

# Auckland Housing Accord:

## What's been achieved in the first year

### Freeing up Auckland's land supply

The most significant tool within the Housing Accord legislation allows for the rapid freeing up of zoned, infrastructure-enabled land in the right locations. Under the Housing Accords and Special Housing Areas Act 2013, and the joined-up single council approach, land can be converted into live zonings for housing development within around six months in approved Special Housing Areas (SHAs), shaving years off the model allowed for under Auckland's many district plans.

Once the rezoning opportunities within the 80 established SHAs are taken up, we estimate there will be almost 10 years' worth of development land in Auckland. This will be a significant increase on the 2012 estimate of three-and-a-half years' worth of development land.

The council is currently in discussions on 17 re-zonings (with a combined potential yield of more than 15,910 dwellings and sections) under the Accord, and applications for four (capable of producing 5,200 dwellings and sections) of these have already been lodged (two have been limited notified). Areas can develop rapidly once a decision on these re-zonings is made.

McKinsey Global Institute has identified unlocking land at the right location as the most important lever in addressing the affordable housing challenge globally (*A blueprint for addressing the global affordable housing challenge*, McKinsey Global Institute: October, 2014). The 80 SHAs are in a mix of locations including new areas and existing urban areas, all making best use of existing infrastructure.

The next step in supplying more land, in addition to helping developers who already have land to develop, is to work out the longer-term land release sequence for Auckland, so there is greater certainty for land owners, developers, communities and infrastructure providers.

## **Affordability**

The Auckland Housing Accord has a commitment to affordable housing. Developers within Special Housing Areas (SHAs) are required to ensure a percentage of the homes built in SHAs are more affordable than is usual in Auckland.

For developments of 15 or more dwellings, developers must either:

- Provide 10 per cent of dwellings within a development at a sales price of no more than 75 per cent of the Auckland region median house price, or
- Provide 5 per cent of dwellings within a development at a sales price where the monthly mortgage payments do not exceed 30 per cent of the Auckland median household income.

The first families have moved into houses within the Weymouth SHA. Houses there start at \$322,000 for two bedrooms and up to \$515,000 for five bedrooms. Families are now living in brand new homes, built on Crown land, consented by the council and provided by iwi and other community housing trusts. That's true collaboration.

McKinsey Global Institute cites affordable housing as an overlooked opportunity for developers, investors, and financial institutions (*A blueprint for addressing the global affordable housing challenge*, McKinsey Global Institute: October, 2014).

## **Activating Auckland's strategic areas for housing**

Around half a dozen property developers have followed up on the July confirmation of the Otahuhu Coast Strategic Area with plans for housing. The council has established eight strategic areas across Auckland as a signal to the market that these areas are ripe for development, as they:

- are close to transport links including metropolitan train lines
- enjoy high demand for housing
- have live zonings for residential development, and
- already have good enabling infrastructure.

In addition, the Otahuhu strategic area offers good opportunities for affordable housing, is close to large industrial and employment areas, and will leverage off the library/swimming pool development and new rail/bus interchange at the Otahuhu Town Centre. The area has capacity for some 1000 new dwellings and sections over time.

One likely development in Otahuhu is that of two sections on Hokonui Rd. Paradigm Group, led by developer Adrian Roche, aims to utilise the provisions of the Proposed Auckland Unitary Plan (PAUP) to facilitate the re-development of two existing homes on two adjacent sites into seven dwellings. Paradigm Group has been able to maximise the development potential of these sites in a way that wasn't possible earlier. The increase in density provisions under the PAUP has allowed it to prepare a development of attached homes that are well designed and meet the aspirations of the PAUP.

Auckland has relied in the past on conventional, low density and often poor quality infill development typified by a rear yard subdivision with driveway along one side of the existing house. Consolidation of two or more sites under the PAUP provides for more flexibility, density and overall better quality development. SHAs are the proving ground for this new type of infill and re-development using the PAUP zones and provisions and may soon become the norm across large parts of suburban Auckland.

## **Housing for Māori, Pacific Island communities**

The Housing Project office (HPO) has completed a pilot review of potential papakāinga and Māori housing development sites in partnership with the Independent Māori Statutory Board. The HPO and mana whenua organisations are now looking at using the SHA concept for a number of sites.

Separately, a consent has been granted to Ngāti Whātua Ōrākei to develop the next stage of papakāinga housing within the Ōrākei Special Housing Area.

The consent paves the way for the construction of papakāinga housing comprising an additional 30 dwellings, private and communal open space, landscaping, car parking, access and infrastructure. The 30 secure, warm dwellings will be sold or leased to hapū of Ngāti Whātua Ōrākei. They are also designed with the intention to foster community

values, and to embrace the concepts of whanaungatanga, manaakitanga, kitiakitanga and kotahitanga.

Research has been completed with 20 families in a three-year pilot initiative, called Turanga – a Pacific Financial Wellness Initiative aimed at better understanding the barriers preventing many Pacific people from owning their own home. The council, participating families, their wider community and other stakeholders will now embark on a co-design process that takes a whole system approach to financial wellbeing over the next six months.