ensuring these costs are considered in housing developments will help to make housing more affordable. This is supported by Nelson et al. (2004) who assert that a wide range of housing related costs need consideration in the determining the impact of a policy on affordable housing.

The price of housing is high in Auckland, but by promoting higher density development, the Auckland Regional Growth Strategy is consistent with the aim of achieving affordable housing for low income households. Because of the dynamic nature of affordable housing and intensification, a direct relationship between the two cannot be drawn and outlining a direct relationship would be too simplistic. Other researchers have also come to the realisation that growth management policies and their impact on affordable housing is complex. For example Nelson et al. (2004) outline many variables that affect affordable housing including the design and implementation of policies, the nature of urban growth management such as land use restrictions, and the state of the housing market. However, the means of achieving intensification can be implemented in a manner that does not conflict with affordable housing. The inclusion of affordable housing in the Auckland Regional Growth Strategy is critical to ensuring growth management mechanisms do not conflict with affordable housing objectives.

The affordable housing issue in Auckland is not only affecting households on very low incomes to become an issue for the “middle class”. Households with reasonable incomes are struggling to purchase a house in the Auckland Region. This issue was identified by Regional Informant 2 and is supported by Figure 5.3 showing that Auckland is the least affordable place to live in New Zealand.

Housing New Zealand Corporation is providing housing assistance to those households with the most pressing housing needs, and the accommodation supplement is provided for low income households depending on their income, tenure type, rent or mortgage level and geographical area. There is a gap between those who receive assistance from the government and those who can afford adequate housing, and this gap is increasing in Auckland. Therefore, there is a need for greater assistance for those people who do have adequate, stable incomes to either get into home ownership, or find rental housing that is affordable and that meets their needs. This housing need ‘gap’ was raised by several key informants and is a significant housing issue that needs addressing. The precise nature of this gap has not been investigated in this thesis. However, it is clear that households which previously would have had access to affordable housing are now struggling to find housing, and this is an issue that needs to be addressed.

The private market is driven by profit incentives. Community Informant 2 asserted that currently in Auckland it is more profitable to build housing at the expensive end of the market than it is at the affordable end of the market. There is lack of incentive to induce the private market into affordable housing, even though this approach is used overseas. Berry (2003) outlines five models that could be used to encourage the private market to become involved in affordable housing including selling government bonds, shared equity, pooled funds and tax exemptions to landlords who let affordable housing. In the Auckland context shared equity is the only one of these five approaches that has been trialled with the houses produced by the New Zealand Housing Foundation in South Auckland.

Besides a lack of incentive, the New Zealand regulatory system lacks appropriate tools to regulate the private market to provide affordable housing. Until government intervention either induces or requires the private market to address affordable housing need, the private market will continue to focus on relatively expensive housing developments where there is the most profit.

7.1.4 Public Transport and Infrastructure

Intensification should be promoted in areas which have the infrastructural capacity to cope with increased population. Troy (1992) is sceptical of the benefits of higher density development because infrastructure often lacks the capacity to handle increased densities. But in areas where infrastructure can handle increased densities, intensification should be encouraged. Good public transport systems and adequate access to local services can help to make housing more affordable. Households that can save on transport costs can put more income towards housing needs. Accessible employment opportunities make it easier for household members to get work so increasing household income.

Auckland has a particularly bad traffic congestion problem relative to the rest of New Zealand. There is a lack of public transport for Auckland residents, creating a region heavily reliant on the use of private cars. Improvements in multi-modal sustainable public transport are needed in Auckland. A positive move towards a more sustainable

and integrated planning system has come with the Local Government (Auckland) Amendment Act 2004, requiring Auckland Councils to integrate their land use and transport objectives. However, the impact of the Local Government (Auckland) Amendment Act 2004 is yet to be felt. Under this Amendment Act, all territorial authorities have notified changes in their district plans integrating land use and transport objectives. The growth strategy for Auckland, through its 'growth concept' (Figure 4.1) enables local authorities to plan for future development and infrastructure costs. Aligning land use and transport objectives through the Local Government (Auckland) Amendment Act 2004 enables local authorities to make efficient planning decisions in regard to infrastructure.

7.1.5 Perception versus Reality

Schrader (2005) and several key informants outlined that negative perceptions of developments for low income tenants make it difficult for affordable housing providers to extend their housing stock. Negative perceptions of affordable housing are particularly restricting and can fuel political resistance to housing developments that would attract low income residents. NIMBY attitudes are strong in Auckland as perceptions focus on affordable housing residents being undesirable neighbours, and of affordable housing developments as potentially reducing the market value of existing homes. Key informants from Housing New Zealand Corporation identified public perception as a barrier to providing housing to low income tenants. Housing New Zealand Corporation experiences strong resistance when trying to develop housing in a new area. On occasion this resistance has led Housing New Zealand Corporation to contract out housing developments to a private developer, and then purchase the houses from the developer at the completion of the project. Housing New Zealand Corporation employees acknowledge that this is not the most desirable approach to extending their housing stock but believe there is often no other choice. This approach to housing developments is anything but co-operative, and needs to be addressed.

It is common for perceptions and opinions of medium, high and mixed use housing to face community resistance. Part of the reason for this community resistance is due to the prevalence of poor examples of urban design in Auckland area. There is also clear

communication breakdown between local authorities and the community creating misconceptions about what terms such as medium and high density entail. Heavy opposition to more intensive urban form is experienced when the community misconstrues the term 'higher density' to mean high density. Higher density simply means increasing the density whereas, high density generally includes high rise buildings. These terms are fundamentally different and confusion would be avoided by clearer communication links between local authorities and the community.

