How to make housing affordable?

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1. INTRODUCTION

In 2015, our class of seven Lincoln University Master of Planning students conducted a stakeholder forum regarding housing affordability in the Selwyn District. This was for Advanced Professional Planning Methods and Practice (ERST624), examined by Senior Lecturer Dr Tabitha Combs. We were to act as a consultancy, named “Ellesmere Consultancy Ltd”, to provide recommendations to address the growing demand for affordable housing in the Lincoln and Rolleston planning area during the next fifteen years. Affordable housing has become a significant issue in New Zealand’s housing market. It has become the topic of media stories each week and has resulted in frustration from many potential home buyers. The population in Selwyn in general, and Lincoln and Rolleston in particular, is forecasted to continue to increase.

We produced a final report which examined how well affordable housing has been provided for in the current planning system. We investigated the current housing supply, demand, pricing history, and also what is considered affordable housing. Plan Change 7 in the Selwyn District Plan, for example, has attempted to address the housing demand. However, we propose that more needs to be done to address housing needs and affordability. We created three maps using the ArcGIS mapping programme to indicate the current planning zones and conditions as well as the locations of recommended residential development.

This article is a summary of our final report. It outlines a stakeholder outreach forum which was conducted to obtain public feedback on the initial recommendations provided and to gather further opinions on affordable housing in the Selwyn District. As with any such study, there are variables that the consultant is not able to take into account due to various factors. These limitations and challenges are discussed. Based on the analysis and public feedback from the forum, a list of recommendations has been provided to address how housing affordability can be better accommodated in Lincoln and Rolleston in order to address housing affordability in the Greater Christchurch area.

2. THE STAKEHOLDER OUTREACH FORUM

A stakeholder outreach forum was conducted to gauge public reaction to our preliminary findings and recommendations on housing affordability in the Selwyn District. It was held between 3.30pm and 5pm on Wednesday 7th October 2015 at Lincoln University, and was attended by approximately 35 people in total.

The aims of the forum were to:

- describe the current housing situation in Selwyn;
- explain our preliminary findings and our recommendations;
- display maps and information outlining our preliminary recommendations;
- allow the public the chance to have a voice in addressing the issues around housing affordability in Selwyn; and
- allow the public to assist us in identifying limitations in our study.

The forum began with a brief presentation which detailed both the house rules and the structure of the session and gave an outline of our findings and recommendations. The public were then given a chance to roam around three different information stations for 20 minutes. The stations contained diagrams, maps, and graphs to display findings and recommendations. Two
consultants from Ellesmere Consulting Ltd were at each station to answer questions from the attendees (see figure 1).

The categories of the three stations were:

1. Plan Change 7 and housing supply/demand.
2. Property prices and affordability.
3. A display of maps and preliminary recommendations.

The public were then split into roughly even groups to be involved in three separate “participation stations”.

Each station involved a different activity for the purpose of allowing the public to put forward their opinions. The public completed the activity and then spent some time discussing the answers they produced. After 15 minutes they shifted as a group to the next participation station.

The three activities at the participation stations were:

1. A constructive feedback station through which the participants were asked to provide (on post-it notes) up to three positive comments and three constructive criticisms in relation to our mapped recommendations (see figure 2).

2. A rating-scale station through which the participants were asked to analyse the statement “housing is affordable in Greater Christchurch”. They were then asked to place a post-it note on the rating scale to show whether they agree or disagree with the statement, 1 being strongly disagree and 5 being strongly agree. The participants were asked to write the reasons for their placement on the post-it note, if they desired.

3. A question and answer station through which the participants completed a four-question survey. Their answers were then discussed with the group.

Upon exiting the forum, the public were offered the chance to provide further feedback by filling in a comments form.

**3. SUMMARY OF RESULTS**

The results from the stakeholder outreach forum helped us to identify a number of limitations in our findings. The responses also aided us in gauging public opinion on affordable housing in Selwyn and ways in which the public feel affordability issues could be resolved. Although we only received one response from the optional comments forms, we gathered data...
on a number of different topics from our participation stations.

The issue of a lack of affordable housing in Selwyn was reaffirmed in a survey of the public which showed that 28 out of 29 respondents believed housing was becoming unaffordable in the area. The most common reason given for the increase in unaffordability was a rise in demand for houses in the area which is outweighing the rate of supply. One respondent suggested that the “[Canterbury] earthquakes have increased demand”, whilst another argued that “the demand [for housing in Selwyn] is becoming higher as the population grows” and thus prices are being pushed up. Blame was also placed on “greedy developers” and a lack of restrictions on their ability to invest in the housing market which has driven prices up.

