

CHiLD POVERTY ACTION GROUP

Child Poverty Action Group
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SUBMISSION: THE UNITARY PLAN

Child Poverty Action Group (CPAG) thanks the Council for the opportunity to submit on this important plan. CPAG comprises a group of academics and workers in the field dedicated to achieving better policies for children. The aims of our organisation are:

- The development and promotion of better policies for children and young people.
- Sharing information and connecting with other groups with similar concerns.
- Elimination of child poverty in Aotearoa New Zealand by 2020

This submission focuses on housing – specifically the lack of affordable housing in Auckland.

The lack of affordable housing in Auckland has an adverse impact on children including transience and overcrowding. This is inconsistent with the Auckland Council's vision of Auckland being 'the world's most liveable city': a city is not liveable if it cannot provide affordable quality housing to its most vulnerable citizens. Affordable housing is a key component of Auckland as a child-friendly city, with healthy neighbourhoods and safe streets.

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We wish to speak at the submission

Introduction

1. The objective of the Unitary Plan is to reflect and deliver the goals and strategies outlined in the Auckland Plan. The Auckland Plan had a clear directive to “house all Aucklanders in secure, healthy homes that they can afford”¹. Clear housing targets stemmed from this, for example “reducing the proportion of households which spend more than 30 percent of their income on housing”². CPAG supports this necessary target as the high cost of housing puts significant strain on the finances of many, particularly those with families.
2. CPAG does not believe that the Unitary Plan will improve housing affordability for low and middle income Aucklanders. The Unitary Plan fails to address this issues in a substantive manner, with significant restrictions on areas that can be intensified or developed. CPAG recommends that the Council revise the Unitary Plan in order to ensure more affordable, better quality housing, and efficient urban development.
3. Auckland continues to suffer from a housing shortage, consequently many families are forced to live in substandard housing and commit a large proportion of their income to their homes. As the Council is well aware, there is no quick fix to this growing problem. However, the Unitary Plan as it stands is merely a band aid on a gaping wound. In the end, CPAG believes, it is the children that will pay the price in the years to come.

The Issue

4. Underlying Auckland’s housing problem is population growth. Auckland’s population has historically grown faster than projections, although the emigration of people to Australia since 2008 has resulted in these growth rates slowing slightly. The current state of Auckland’s housing and the growing population is of great concern, with the cities growth set to reach 1.97 million, by 2031. This accounts for 61 percent of New Zealand’s population growth³. While Auckland’s population has grown, the housing supply has not kept pace. As a result,⁴ house prices have doubled in the last ten years.
5. Since 2008 there has been a shortfall of (at least) 16,800 homes in Auckland⁵. CPAG hoped that the Council would be able to respond to the clear need in a way that ensured that many families had the opportunity to live in safe, clean, affordable housing. CPAG considers that the original intent of the Unitary Plan has been diluted by developers and current landowners influencing where intensification can occur.

¹ Auckland Council. (2010). *The Auckland Plan*. Auckland: Auckland Council. Development Strategy, p. 31.

² Ibid, Strategic Direction, p. 268.

³ http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10839289

⁴ Other factors have contributed to high house prices, but a lack of supply is the key driver.

⁵ http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11200232

6. The definition of affordability is that housing costs less than 30 percent of gross income. For many low income families this cost currently sits between 40 and 50 percent⁶. Over the last ten years annual house prices have had an average eight to ten percent increase⁷.
7. Internationally, compared with 85 other markets, Auckland has the sixth most unaffordable housing market (compared with cities in Australia, US, Canada, UK, and Ireland)⁸. We are living in an era where those in the middle income bracket cannot afford to buy a home, and the prospects for low income earners are bleak. This significant social shift is even more alarming when we think of the impact this has on children already living in precarious situations. One in four New Zealand children live in poverty, a situation that is exacerbated by an unstable housing environment.