Good urban design of higher density housing is important and more challenging than designing for stand alone housing. The complex nature of higher density housing is being recognised with the launch New Zealand Urban Design Protocol as part of the Sustainable Development Programme of Action in New Zealand. Local authorities are starting to take independent action on the need for an improvement in urban design in Auckland through changes to their district plans and the development of urban design guides, despite the lack of clarity in the law regulating these matters. Regulating the design of buildings to ensure good quality higher density developments and good urban design involves a number of decisions, ranging from the development of the building itself, to location and sustainability. The recently released urban design for higher density housing booklet released by Housing New Zealand Corporation illustrates that New Zealand's principal social housing provider recognises the strong connection between affordable housing and intensification.

7.2 Demand, Supply and Regulatory Solutions

Owning a house is important to many New Zealanders and has always been part of New Zealand culture. Relative to international standards, home ownership levels are high in New Zealand but these rates are declining. In 2004 Auckland home ownership levels were at sixty-two percent, while the rest of New Zealand averaged a home ownership level of sixty-five percent (Housing New Zealand Corporation, 2005b). Buying a house not only provides essential shelter and security, but enables households to gain capital and equity in their investment. Home ownership is important, but equally important is access to affordable rental housing. This study has uncovered demand, supply and regulatory interventions that can help affordable

housing issues under a policy of intensification. Intervention that could be feasibly and reasonably introduced in the Auckland situation will now be discussed.

7.2.1 Demand Side Intervention

Demand side intervention is helping households to purchase or rent housing that meets their needs and central government can play a role in that. The accommodation supplement helps to increase the housing choices available to low income households. Through the delivery of an accommodation supplement low income households are able to rent housing in the private market, giving them more flexibility about where they live. However, there is a concern that any increases in the accommodation supplement are simply matched by rent increases, benefiting landlords rather than tenants. The accommodation supplement should be viewed as a short term solution to housing affordability, because of the vulnerability that could be created for households reliant on the accommodation supplement. A change of government could change the accommodation supplement payments, and it is more sustainable for low income households to be able to support themselves independent of government assistance.

The accommodation supplement does not adequately solve housing affordability issues for everyone in Auckland, and typically helps only those people with the most urgent housing need. To address this issue the Ministry of Social Development altered the criteria to allow households in more expensive areas to be able to earn more and still receive an accommodation supplement according to their need. Auckland City and North Shore City are identified as the cities with the highest housing costs. It is important that the accommodation supplement reflects housing costs and is adjusted accordingly when housing costs rise.

To assist with the cost of rental housing, Housing New Zealand Corporation has re-introduced income related rents for State housing tenants. In financial terms State housing tenants are a low income group with access to affordable housing. Income related rent is an excellent way of ensuring housing is affordable. However, the stability and tenure security of State housing tenants relies on rents remaining either stable or fixed. Historically, the fluctuations between National-led Governments' and

Labour led Governments' housing policies have brought fluctuations between market and income related rents. The fluctuations in government policy have significant implications for tenants as their stability of life is compromised every time a new government is elected.

Recognising the dream of many New Zealanders to own their own home, central government currently insures about 1000 mortgages. Housing New Zealand Corporation administers a mortgage insurance scheme which reduces the risk for banks lending to low income households. This scheme is targeted at households who are only just missing out on purchasing a house, but these households still need to be able to raise a deposit and finance their mortgage. Home ownership can create benefits such as security, equity and stability for households. Expanding the mortgage insurance scheme is a good way of increasing access to affordable housing for households that have *almost* enough money to purchase a house because they are either high risk to lend to or are unable to raise a deposit. These households would otherwise be unable to purchase a house. However, with the existing expenses of the accommodation supplement and State housing, it is likely the mortgage insurance scheme will remain relatively small and able to be applied to few households. Also, qualifying for the mortgage insurance scheme is difficult as households have to have enough money to service the mortgage and have to purchase a house below a certain price level, depending on where they live. A combination of the expense of the mortgage insurance scheme and the difficulty in qualifying for the scheme, will ensure the number of households that participate remains small.

The New Zealand Housing Foundation helps renting households into home ownership. The Foundation achieves this through their equity share scheme, helping suitable households build equity and finance a deposit. The New Zealand Housing Foundation has developed an equity share scheme using contacts in the community, to raise financial support as a charitable trust. The New Zealand Housing Foundation targets households in a similar way to the Housing New Zealand Corporation mortgage insurance scheme, helping households who can almost purchase a house, but cannot gain finance because they constitute a high risk to lending institutions. Although, the New Zealand Housing Foundation operates only a small housing

scheme (four houses in South Auckland), the scheme clearly illustrates how the community can foster finance and contribute to affordable home ownership.

North Shore City Council through its 'own your own' programme, has helped elderly people to purchase affordable housing and gain from the capital increase in the property. The crux of this scheme involves North Shore City Council intervening in the housing market, selling council housing to the elderly at below market value on the condition that the houses are sold back to the Council at a time convenient to the owner. By selling the properties at below market rates (eighty percent of market value), North Shore City Council has created a demand side solution to making housing more affordable. With the ageing population on the North Shore, this scheme directly targets housing need within the community. Additionally, by requiring 'own you own' houses to be sold back to the council at eighty percent of their market value, units remain affordable for the next purchaser. North Shore's 'own your own' is the only solely council initiative revealed by this study that directly helps low income households into home ownership.

