

An Eco-response to Housing Under-Supply, Costly Cities and Our Need for Affordable Housing - ADUs and Partitioning

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Housing Crisis & the Vicious Circle

- Vicious circles
 - elements intensifying and aggravating each other to worsen situations
 - sustained by flawed logics and misplaced interventions
- Housing Crisis – Received and dominant logics:
 - Affordability problems driven by land prices and planning
 - Increased aggregate supply through new-builds will improve housing affordability
 - Improved housing affordability will meet the needs of those requiring affordable housing
 - New-build is the only way to increase the aggregate supply of housing and affordable housing

House Prices and Affordability

- Planning does not drive up land prices – the main drivers are
 - High house prices
 - Credit flushes
 - Residual land value tools when supporting bullish development assessments
 - Rationing land release and land-banking
 - Exclusionary and restrictive covenants
 - Fear, anxiety and greed
- But windfall gains are associated with planning changes – including around SHAs
- LifeMark and Green builds do not drive house prices – but green and universal design is used to rationalize new-build house price premiums

**BUILDING BETTER
HOMES, TOWNS
AND CITIES**

Ko ngā wā kāinga hei
whakamāhorahora

| | Social Housing | Affordable Housing | Market Housing |
|---------------------------|---|--|--|
| Goal | Well-being Community building | Well-being Community building | Profitable business |
| Financial Characteristics | <ul style="list-style-type: none"> Subsidised capital Land contributions IRR or AS-subsidised revenue (rents) Leveraged, asset-based lending Service contracts Break-even, limited surplus | <ul style="list-style-type: none"> Subsidised capital Land contributions Leveraged, asset-based borrowing Householders: Co-payment, Rent for buy, AS rents Revenue surplus, revolving fund | <ul style="list-style-type: none"> Development capital Leveraged, asset-based borrowing Profit |
| Users | <ul style="list-style-type: none"> Lowest income Multiple needs Limited resources | <ul style="list-style-type: none"> Low and middle income LVR affected Prudential issues Housing stress | <ul style="list-style-type: none"> Income/Asset endowed Able to meet <ul style="list-style-type: none"> Median rents Finance requirements |
| Services | Whanāu Ora or wraparound | <ul style="list-style-type: none"> Housing management Strengths development Budget management | House delivery |
| Tenure | <ul style="list-style-type: none"> Primarily rental Limited intermediate tenures | <ul style="list-style-type: none"> Intermediate tenures Home ownership | <ul style="list-style-type: none"> Home owners Property investors Retirement Village |
| Building | Lower quartile value | Lower quartile value | Upper quartiles of value |

Affordable Housing

- Housing affordability \neq affordable housing
- Affordable housing struggles:
 - In demand-side policy settings
 - In a global economy and financial market addicted to house price increase
 - Without capital subsidies
- Housing that meets housing affordability benchmarks is often not affordable to low income households:
 - Cost-shifting to energy consumption
 - Personal and externalised costs to well-being
 - Insecure tenure

Preoccupation with New-Builds

- Expands urban footprints
- New-builds in greenfields burden:
 - Fragile ecosystems
 - Fertile soils
 - Risky coastal and riparian sites
 - Attenuate infrastructure
- Adds to Carbon-Loading
- Struggles to deliver wellbeing and healthy homes

Re-Looking at the Existing Stock

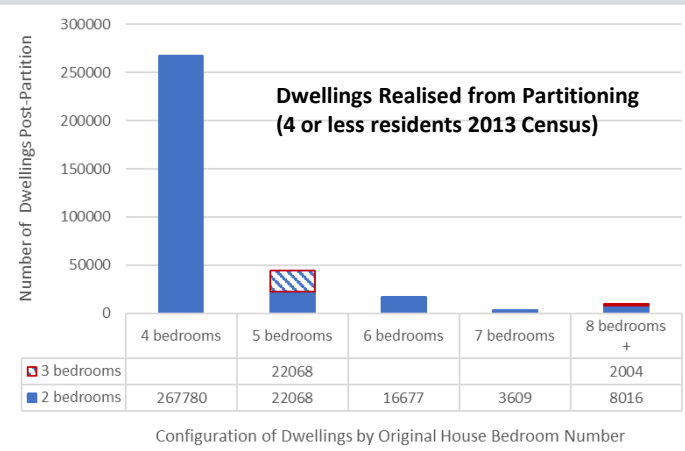
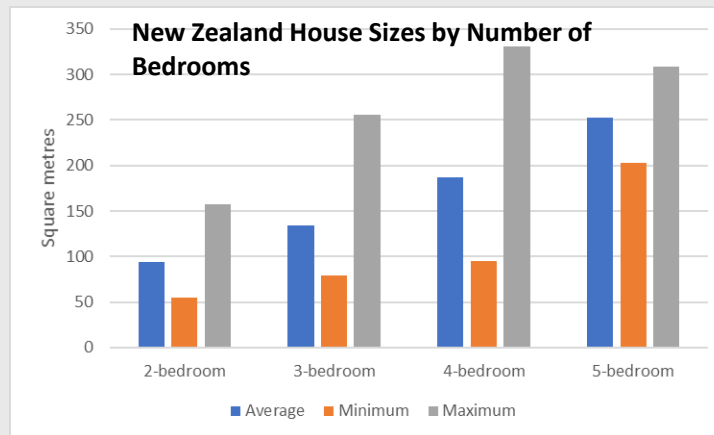
- Opportunities presented by:
 - Partitioning
 - Accessory dwellings units
- Current rules embedded in district plans:
 - Present barriers
 - Irrational and inconsistent
 - Not effects-based – ