

Q&A: Auckland Housing Accord – Final report for the first year

1. Is there still a housing shortage in Auckland?

Yes. There is a current estimated cumulative shortfall of about 20,000 dwellings and Auckland land prices continue to remain high. The Government and the Auckland Council are continuing to investigate and consider additional strategies and interventions to improve housing supply.

2. What else is the Government doing to address the shortage?

In September 2014, the Government asked the Productivity Commission to investigate ways to improve the way local authorities regulate to make land available for housing. The Commission has been asked to examine and compare the rules and processes of local government to identify leading practices in planning and taking decisions about making land available for housing, and providing for necessary infrastructure. It has also been asked to look at models adopted by cities overseas that might provide valuable lessons for New Zealand.

The Government is also planning to reform the Resource Management Act to ensure it explicitly recognises the importance of New Zealanders' access to more affordable housing if the downward trend in home ownership over the past 20 years is to be reversed. The Housing Accord and Special Housing Areas legislation is a short-term fix but we must address the fundamental problem with the Resource Management Act if we are serious about long-term housing affordability.

3. What targets were set by the Accord?

The Accord set aspirational targets of 9,000 sections being created or homes being consented for in Year 1, 13,000 in Year 2, and 17,000 in Year 3.

4. Who conducted the first year review of the Auckland Accord?

The Joint Mayoral-Ministerial Steering Group tasked officials to jointly assess progress and raise issues to provide a baseline self-assessment to inform decision-making for Year 2. An independent review was not conducted in the inaugural year, but may be a preference in out-years.

5. What happens when dwellings are consented on a section you've already counted towards the targets – are you double-counting them?

No. The monitoring report makes it clear that the net total being counted is adjusted to account for any overlap so there is no double-counting. In Year 1 there were a total of 1,829 sections created where the dwellings subsequently gained a building consent (or, in some cases, already had a building consent).

6. How many sections were created or buildings consented in SHAs during Year 1?

Of the 5,523 new sections created, 617 (11.2 per cent) were in Special Housing Areas (SHAs). Of the 7,366 new dwellings consented in the year, 354 (4.8 per cent) were in SHAs.

7. Why bother with Special Housing Areas when the market seems to be delivering almost all of the new homes anyway?

The Accord is about more than the SHAs and it is positive that there is activity occurring all across Auckland. The level of activity in SHAs will increase markedly in the second year, as plan variations and master-plans are completed within them and as developers convert new sections to new houses. The 80 SHAs now established have a potential yield of over 40,000 dwellings or sites.

8. What percentage of the current proposed developments in SHAs will be affordable homes?

Where desired, the Housing Accords and Special Housing Areas Act 2013 can require a certain percentage of new houses to meet affordability criteria. In Auckland, developers in most Special Housing Areas have two alternatives, generally being either five per cent or 10 per cent (although there are a few exceptions). The lower percentage requires lower prices than the higher percentage. The actual percentage required in any one area can be found in the Order that created the relevant Special Housing Area, which is available at: www.legislation.govt.nz.

9. Does the construction sector have the capacity to meet the targets in Auckland?

In principle, yes. To meet the Accord targets would likely require the number of dwellings consented in a year to match or only slightly exceed the highest number of dwellings consented in a single year (12,937 in the 12 months to June 2004).