Demand side intervention increases the ability of low income households to purchase housing, either by increasing their income or by decreasing the price of housing, thus making home ownership accessible to those on lower incomes. Intervention on the demand side can increase the choice about location for households seeking affordable housing. However, with Auckland's burgeoning population the region needs to increase the stock of affordable housing to ease the pressure on existing housing stock. No amount of demand side intervention will ease affordability pressures if there is in fact a shortage of housing.

7.2.2 Supply Side Intervention

Currently on the supply side, the large majority of housing is provided by the private sector. It is clear that the private sector alone has not been able or willing to supply affordable housing. There is a shortage of suitable and adequate affordable housing in Auckland. To address this shortage, current affordable housing programmes need to be expanded, and new programmes implemented. The increase in supply needs to be

targeted to household types that have the greatest housing need in that area, for example larger families and the elderly.

The Existing Social Housing Sector

In New Zealand, the social housing sector provides approximately 5.5 percent of all housing stock. The social housing sector is dominated by Housing New Zealand Corporation which owns, leases or manages around 65,000 houses in New Zealand let to households with the most housing need (Housing New Zealand Corporation, 2005e). Housing New Zealand Corporation is working on expanding its stock, especially in Auckland. However, the sheer expense of providing housing makes expansion of the housing stock particularly difficult, especially in areas where Housing New Zealand Corporation does not already own the land.

Local authorities are the other dominant housing provider in New Zealand, with Manukau, Waitakere, and North Shore providing rental housing at lower than market rates, to the elderly. Key informants from these councils advised they are unlikely to expand their existing stock of affordable housing. This is primarily because many of the existing units need substantial maintenance. Despite this, all four city councils in Auckland either have, or are working on, affordable housing partnerships with the third sector and Housing New Zealand Corporation.

New Zealand's social housing sector is in similar proportion to Canada, Australia and the USA at between four and five percent. By contrast, in the UK social housing forms a significantly larger proportion of the housing market (twenty-five percent). With local authorities unlikely to expand their housing stock and Housing New Zealand Corporation struggling to build enough housing where it is needed, the third sector is growing. The third sector in New Zealand includes non-government and non-profit community organisations and is growing for similar reasons to the growth of the sector overseas. For example, the Queensland Department of Housing in Australia is facing decreasing funds for housing, while affordable housing needs are increasing, a similar situation to New Zealand's. New Zealand's third sector is embryonic compared to the many well developed third sector organisations that have been developed overseas.

This study clearly illustrates that there are limited public sector resources for affordable housing, but the third sector is growing and trying to meet this housing need. The third sector requires and values the involvement of the community. A local approach to affordable housing is beneficial because community based organisations are in touch with their communities, and most likely to be able to identify local housing needs. However, community organisations lack the financial resources to function effectively in the housing sector so have been able to assist with affordable housing only at the margins. Assisting at the margins has involved either helping people on reasonable incomes who are just out of reach of affordable housing, and assisting those with the most severe housing need. It is clear that all forms of intervention in affordable housing in New Zealand are leaving out those in between the extremes of severe housing need and those almost able to enter the housing market. This is a significant issue and needs to be addressed.

By supporting the third sector and councils through the Housing Innovation Fund, Housing New Zealand Corporation is helping community groups with limited resources. The Housing Innovation Fund is another way of supporting the social housing sector, without central government being forced to pay for construction and management. Support for third sector organisations needs to not only be promoted by Housing New Zealand Corporation, but, also by local government.

The Private Sector

Private developers are not going to meet affordable housing needs unless they have incentive to do so, or are forced to by regulations in the planning system. The private market is Auckland's most underutilised mechanism for leveraging the expansion of affordable housing. International experience (especially in the UK) illustrates that the private sector can play a significant role in providing affordable housing. Of the five models outlined by Berry (2003) to entice the private market into affordable housing, a fund raised by the private market for affordable housing was considered by most key informants as a useful solution in providing adequate affordable housing.

Mechanisms for leveraging these funds from the private market could be achieved using inclusive zoning. Through inclusive zoning developers can usually choose to either build affordable housing, or to contribute financially to a fund for affordable housing. In New Zealand inclusive zoning has been used only in a very small way, and has not been part of planning requirements, but rather a separate agreement between the private developer and the local authority. One of the challenges of inclusive zoning is working out agreements between the local authority and private developer as to what proportion of affordable housing could be provided, and taking into consideration other benefits the developer might provide for the community. Local authorities that implement inclusive zoning will have to be careful to ensure developers still construct housing that makes a profit for them, and are not priced out of the market. A potential drawback is that the bureaucracy of introducing inclusive zoning could be particularly expensive, and private developers are likely to resist regulatory changes that will reduce their profits.

A reduction in development contributions to developers could act as an incentive for the private market to build affordable housing. Waitakere City Council has a policy of negotiating credits to development contributions when developers have produced works which demonstrate support for Waitakere City's sustainable city objectives. Waitakere City Council and other local authorities in Auckland should evaluate a policy that reduces development contributions to those developers who increase the supply of affordable housing. A reduction in development contributions would not act only as an incentive for developers, but reduce the financial pressures for affordable housing developers who are struggling to construct quality houses at a low cost. Another incentive for the private market could include a reduction in tax to property owners who are renting affordable housing to low to moderate income tenants. But policing such a policy to ensure rents remain affordable, and that low to moderate income tenants reside in the property, could be difficult and expensive.

