



## National Council of Women of New Zealand

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Wahine O Aotearoa

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### **Submission to Housing New Zealand on Building the Future - Towards a New Zealand Housing Strategy**

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 41 nationally organised societies. It has 33 branches throughout the country attended by representatives of those societies. The Council's function is to serve women, the family and the community at local, national and international levels through research, study, discussion and action.

NCWNZ is very pleased to have the opportunity to make a submission to this discussion document. We have taken a keen interest in this subject for many years and note that we passed a resolution in 1943 that said "That a sufficient number of state houses built should provide accommodation for families with two or more children" and in 1947 "That in all State Housing schemes servicemen (return from the war) and lower income groups have preferential claims, and a means test be applied", and then as recently as 2001 in our submission to the Social Services Select Committee on the Housing Corporation Amendment Bill we stated "Members have also requested the addition of the word 'appropriate' ie appropriate to the size and type of family, and appropriate with regard to enabling access to jobs, schools, healthcare and other amenities".

#### **AREA ONE: Improving housing assistance and affordability**

On the front page of The New Zealand Herald dated Saturday 24 July 2004 the headline reads "Big rents shatter home dreams", and the article is about a study that has just been released by the Government's Centre for Housing Research, conducted by property consultant DTZ, which showed housing had become much less affordable in the past fifteen years. The study also shows that the proportion of households spending more than 40% of their net income on housing is:

Auckland 22.8%	Taranaki 15.1%	Canterbury 14.4%
Gisborne & Hawke's Bay 13.7%	Otago 12.3%	Wellington 12.0%
Manawatu 11.9%	Bay of Plenty 11.8%	Waikato 11.0%

Therefore low income working families find that it is impossible to save for a deposit on a home to take them out of the rental market. We see that the Accommodation Supplement has not worked well in the way it was designed to and that that money would be better directed towards home ownership programmes. The zoning system for the Supplement was also a problem when for instance Nelson and Invercargill were in the same zone, and yet the cost of rental properties in these two areas are very different.

Low interest loans for first home buyers to approved low income earners which has worked well in the past, with qualifications such as steady employment record, would take the strain off the rental housing market.

Partnerships with Not for Profit organisations such as Habitat for Humanity, and other innovative housing is to be encouraged. Our members noted that many such groups assisting the intellectually and physically disabled and mentally ill with subsidised housing are finding that all the compliance costs are difficult to manage. Where this is happening a loan could be made available so the standards can be complied with, as we do not want to lose any of this type of accommodation.





Houses built by the State recently are often built in places where they are subject to floods (as seen in Whakatane in July 2004) and the building materials used are the cheapest and also the first to disintegrate when wet. We know that dampness and overcrowding lead to illness which brings about another strain on the community. Surely in the long term it is better to build with stronger materials.

Our members would also like to see that State Housing is only sold when there are new homes built to replace them. City Councils should explore ways to be able to keep pensioner housing in their cities, perhaps looking to Trusts to help with the finance of this.

We need to take advantage of the work done in other countries to find a suitable answer for New Zealand.

### **AREA TWO: Responding to housing markets under stress.**

NCWNZ feel that planning and research are key factors to meet the needs of the housing markets. The research already carried out by The Centre for Housing Research Aotearoa New Zealand (CHRANZ) needs to be carried on by them, so they need to be assured of having a continuing budget to undertake this work.

The outcome of this research then needs to be followed through at Local Government level to ascertain the housing that is already provided is being used to meet the needs, and if there is a shortfall in housing to look at areas where suitable housing could be built. We are not in favour of large areas of Housing NZ houses only, as this has in the past very quickly become untidy and run down, eg Porirua and Mangere. In South Auckland some Housing NZ houses have been built under the national grid power lines because private investors did not want to buy there. Also these houses are often built on flood prone land which seems to our membership to be false economy when very large repair bills are needed to restore these homes after flooding.

The Government needs to encourage initiatives by community organisations, the private sector and local authorities. This should include actively facilitating the various agencies in markets that are stressed.