The most common theme that arose from public feedback in terms of addressing affordability issues was the concept of higher density housing. When asked whether they would be willing to invest in a smaller lot-size if it was more affordable, 17 participants stated they would, six stated they would not and six stated they were unsure. Members of the public further identified their desire for higher density housing when providing constructive feedback in regard to our preliminary recommendations. One participant argued that “focus needs to be more on what type of housing goes in rather than where, i.e. lot sizes. It should not just be left to the developer.” Another participant made a case for “more high density housing that links the main villages”, whilst a third member of the public suggested that “the focus should be on high density housing rather than development on existing productive land.”

Consideration of housing types was also suggested when discussing higher density as a solution for the unaffordable housing issue. A participant suggested that “limited housing type (multiple story housing and apartments)” was a major reason for the increase in unaffordable housing in Selwyn and another member of the public asserted that “housing and land areas are too big.” In discussing their reasons for supporting high density and mixed housing, a number of participants believed it would assist in providing for the rapidly increasing population in Selwyn, and would help to negate the high cost of new infrastructure that is often associated with urban sprawl.

Additionally, feedback from the public has helped us to identify a concern around the potential loss of rural productive land in Selwyn if housing affordability is to be addressed through rezoning land for development. The majority of the public recognised the need to provide more houses in Selwyn to address rising prices, but many participants at the forum held concerns that our preliminary recommendation to release land for development would come with the cost of losing productive agricultural land. One participant
issued their concern with the question: “would your recommendations encourage more people to live out of town on productive land?” Another participant suggested our recommendations were too “transport focused” with “no apparent consideration of rural productivity preservation.” It was even clearer from discussions with members of the public that they value the rural feel of the area and recognise the importance of the agricultural dollar to the local economy. Thus, a number of participants at the forum requested consideration be given to the value of the land in terms of agricultural productivity before it is released for development. Further, it was suggested that thought be put into the spatial pattern of land being released to ensure land zoned for development will have little impact on the overall rural feel of the area.

The importance of location when recommending areas for affordable housing became apparent through data gathered from the public. We asked the public for the main factors that influence them when choosing the location of a house. The majority suggested proximity to amenities such as supermarkets, schools, and recreational facilities as the most important factor. Access to open and green space was also commonly identified as a factor in choosing the location of a house. A third common theme was the need to be close to public transport networks in order to be able to commute to work or into Christchurch. From discussions with members of the public it became clear that, although housing in the area needs to be made more affordable, it is paramount that consideration is given to the liveability of affordable housing.

4. RECOMMENDATIONS

Much of the feedback we received from the stakeholder outreach forum has been incorporated into the final recommendations of this report. The most common theme that arose from consultation with the public – the concept of higher density housing as a solution to rising house prices – has been given significant consideration. We have included a recommendation that involves the building of a mix of housing types which will create higher density housing developments. This was a method that was supported by a number of the participants at the public forum. Furthermore, we have incorporated a recommendation which suggests the need to make changes to the Selwyn District Plan. These changes include an increase to the current permitted height of a building to allow for the construction of apartment buildings in the area. Additionally, we have suggested the inclusion of a rule which makes it a requirement to develop a percentage of dwellings in a new subdivision at a smaller size (e.g. 250m²). Again, the construction of apartment buildings was greatly supported during the stakeholder outreach forum as was the concept of smaller dwellings as they would provide for more dense and affordable housing options.

Concern from the public about urban sprawl as a result of releasing more land for affordable housing developments, and the impact this would have on productive agricultural land, has also been addressed in the recommendations made in this report. We have suggested that urban development occur around existing infrastructure so as to reduce the cost of new housing developments. This recommendation will have the additional effect of partially preventing sprawl onto productive land in the area as it will help to ensure urbanisation occurs next to existing development.

Feedback from the public suggested close proximity to amenities makes the location of a housing development more attractive and this has also been considered in our recommendations. We have suggested the development of amenities such as a school or a set of shops within close proximity to new housing developments in order to make affordable housing options more liveable.

Lastly, upon discussions with the public during the stakeholder outreach forum, we noticed a number of participants were in favour of developing a rail network alongside affordable housing which would link the Selwyn District with Christchurch city. This would make living in the area more affordable in terms of travel, given that a number of residents commute to Christchurch for work every day. We have included a recommendation in our report which outlines the need for a rail network as a potential development alongside affordable housing options.

Our recommendations are divided into two parts. The first part consists of broad recommendations for accommodating affordable housing. The second part is specific to the future housing development in Lincoln and Rolleston based on the planning zone maps we produced as part of the full report.