7.2.3 Regulatory Solutions in the New Zealand Planning System

In order to increase the affordability of housing, central government has to lead the way, both in regulation and in the encouragement of third sector and public private partnerships. While providing council housing and working on partnerships with the

community, local authorities lack the power and the financial resources to effectively improve access to affordable housing. The issue is too big for local authorities to approach alone.

In terms of regulating for affordable housing, the obvious place in the process to lever affordable housing is at the resource consent stage, under the Resource Management Act 1991. Some of the recent amendments to the Resource Management Act 1991 aim to improve national leadership through national policy statements. The amendments make it easier for government to produce a national policy statement, and require local authority plans to 'give effect to' any national policy statement. A national policy statement for affordable housing would provide the national guidance and framework that local authorities are desperate to receive and enable regulatory processes such as inclusive zoning to be set up.

National guidance through a policy statement could enable regional authorities such as the Auckland Regional Council to assess the need for affordable housing in Auckland, and implement strategies to address this housing need. A national policy statement would also ensure a holistic and co-ordinated approach to affordable housing, while letting local authorities address the diverse housing needs of their individual communities. Inclusive zoning is an excellent way of boosting the supply of affordable housing, and a national policy statement that enables such an approach would solve many of the issues identified in this study. Alternatively, a national policy statement could enable the Auckland Regional Council to set up a development corporation that owns land, regulates for affordable housing, and plans for development on a large scale. However, the high cost and limited supply of land in Auckland might make a development corporation too expensive.

Affordable housing developments could also be achieved under the Local Government Act 2002 and the Local Government (Auckland) Amendment Act, because it is the responsibility of local authorities to provide for the well-being of their communities. Under the Local Government Act 2002, local authorities can foster the involvement of the private sector and encourage the development of the third sector. In terms of inclusive zoning, it appears the resource consent process is the most logical place to implement this mechanism.

The resource consent process in New Zealand can be slow and costly for developers. To remedy the time cost, local authorities could streamline resource consent processes for affordable housing developments. If developers are aware that their consent will be processed more quickly they might be more likely to invest in affordable housing developments. Moreover, third sector and public housing developments are constrained by limited budgets, and streamlining the resource consent process might enable third sector housing organisations to reduce costs and improve access to affordable housing for low income households. The streamlining of the consent process for affordable housing developments is a process that can be implemented relatively easily compared to inclusive zoning.

With the predicted growth and inadequacies of the current housing stock to meet housing needs, supply side intervention is essential for meeting affordable housing needs in Auckland. The existing supply of social housing needs to be maintained and increased, but this study recognises that local authorities are unlikely to expand their stock of housing. Central government direction and financial support is needed in Auckland, and this could come through the development of a national policy statement on affordable housing. Also, councils can encourage the third sector to develop housing and foster the involvement of the private market, either through regulation or incentives. The best approach will involve a range of techniques and will target the housing need of low and moderate income households.

7.3 Urban Intensification and Affordable Housing

Both the process of creating affordable housing and urban intensification are flow processes and there is a time lag between policy development, implementation and a change in urban fabric. This is evident on the ground in Auckland where there is a policy of intensification now starting to be implemented, but examples of higher density developments developed under the Regional Growth Strategy are sparse. Urban intensification is the policy adopted in the Regional Growth Strategy in Auckland. This study revealed that implementation of the Regional Growth Strategy is only just beginning and that it may be too soon to determine the strategy's impact in the region. However, through the present study some preliminary conclusions can be

drawn about the relationship between affordable housing and intensification relationships in the Auckland context.

The price of land is high in Auckland, and intensification can offset the impact of this high priced land by enabling developments at higher densities. In theory intensification will increase affordable housing and housing choice. There are many variables tied up with a term such as 'affordable housing', ranging from suitable housing to individual household incomes, so it is difficult to draw a relationship with any one variable, such as intensification. Even with a policy of urban intensification, this does not necessarily mean that developers will build to maximum density. This is illustrated in both Auckland City and the North Shore where councils have increased allowable densities in their district plans, but new housing developments do not reflect this allowance.

Unless there are strict controls to ensure new developments are of a higher density, a policy of intensification will only be applied when it is cost effective. One of the most important things local authorities can do, from a planning perspective, is to ensure that there is enough land zoned for housing. The Regional Growth Strategy's approach encourages intensification, particularly along public transport routes and is consistent as a means of achieving affordable housing.

The Regional Policy Statement's Metropolitan Urban Limit has been criticised for restricting the land in Auckland and increasing the price of housing. For example McShane (2005) not only criticises the Metropolitan Urban Limit and Regional Growth Strategy for increasing house prices, but also blames the high house prices in Auckland for high rates of inflation in New Zealand. However, relaxing these policies would allow access to land only on the outskirts of Auckland and this land is not easily accessible to jobs, essential services and public transport. Therefore, the land gains from expanding the Metropolitan Urban Limits would not help affordable housing developments, as affordable housing considers household costs related to accessibility. The land protected by the Metropolitan Urban Limit, such as the Waitakere Ranges has important environmental and social values that need to be retained. The option of reverting to sprawl style development is not accepted as a

realistic option. In the long term, sprawl is more likely to exacerbate affordable housing problems, rather than solve them.

The provision of housing in Auckland is driven by developments that yield the most profit and at present this is not at the affordable end of the housing market. Intensification initiatives alone cannot ensure affordable housing is developed, because even at higher densities, developers are going to build high cost developments if they return the most profit. The dominance of profit in the private market illustrates that the affordability of housing is significantly driven by the market, rather than by planning tools that encourage intensification. In general intensification will not exacerbate housing affordability problems. However, encouraging intensification will not necessarily lead to the provision of more affordable houses.

