

NZPI MEDIA RELEASE

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Housing affordability about much more than land availability

The NZPI believes the current focus on land availability is too narrow to solve this country's housing affordability problem effectively.

The comments come in its [submission](#) to the New Zealand Productivity Commission's *'Using Land for Housing'* Issues Paper. The Productivity Commission has been asked by the Government to investigate possible improvements to the ways local authorities regulate to make land available for housing.

But NZPI Chair Bryce Julyan says while supporting the ongoing investigation into the best use of land to ensure that New Zealand has enough housing stock, NZPI also believes that housing affordability is a complex issue requiring a range of integrated tools to address the problem effectively.

"We are unconvinced that the immediate availability of more land for development will, on its own, provide a long term, sustainable solution to the problem. Understanding the current and future demand for housing, including type and location is critical to understanding what supply is needed now and in the future."

Mr Julyan says while tools such as the Special Housing Areas legislation are interim and a longer term approach has been signalled by the Minister for the Environment, Dr Nick Smith, to be part of upcoming RMA reforms, he points out that such measures only allow development but do not actually build the houses.

"Simply releasing land for housing does not mean more affordable houses. Factors that may influence the affordability of or access to appropriate housing include the number of houses on the market. While the land can be zoned and consents approved this doesn't actually physically get the houses built. Investors may choose to sit on such approvals or choose not to build due to resource availability or the costs of materials," Mr Julyan says. "Other factors that influence housing affordability include the cost of infrastructure provision (e.g. the cost of extending and expanding capacity of infrastructure into 'greenfield' land), as well as broader economic issues such as tax and lending policies."

The NZPI's [submission](#) supports the Productivity Commission looking to more research to understand what the real versus perceived effects of government practices are on developer or land owner behaviour. It refers to previous research in Auckland that has revealed that the reasons for development delays were quite varied. It found that many land parcels had not been developed due to personal, family or business circumstances, the cost of developing the land, as well as land holding and speculation for capital gain.

The NZPI will be keen to be part of the discussion on the RMA reforms as it believes Central Government could do more to help them by providing greater national and regional planning guidance.

"When we look at overseas examples we see that national planning frameworks exist for the likes of England, Wales and Scotland. These planning frameworks provide a clear path towards identifying local and national priorities, and achieving community buy-in, while responding to community concerns," Mr Julyan says.

"The NZPI agrees that managing land availability is a critical factor in planning for growth and development in New Zealand. However, the factors that contribute to housing cost do not simply equate to releasing more land for development but also need to consider optimal use of land already set aside for development." The NZPI believe it will take a far more varied research programme and range of solutions to get on top of the country's housing issues. "NZPI members recognise planning and managing our resources efficiently and optimising land use is a critical issue but what needs to be acknowledged is that this may involve changing public perceptions. In our growing urban areas, for example, we may need to challenge our expectations about the way we live and offer choices such as higher density housing in attractive, high amenity environments," says Mr Julyan.

The housing affordability issue featured in an NZPI *Briefing to Incoming Ministers* late last year, a paper which highlighted seven critical challenges facing the Government. These challenges include responding to demographic change, transport, infrastructure, energy, freshwater and RMA reforms.

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New Zealand Planning Institute (NZPI)

The NZPI is the voice of planning in New Zealand. It is the professional organisation representing this country's planners, resource managers, urban designers, and environmental practitioners. Planners have a critical role in shaping New Zealand's future by helping to develop solutions to key issues, such as population growth, infrastructure needs, pressure on natural resources and environments, demographic change and transport. For more information visit www.planning.org.nz.

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