4.1 Broad Recommendations

1. Develop a robust housing demand model: A more comprehensive housing demand model needs to be constructed to better reflect the need of the
This includes the analysis for the types of affordable housing required. The model needs to be reviewed periodically to ensure the supply matches the demand for housing. We recommend that there is a mixture of housing available, particularly joined housing, to cater for different housing needs. Mixed housing is becoming more important as can be demonstrated by the increasing income gap. After all, New Zealand houses are among the largest in the world (New Zealand Productivity Commission, 2012).

2. Allocate additional land for residential development: From examining planning documents and gathering public feedback, we recommend that a further 400 hectares (ha) of greenfield land be rezoned to Living Zone Z'. We have recommended a maximum of 400 ha because to accommodate for the predicted 13,000 housing increase, with an average of 10 houses per hectare, 1,181 ha will be needed. Plan Change 7, which became operative in 2012 with an aim to provide for future growth within the Selwyn District, has provided for 809 ha of this; at this density, a further 400 ha could therefore be needed.

3. Provide incentives for developers: A wider range of incentives such as tax breaks can be given to developers to encourage them to develop a mixture of housing types and to better respond to the timing of demand for houses. These include releasing land for housing development and relaxation of conditions on land covenants. Matching grants or a public-private partnership approach can also be useful to lower the initial infrastructure development cost for the council.

4. More streamlined and integrated planning system: More streamlined and integrated central / local government initiatives, particularly in planning processes and legislation, will increase planning efficiency and reduce legal costs.

5. Amend planning rules: Rule 4.8.1 of the Selwyn District Plan states that the erection of any building which has a height of not more than eight metres shall be a permitted activity. We suggest that this height is increased to accommodate apartment style housing closer to the town centres. We also propose that Rule 4.6.3, which states that the erection of not more than two dwellings on an allotment in a Living 1 zone shall be a restricted discretionary activity, should be changed to a permitted activity. This would allow for apartment style dwellings. Finally, we suggest the inclusion of a rule which states that a percentage of dwellings in each subdivision do not exceed a maximum area, e.g. 250m². This would increase the mixture of housing styles available that will suit a range of incomes.

4.2 Recommendations for future housing development based on planning zones

1. Development should be on the periphery of existing higher density housing: We recommend that future housing should be developed around the periphery of existing housing. This will ensure that costs are reduced by utilising already existing infrastructure to accommodate future housing.

2. Amenities should be developed alongside future housing: We recommend that future amenities be located nearby these future housing development areas as, as shown in map one, the relationship between housing and amenities is strong. An example of this relationship would be a school, which effectively acts as an attractor for housing development.

3. Future housing would be better placed away from high speed roads: Developing housing away from high-speed roads will ensure that safety is of the utmost importance. Safety for families is an important part of developing new housing. This will also encourage development to occur around existing infrastructure. Roads that have lower speed zones are located near crucial day-to-day infrastructure, such as water and sewage, reducing the overall cost of developing land for future housing.

4. The Urban Development Strategy should be accommodated within the development: This final recommendation is imperative for the entire region and must be complied with. With increased development of the outer regions of Christchurch,
Further pressure will be placed on the existing infrastructure such as roads and power. To ensure that the region grows sustainably, development of the road network, for example, will need to be undertaken. Furthermore, new infrastructure may need to be developed in order to relieve congestion on the roads. We recommend that development of the rail network should be investigated as a possible option for transporting the population of these satellite townships into the Central Business District quickly and efficiently.

5. CONCLUSIONS

Housing affordability is a complex issue involving multiple influencing factors. This report has analysed the current housing affordability issue in Selwyn District, with a particular focus on Lincoln and Rolleston, based on key factors such as population and housing stock growth, household income, household spending, property prices and homeownership rates. In addition, issues related to the current planning and development system have also been illustrated.

The population in Selwyn in general, and Lincoln and Rolleston in particular, is forecasted to continue to grow at a high rate. A more comprehensive housing demand model will be needed to better reflect the housing needs of the population in regards to different demographic needs and economic factors. While the majority of the households in Lincoln and Rolleston can afford the housing in the townships currently, initiatives need to be undertaken to accommodate the housing needs for those households in the lower income range, particularly with the increasing rate of property prices and rental. Availability of housing and household data such as house price and household spending at a lower spatial level will increase the accuracy of the analysis.

In terms of future housing development in Lincoln and Rolleston, it is clear that Rolleston and Lincoln will continue to grow and affordable housing is needed to accommodate for every type of family in the community. The new development will need to be located near amenities to reduce costs as well as avoiding high-speed roads to ensure the safety of the community.

Increasing land supply is not the only means for reducing housing costs. Efforts and commitments by various parties are needed in addressing the issue of housing affordability. This include individuals, housing developers, local authorities and the Central Government.

6. REFERENCES