Many medium and high density housing developments in Auckland have been constructed using poor urban design principles. It is the opinion of key informants used for this study that a negative perception of higher density developments exists in Auckland. Public perceptions can, through opposition to developments, restrict the density of housing developments, and therefore increase the price. The negative perceptions of housing developments might result in developers producing lower density developments, which are more expensive but more acceptable to the public. To combat these negative perceptions there has been a concerted effort in the recently in Auckland to improve urban design. Councils are beginning to recognise that planning at higher densities requires stricter urban design standards than for single stand alone dwellings. Housing at higher densities has a greater effect on urban surroundings and good design can have a positive impact on the community and the residents who live there.

7.4 Conclusion

The affordable housing issues in Auckland are not aggravated by a policy of urban intensification. However, in adopting a policy of intensification local authorities need to ensure that housing needs are being met and that the quality of design is of a good standard. Increasing the ability of households to acquire housing is important as it

enables individuals to make their own choices about housing, and makes the private market more accessible to low and moderate income earning households. It is equally important that central government continues to assist households which are only just out of reach of home ownership, into purchasing a home.

Driven by profit, the housing market is unlikely to address affordable housing issues if left to its own devices. But, with central government taking direction on affordable housing, and local authorities recognising their responsibilities under the Resource Management Act 1991, Local Government Act 2002 and Local Government (Auckland) Amendment Act 2004, more affordable housing should be available in the market. If local authorities have more power to require inclusive zoning and are able to continue to build housing partnerships with the third sector, some housing stress should be alleviated. The sheer expense of housing and the enormity of the affordable housing shortage in Auckland, requires action, and intensification should be part of this response.

The key factors in ensuring intensification does not exacerbate affordable housing issues include continual review and assessment of the housing market and ensuring that urban intensification and affordable housing policies are well integrated. Ensuing that these policies are not conflicting is critical in achieving a holistic approach to sustainable and healthy communities.

8.0 Introduction

The aim of this thesis is to investigate and analyse the affordable housing situation in the Auckland context, and assess the impact of Auckland's approach to urban intensification on affordable housing. Four research objectives guided and focused this study. To conclude this research each of these objectives will now be discussed, followed by constructive recommendations to help improve affordable housing issues in urban Auckland.

8.1 Achieving the Research Objectives

The first research objective sought to assess the international literature on intensification and affordable housing, and this was achieved in chapters two and five. These chapters reviewed international debates and approaches to affordable housing and policies of urban intensification. From this international analysis it is clear that Auckland is not alone with having to cope with significant growth in the face of affordable housing issues. International literature describing this debate around intensification and its relationship to affordable housing highlighted that this relationship is complex. The complexity develops out of the fact that affordable housing and intensification both relate to so many facets of society, including the culture groups and of the population at large, protecting the natural environment and trying to remain competitive in the international economy. It is not possible to identify a direct cause and effect relationship, and such an approach would be too simplistic. However, it is clear these two concepts intersect and are importantly associated. Therefore, in adopting a growth management approach such as urban intensification it is essential that policies that provide for affordable housing are included within this approach.

Concerns that land use regulation under a policy of intensification increase house prices are confined not only to Auckland. On the contrary, in chapter two of this thesis the point is made by Seltzer (2004) that urban containment policy in Portland

limits land supply and can cause house prices to increase. These concerns are justified, especially if affordable housing is an issue. However, Nelson (2000) stresses the point that house price increases are due to either a lack of supply able to service demand, or because land use regulations have actually made living in the city more desirable. If local authorities remain aware of housing demand and ensure there is enough land zoned to service this demand, a policy of intensification should not exacerbate affordable housing issues. Regulations targeted to increase the supply of affordable housing can actually improve access to adequate housing for low income households. It is important that authorities are aware of the impact that their land use and development regulations have on affordable housing.

Objective two required investigation into Auckland's intensification and affordable housing context. The Auckland Region is currently at a point where intensification objectives of the Regional Growth Strategy are beginning to be implemented, and local authorities are beginning to plan and encourage higher density residential development. Several issues relating to affordable housing and intensification in the Auckland context have been highlighted in this study. These issues relate to disparities in local authority intervention in affordable housing, poorly designed higher density residential developments, a lack of national direction in affordable housing and declining home ownership levels. Important conclusions relating to each of these issues will now be discussed.

There are significant disparities in intervention into affordable housing by local authorities. Housing is an issue on the agenda of councils in the Auckland Region, as they recognise the severity of the lack of affordability, and their intervention role under the sustainability concepts required under the Local Government Act 2002, and the Resource Management Act 1991. However, their approach currently lacks any development beyond that which councils have always provided.

Urban design is an issue in Auckland especially in higher density housing developments. The issues of urban design were discussed by key informants and are outlined in chapter six. Building at higher densities is more difficult than designing for stand alone dwellings because higher density developments are more complicated. Urban design requirements of higher density dwellings therefore, need to be stricter

than those for stand alone low-density developments. Chapter six also highlighted the issue of the lack of central government leadership in relation to affordable housing. This lack of leadership has led the Auckland Regional approach to affordable housing to develop in a very piecemeal manner, as it has been left up to local authorities to determine their role in affordable housing. The current role each city in Auckland is playing in affordable housing is outlined in chapter five. Waitakere, Manukau and North Shore Cities maintain that councils have a direct role in the provision of some affordable housing, while Auckland City Council advocates that its role is simply to encourage affordable housing partnerships with the third sector.