Protection is required to ensure both the private investor and the tenant, or new home buyer does not lose if the economy changes quickly. Market factors cause considerable stress on all levels within the housing sector.

Local Government bodies need to ensure the rates collected reflect the investment in infrastructure required in community development.

Our membership has concerns, due to the volatility of the present housing market investment structure, that low income people who are disadvantaged by the lack of appropriate housing schemes, can be easily duped into questionable financial arrangements with little or no legal protection.

### **AREA THREE: Innovative home ownership programmes**

NCWNZ would see Home Ownership as being the area that is most going to alleviate the shortage of Rental Accommodation. Therefore we would like to see greater support for groups such as Habitat for Humanity and other such non-profit organisations which are ready to assist people into their first home. What would be ideal would be for Housing NZ to supply the means so that a low deposit could be made and the repayment would be no more than a ¼ of the income. Other possibilities are Equity Schemes, incentives for developers to build low cost ownership housing, and working with iwi that have land which could be used to house their own people.



Rent to buy schemes with legislation in place to protect all parties is another incentive for some people to change from tenant to home-owner.

A five-yearly review of Housing NZ tenants would be a way to assess their changing circumstances and would allow them to take the step into home ownership.

#### **AREA FOUR: Developing the private sector.**

NCWNZ feels that there needs to be a review of the Residential Tenancies Act that puts greater safeguards in place for both the tenant and the landlord. Agreements need to be very clearly written so that both parties know what they can expect from the other, in terms of who is responsible for maintenance and repairs, and the standard that needs to be kept. We know there can be faults from both landlord and tenant so we would like to see a register of people that are known to be bad tenants (the people that have trashed homes and disappeared into the night leaving debts and badly damaged houses on many occasions, and those that have used a rented property as a drugs lab), or bad landlords (that have let unsuitable housing on the premise that they are going to have repairs carried out). This register could be kept at Housing NZ so that either party could submit the name of the other to ensure the agreement will be safe. We know of people who would like to invest in rental property but are afraid to in case they become victims of bad tenants.

Large corporate investors need to be encouraged to invest in housing as this is not happening at the moment.

#### **AREA FIVE: Improving housing quality**

Many of our members commented on rural housing that is often of poor quality. We suggest that inspectors should be appointed to make sure all rental properties meet adequate standards.

#### **AREA SIX: Building capacity and capability across the housing sector**

NCWNZ have concerns that High-rise buildings, in-fill houses, and high density housing are causing stress on current utilities, and there is a need to make sure that all the necessary infrastructure is in place before consents are given. We want to see all Regional Parks protected from being used for housing. We feel that when Resource Consent is requested to change commercial areas into housing, the long term strain on water reticulation etc, needs to be given more consideration than seems to take place now. In some instances in-fill housing has meant that where there was one four bedroom house on a large section, two more four bedroom houses have been built on the same site raising the potential number of people living on that section from 8 to 24. This also puts a strain on the local schools and others services.

#### **Meeting diverse housing needs**

Our members have suggested that Maori land could be used to help an iwi to house their own people. One such project was the venture between Habitat for Humanity and Housing NZ in Torere where tribal land was used, the comment being it is now a well housed proud community.

During the '70's and '80's low cost interest loans allowed many community organisations to build Independent Living Units for the Older Community, and we would like to see this available again.

There are a number of areas where we see an urgent need to be addressed such as housing for women forced to leave the family home and in need of new accommodation for themselves and their children, and young men who have psychiatric disabilities, or lack skills to manage coping with money and caring for their own needs.



NCWNZ would like to see a suitably qualified person appointed to Housing NZ to oversee the implementation of the Housing Strategy and to report regularly on the progress being made to alleviate the stress caused by the lack of low cost homes in New Zealand. Our country has fallen well behind countries such as Australia, United Kingdom and Canada, which we feel is not satisfactory so needs to be addressed urgently.

We thank you for the opportunity to contribute to this discussion with comment gained from our membership throughout New Zealand, in large cities and smaller towns.

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National President

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Convener, Social Issues Standing Committee.