



**HOUSING AND HOUSING
AFFORDABILITY
DRAFT OVERVIEW: POLICY STATEMENT**

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Context and overview

One of the single largest challenges that Maori face today is a combination of a lack of affordable housing when it comes to market rent alongside the inability be able to afford to buy in key centers across the country. Over the last decade Maori and Iwi organisations have been doing a lot of the heavy lifting as years of under investment in public housing now translate into higher rates of homelessness and the increasing disparity between Maori and non-Maori. Our ability to be able to rent affordably where we live, and work combined with a fair and reasonable pathway to home ownership are still things that many people struggle with. The Council mandated a new National Taskforce of the New Zealand Maori Council in 2018 under the auspices of a terms of reference. People did not need to be a member of the Taskforce instead our approach was to include people with both professional experience of the issues alongside those with a lived experience. Along the way we have acted on a few fronts where resources have been created around Maori Rates and the rights of whanau as well as knowing your rights when it comes to the rental market. In drafting our approach to housing and housing affordability in this draft policy statement we have done the following:

1. The Council’s National Taskforce on Housing and Housing Affordability have met several times over the last twelve months to kick start the conversation and table both the challenges and opportunities – this has led Council to then review the sector, data and available research
2. Council representatives have attended Government organized hui about housing and engaged with both Housing New Zealand and the new Urban Housing Authority
3. A survey has been conducted using our maorieverywhere.com data base to seek feedback from the general Maori public on their thoughts, insights and ideas
4. Several experts have been involved in the development of questions relating to the way forward

Some of the key points in developing the policy around housing and housing affordability include:

1. The lack of addressing the root cause of in affordability in terms of both owning and rent – the fact that Maori are more likely to members of the low wage, low skilled growth of the economy. This means that mean will only ever be able to keep up with the cost of living and, in some cases, are unable to do even that.

2. This means that many of our people are unable to save the deposit required for a home loan and this is reinforced by lower than average rates of savings amongst Maori.
3. The question of land use where it is the Governments responsibility to build public housing thereby using Government land and yet a major push is through forms of public private partnerships between Iwi and the Government for the utilization of Maori land – this in turn limits the potential economic growth of parcels of land that could otherwise be providing a larger economic return. This is again reinforced by the value of a housing asset potentially being worth less than a business-related investment on the same parcel of land that could also be a net job creator.
4. This in turn means that an Iwi may have less land made available for economic development purposes while the Crown investment is only likely to include investment in the build of the houses on the land as opposed to additional compensation to allow the Iwi to supplement the loss of economic development potential.
5. The absence of a cohesive plan addressing the challenges of Maori housing in both an urban and provincial setting does not consider the overall challenges of affordability and the broader role Maori play in the economy from employment opportunities and participation and so on. For example, the Government may suggest that an ideal scenario may be to build more housing on Maori land in the regions in partnership with Iwi and yet there may be little happening when it comes to economic development that creates jobs for those same Maori to work in. In addition, by potentially building on Maori land it could inhibit Iwi and Hapu from economically developing that portion of land – this causes us to believe that the both Iwi, Hapu and individuals’ risk being further trapped in the poverty cycle. In the urban environment access to land to develop remains a challenge.

Peripheral issues

Then there are other issues that also need to be dealt with that the Government is not necessarily addressing that the New Zealand Maori Council feels are not being considered:

1. The role of Te Puni Kokiri in managing the Maori Housing Network – the Government had recently announced a \$40 million investment over four years (or \$10 million per annum) that will led to 100 homes being repaired and 10 new homes being built. Firstly, Te Puni Kokiri has a history of underperformance where we often see the Crown paying the Crown. In other words, how much of the \$10 million will actually reach the end consumer before the fund has been depleted. Secondly, it should be the role of Housing New Zealand to ensure that public housing stock is adequately maintained not a Government policy agency. Fourthly the data tells us (Statistics NZ 2016) that the average cost of building a new home (excluding land) is as high as \$532,000 in Waitemata and as low as \$266,000 in Manurewa / Papakura. Both areas have high Maori population rates and therefore the investment made in new housing stock (this assumes the land being built on would be Maori or Crown land). This would mean ten new houses in Waitemata would cost \$5.3 million to build. Then, taking Te Puni Kokiri’s own policy statements of repairing 100 existing homes, you must assume that the average maintenance on a single property would be on average \$20,000 per home – or \$2 million with the costs of administering the program the \$10 million in additional funding is gone. In the Auckland CBD alone, it is estimated that more than 60% of those who are homeless are Maori. Of course, the fund itself is

more attune to Papakainga housing models – if you again use the Statistics New Zealand data from 2016 you could realize a higher number of houses being built but the quid pro quo comes down to where the homes were going to build while running the same risks that proposals might be prioritized over others thereby locking many applicants out.

Other questions to be posed:

- Affordable Housing – rentals in our Urban areas – this will focus in on our people in the large city markers where affordable rent is always going to be tied with income. Do we have enough state housing stock in key locations, what does the build cycle look like? How many new properties are coming online both through the private rental market and the state housing sector? Where are the hot spots when it comes to Maori affordable rentals in our urban areas?
- Affordable Housing – rentals in our provincial areas – in the regions housing is often not discussed and yet there is equal pressure, high demand and low availability – therefore what does a plan look like to develop more rental opportunities – what does it look like and how much could it cost? Is there an incentive-based program to get more Maori landowners (as opposed to just Iwi and Hapu) to get into the rental development market and if so could we design a start-up grant process to give them access to both capital and finance to get the job done?
- Affordable Housing – Maori as first home buyers – many of our people struggle to save for a deposit because they are members of the low wage growth side of the economy as well as the low skills side. For every dollar earned very little is, therefore provisioned towards savings. Is it possible to develop up a first home buyers grant process specifically for Maori first home buyers or relax the loan to value ratio for Maori and tail in the risk at the back end of the loan? A support package to get whanau into their first home could be the way to go
- Affordable Housing – security in housing for Maori in retirement – what does Kaumatua housing look like or just additional support for our people living into their latter years by remaining in their current home or moving into a form of retirement in Kaumatua villages – is it possible to even look at different models to support our people suffering from debilitating diseases such as dementia and Alzheimer's?
- Affordable Housing – Maori Housing Development Commission – the reality is that Maori and housing is a difficult structure to

Other current kaupapa that needs to be taken account

1. Te Ture Whenua Legislation
2. The Public Works Act reforms
3. Matters related to the Resource Management Account
4. Developing policy around the economy and wage growth
5. Local Government and Rates

Where to from here

- Approval of this document to now shift into final policy mode

Internal stakeholders

- Executive Committee
- Housing lead / Ngaio Te Ua

- National Taskforce on Housing and Housing Affordability