Declining home ownership levels reflect the high cost of housing in Auckland. Home ownership is an important concept to New Zealanders, and has many benefits. These benefits include stability, security, and a means of building equity for low income households. If low income households can afford the mortgage repayments and the necessary maintenance costs of home ownership, they should be encouraged. However, a 'poverty trap' explained by TA Informant 1 in chapter six should be avoided. A 'poverty trap' occurs when low income households purchase a house, cannot afford the necessary maintenance and end up in a worse position than before they owned a house.

It is generally accepted by local authorities and the community that intensification is the most appropriate approach to managing growth in the Auckland Region. However, this does not mean that the adopted approach could not be improved. Rather it means that the general principles of the Regional Growth Strategy are accepted but that more integration and co-ordination between intensification and affordable housing objectives is needed. This not only involves improving the relationship between policies, but also between different sectors of government, the community and private organisations.

The third objective of this research involved an evaluation of the merits of a policy of intensification in light of affordable housing issues. The findings of this research are consistent with Nelson et al. (2004) in that intensification does not necessarily exacerbate affordable housing problems, and that demand is the dominant force

behind high prices in Auckland rather than restrictive land use and development techniques. But land use and development regulations can inadvertently increase the price of housing. This occurs when regulations do not consider their impact on affordable housing. In Auckland this has occurred with the imposition of development contributions. Across the Auckland Region development contributions are charged regardless of the purpose of the residential development. The only exception to this is in Waitakere, where the Council can alter development contributions if the project is consistent with Waitakere City's 'eco city' objectives.

Implementation of the affordable housing principles under the Regional Growth Strategy is not consistent or well co-ordinated across the Auckland Region, and this is partly due to an issue of 'slippery subsidiarity'. Conclusions relating to the implementation of the Regional Growth Strategy and the subsidiarity issues are important to this study, and will now be discussed.

The Regional Growth Strategy's Implementation

Local authority support of the Regional Growth Strategy's approach to intensification was always going to be likely, considering the way the Regional Growth Strategy was developed. The Strategy was developed collaboratively and included representatives from each of the local authorities in Auckland. The implementation of the Regional Growth Strategy is a slow process as there are significant time lags between policy formation and these policies being reflected in urban form. The city councils are making changes to their District Plans, but there may be a further time lag before the changes have a visible effect on urban form and the population density. Despite city council initiatives however, most of the new residential building in the last five years has been outside the areas of intensification. Even with general support for the Regional Growth Strategy and its principles, the community outcomes relating to affordable housing are currently being approached in very different ways. Councils lack the incentives to fully enforce the principles of the Auckland Regional Growth Strategy.

The principles in the Auckland Regional Growth Strategy that relate to housing choice and affordability are being implemented very differently across the four city

councils of Auckland. Differing implementation approaches would be desirable if they reflected the different demographic profiles of each of the cities. However, what seems more dominant in council approaches to affordable housing is a reflection of elected members opinions on the councils' role in affordable housing. This is not always producing the most desirable community outcomes. For example, the Flatbush development in Manukau has no provisions for affordable housing, and Housing New Zealand Corporation cannot afford to buy any sections there because they are too expensive. At present, Flatbush is the largest greenfield development in New Zealand with an expected a population of 40,000 people. A development of this size is the perfect opportunity to implement principles of the Auckland Regional Growth Strategy, including the principle of housing choice and affordability. If city councils do not have the power, or are not able to systematically deal with the issue of affordable housing, then this decision must be made at a different level of government.

It is evident that Auckland is growing, predominately as a result of a high birth rate combined with high rates of immigration. Therefore, intervention that increases the supply of housing is paramount to reducing the current stress on housing stock. Supply side solutions give government and the third sector the opportunity to match housing production to current and predicted location and democratic needs of the population.

A Subsidiarity Issue

At present Auckland is at a point where subsidiarity issues are not well addressed. Councils throughout Auckland do not have a consistent understanding of their role in relating intensification to affordable housing objectives and this is reflected in their different approaches to affordable housing. When the subsidiarity issue is resolved local government will have a clearer understanding of their role in intensification and affordable housing. Local government will then be able to adopt efficient implementation policies.

At the moment the Regional approach to affordable housing and urban intensification in Auckland represents the 'slippery subsidiarity' concept described by Craig (2004).

Central government intervention into affordable housing has oscillated, along with its support to local authorities in their provision of affordable housing. This has created inefficiency, instability and reluctance for councils to extend their stock of affordable housing. Subsidiarity issues need to be sorted out first, to determine what level of government is best placed to implement different policies. One avenue for addressing the subsidiarity issue for affordable housing at a regional level is through the Regional Affordable Housing Strategy 2003.

Central government is best placed to initiate discussions with local government about its role in affordable housing, and how this relates to the principles of the Regional Growth Strategy. One approach that is available to central government is to release a national policy statement on affordable housing under the Resource Management Act 1991. The national policy statement could enable the Auckland Regional Council to play more of a role in coordinating with and between the four city councils of Auckland. The national policy statement could enable the development of regulatory intervention into affordable housing such as inclusive zoning. However, sorting out subsidiarity really requires an effort from the top down and from the bottom up. Therefore, local authorities have to be involved and willing to work through subsidiarity issues with Regional and Central Government.