The Auckland Plan

8. Although the Unitary Plan refers to the Auckland Plan at a high level⁹, it fails to reference some key markers and targets identified. These include:
 - Reducing the proportion of households which spend more than 30 percent of their income on housing costs
 - Increasing home ownership amongst Maori and Pacific Island
 - Improving housing affordability

It also fails to mention how the Unitary Plan will measure the standards that the Auckland Plan outlines.

9. Child Poverty Action Group is concerned that this plan is being promoted by the Council as a solution to our housing issues. As housing prices rise (responding to lack of supply and high demand) rent cost must follow. The Unitary Plan is likely to exacerbate this issue, and those on lower incomes are always affected the most by price (rent) increases.

Recommendation: The Unitary Plan is adjusted to include greater reference to the objectives of the Auckland Plan and adopts tangible measures to review whether it is meeting these objectives.

⁶ <http://www.interest.co.nz/property/tracking-aucklands-housing-affordability-issues>

⁷ <http://www.nbr.co.nz/article/auckland-house-prices-continue-their-relentless-rise-dc-150592>

⁸ Demographia, 10th Annual Demographia International Housing Affordability Survey: 2014, p. 18

⁹ The Unitary Plan, Part 1, Chapter A, 3.1

Quality Compact Auckland

10. Unfortunately the Unitary Plan fails to address the issue of affordable housing because it does not address the disproportionate model of supply and demand we are currently facing.
11. With 85 percent of the Auckland region falling outside the intensification area, the Council is failing to fully commit to the Compact City Model. This 85 percent is made up of large single houses, large lots, rural and coastal land, and mixed housing suburban zones. By excluding these from significant development the Council is undermining the success of the proposed Compact City model.
12. The Unitary Plan leaves a mere 15 percent of the city's residential housing area available for intensification (mixed housing urban and terraced housing and apartment buildings). This means high-density, small dwellings will be required to fit into many of these areas. It is these that are most likely to be 'affordable', yet they are also the dwellings least likely to be suitable for children¹⁰.

Recommendation: The Council needs to prove that, if only 15 percent of the available area is to be intensified, the Compact City Model will be successful and deliver affordable housing.

Zoning¹¹

13. CPAG believes that the proposed zoning system significantly hinders intensification within the MUL. The concern is not only about the small amount of area that has been approved for development, but also about the amount of land required before building can begin.
14. The Mixed Housing Suburban zone (1.5) demonstrates the inefficient use of land that is promoted in the Unitary Plan. It stipulates that there can only be one house/dwelling per 400sqm. This low density model not only fails to address housing needs, but also disregards the average price, which currently sits around \$1000 p/sqm. This is a significant cost, one that most families will not be able to afford.
15. The Mixed Housing Urban (1.6) appears to be the only zone that will address the needs of middle and low income Aucklanders. CPAG therefore supports the existence of this zone, but is concerned that it makes up just 10 percent of land in the MUL. Limiting the supply of land for development will increase the cost of that area (as a consequence of

¹⁰ CPAG concurs with Auckland 2040's assertion that the Council needs to pay greater attention to the quality of urban development as well as just the quantity.

¹¹ Unitary Plan, Part 2 Regional & District Objectives and Policies, Chapter D: Zone objectives and policies

speculation and price volatility). According to the Home Loan Affordability Index¹², this area, as currently designed in the Plan would remain unaffordable for low and middle income families.

Recommendations:

The single house zone and mixed housing suburban (1.4 and 1.5) zone size and land requirements should be altered to allow for greater intensification.

The minimum land requirement for multi-unit development should be decreased in the mixed housing urban (1.6) zone. The current suggestion of landowners requiring a minimum of 1200sqm for a one to two bedroom home is an inefficient use of land.

The land allocated to both 1.6 and 1.7 (Terrace and Housing Apartment Zone) should be significantly increased.

¹² See www.interest.co.nz reports, such as: <http://www.interest.co.nz/property/tracking-aucklands-housing-affordability-issues>