Regional intervention in the affordable housing market is needed because the Regional Council is in touch with the Auckland Region and in a position to take a holistic approach to affordable housing issues. With the current trend for low income families to locate in Waitakere and Manukau, more affordable housing assistance is needed there. Also, the reasons why low income households tend to locate in Waitakere and Manukau needs to be investigated. This might indicate that there is actually a need for more affordable housing in the source areas of Auckland and North Shore Cities, but low income households are completely priced out of those cities. Once it is clear which level of government is best placed to do what, the focus can be on creating appropriate policy and implementing this policy rather than wasting resources on unnecessary bureaucratic costs resulting from unclear and changing roles.

8.2 Recommendations

Several recommendations have been developed as a result of this study relating to the general conclusions that have been drawn above. These recommendations seek to provide some solutions to increase access to affordable housing, especially for low to moderate income households. These recommendations help to achieve the fourth research objective of this study and are developed in an effort to improve public policy in New Zealand. The recommendations are directed either at Central Government, the Auckland Regional Council, or Auckland's Territorial Authorities.

8.2.1 Recommendations for Central Government

Recommendation one: Notify a national policy statement on affordable housing.

A national policy statement could enable regional authorities throughout New Zealand to assess the need for affordable housing in their regions, and to co-ordinate territorial authorities accordingly. A national policy statement that gives control to regional authorities such as the Auckland Regional Council would help to identify different affordable housing needs across the region and allocate necessary resources. A national policy statement could enable local authorities to implement more regulatory tools to increase the supply of affordable housing and strengthen the role of the private market in affordable housing developments. These regulatory tools could include inclusive zoning. Consideration should be given to central government funding the implementation of the policy.

Recommendation two: Sort out issues of subsidiarity

Subsidiarity issues create uncertainties about the roles and responsibilities of different levels of government in relation to affordable housing. Central government needs to recognise that there is a lack of clarity about the role of local government in affordable housing, and initiate the discussions with local authorities, community groups and the private sector to work this issue out. These discussions need to have long term implementation and result in clear mandates to solving affordable housing issues.

Recommendation three: *Expand the mortgage insurance scheme run by Housing New Zealand Corporation.*

Home ownership can have enormous stability and security benefits for low income households, and it is a goal of most New Zealanders to own their own home. Currently in Auckland house prices are so high that households are unable to participate in Housing New Zealand's mortgage insurance scheme. Housing New Zealand Corporation should increase the price of houses on which they lend to reflect the high cost of housing in Auckland relative to the rest of New Zealand. Housing New Zealand Corporation need take care not to lend to households likely to enter a 'poverty trap' by taking on a mortgage.

8.2.3 Recommendations for the Auckland Regional Council

Recommendation four: *Improve co-operation and co-ordination between local authorities to share resources and ensure a collective approach to affordable housing is achieved.*

At present local authorities are intervening in affordable housing independently of each other, and are approaching regional affordable housing in a very piecemeal manner. The Regional Council is in a position to encourage a holistic approach to affordable housing and to co-ordinate between the different authorities. The Auckland Regional Council should lead the city councils in a collective approach to intensification and affordable housing: sharing resources and expertise will provide the most efficient outcome.

Recommendation five: *Recognise the housing needs of different demographic groups within the city and encourage local authority affordable housing policy to reflect the demographics of the community.*

The Auckland Regional Council should work together with city councils to create an integrated information system about the population demographics within each local authority. This study identified vast differences in the housing needs of different demographic groups. The Auckland Regional Council is in the best position to keep in touch with the changing demographic and population trends of each of the territorial authorities. It is important that local authorities are aware of future

population trends, and implement appropriate policy to ensure affordable housing needs are being met.

Recommendation six: *The Regional Growth Forum needs to implement the Regional Affordable Housing Strategy.*

Regional implementation of the affordable housing strategy is a priority in promoting co-ordination and ensuring Auckland's local authorities are working towards similar affordable housing goals.

Recommendation seven: *Continue to promote and support involvement of third sector organisations in affordable housing developments.*

It is clear that all levels of government are struggling with the cost involved with providing affordable housing. The Auckland Regional Council is in a position where it can promote co-ordination between Government and local authorities to promote and support the role of the third sector in housing. By promoting the involvement of the third sector some of the expenses involved with affordable housing can be raised by the community. Community organisations are more likely to be in touch with the housing needs in their area and, with increased resources, could be best placed to provide for these needs.

Recommendation eight: *Develop an information campaign to combat negative perceptions of higher density development and affordable housing to low income households.*

Inaccurate and negative perceptions about higher density development and housing for low income households are a significant barrier to both urban intensification and affordable housing. A campaign promoting the importance of affordable housing and suppressing some of the negative opinions about low income housing tenants may make future housing developments more acceptable. Similarly, an information campaign that promotes the benefits of living at higher densities and combats some of the negative perceptions of higher density housing will help intensification to be more acceptable to receiving communities.

8.2.4 Recommendations for Auckland's Territorial Authorities

Recommendation nine: Combine intensification policy and affordable housing policy to achieve affordable housing goals while providing for population growth.

The achievement of affordable housing and intensification should be considered together to align development goals. The concepts of intensification and affordable housing are so interrelated that they need to be planned for jointly. For example transport and infrastructure costs, relate to both intensification and affordable housing, and need to be considered together.

Recommendation ten: Improve urban design by setting up an expert urban design panel at local authority level to approve higher density residential developments.

Many higher density housing developments in Auckland have been designed poorly, especially at the affordable end of the market. This has led to common opinions and perceptions that higher density housing developments do not provide for a high standard of living and have, therefore, created resistance to intensification. The creation of an urban design panel to approve higher density developments would eliminate some of the poor quality designs. An architect alone is not a guarantee of good urban design. The urban design panel's influence would also help to improve quality of life for the people living in the new development and improve perceptions about higher density residential living.

Recommendation eleven: Recognise that affordable housing relates to the well-being of the community and, therefore, that territorial authorities have a role in affordable housing in achieving the purpose of the Local Government Act 2002.

Territorial authorities need to recognise the strong connection between the well-being of the community and affordable housing. Once territorial authorities understand their role, they can focus on affordable housing solutions, and work together with other local authorities to improve access to affordable housing in their communities. As part of this process territorial authorities need to work with Regional and Central Government to sort out subsidiary issues.

Recommendation twelve: Investigate regulatory barriers and incentives to private market involvement in affordable housing.

There is a significant lack of private market involvement in affordable housing in Auckland. Part of this lack of involvement could be due to regulatory barriers that prevent developers providing more affordable housing developments. Possible regulatory barriers that could be investigated include the impact of development contributions and the time and resource costs involved in gaining planning permission to undertake a development. Possible solutions to these costs could include waiving development contributions and streamlining the resource consent process for affordable housing developments.

8.3 Conclusion

There is an important association between the intensification approach taken under the Auckland Regional Growth Strategy and affordable housing although this relationship is too difficult to measure. This association may not be a cause and effect relationship, rather affordable housing and urban intensification may simply be symptoms of the same problem, a growing population. Intensification does not necessarily lead to a lack of affordable housing. By allowing higher densities and relieving stress on the supply side, intensification can actually improve affordability. As the Auckland Regional Growth Strategy is implemented over the next forty-five years it is important that affordable housing remains on the agenda. This study suggests that, after five years, the Auckland Regional Growth Strategy is only just beginning to take effect.

The creation and implementation of a policy of intensification takes a considerable period of time to be reflected in urban form. Similarly, housing is a durable asset and takes a significant period of time to evolve and change. The durable nature of housing can result in housing supply not matching housing demand, especially if the demographics of the population are changing resulting in different housing needs. It is therefore essential that housing policies are continually reassessed to ensure they are best meeting community needs, while achieving the desired goals of urban intensification.

At present there is a major affordable housing crisis in Auckland. However, before this issue can be addressed central, regional and local governments need to work together to decide who is best placed to implement affordable housing and urban intensification objectives in the most sustainable, effective and efficient manner.

Viewed in a holistic manner Auckland's intensification and affordable housing issues are exclusive with collectively unique population demographics, economy, urban form, society and geographical characteristics. However, individually these components are experienced on an international scale and are not unique to Auckland. Many cities both overseas and in New Zealand are experiencing affordable housing issues in the face of growing populations, and many cities face significant geographical constraints. Recognising and evaluating the strengths and weaknesses of the way other urban areas approach intensification and affordable housing is imperative. It is equally important to work collaboratively towards solutions for affordable housing.

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Legislation

Building Act 2004

Health Act 1955

Housing Act 1955

Housing Assets Transfer Act 1993

Housing Corporation Amendment Act 2001

Housing Restructuring Act 1992

Housing Restructuring (Income Related Rents) Amendment Act 2000

Local Government Act 2002

Local Government Act 1974

Local Government (Auckland) Amendment Act 2004

Residential Tenancies Act 1986

Resource Management Act 1991

Social Security Act 1993

Town and Country Planning Act 1977

Appendix A

Outline of Key Informant Questions

General Outline of Key Informant Questions

1. Tell me about your role in relation to affordable housing and intensification.
2. What are the housing issues in your city/region?
 - a. Is affordability an issue?
 - b. In what areas?
 - c. What creates these issues?
 - d. Who is affordability an issue for?
 - e. How do you define affordability?
3. How do you think the Regional Growth Strategy has or will impact on affordable housing?
4. Is there any evidence that intensification within the metropolitan urban limits affects the affordability of housing?
5. What would you like to see changed about policy on urban growth management in response to housing issues?
6. What housing policies or strategies does your organisation employ to improve housing affordability?
 - a. What would you like to see your organisation doing?
7. What are the issues or constraints when trying to create policy on affordable housing?
8. Whose role is it to provide affordable housing?
 - a. What is your organisation's role in providing affordable housing?
9. The growth strategy talks of increased housing choice, how do you think this is best achieved?

Appendix B

Summary of Key Informants

Detailed List of Key Informants

Territorial Authorities

Waitakere City Council

Territorial Authority Informant 1

Territorial Authority Informant 2

Territorial Authority Informant 3

Manukau City Council

Territorial Authority Informant 4

Territorial Authority Informant 5

Territorial Authority Informant 6

Auckland City Council

Territorial Authority Informant 7

Territorial Authority Informant 8

Territorial Authority Informant 9

North Shore City Council

Territorial Authority Informant 10

Territorial Authority Informant 11

Regional Government

Auckland Regional Council

Regional Informant 1

Regional Informant 2

Regional Informant 3

Central Government

Housing New Zealand

Government Informant 1

Government Informant 2

Government Informant 3

Government Informant 4

Government Informant 5

Community Groups and Representatives

Waitakere

Community Informant 1

Community Informant 2

Community Informant 3

Manukau

Community Informant 4

Auckland City

Community Informant 5

Auckland Region

Community Informant 6

Academic Informants

Academic Informant 1

Academic Informant 2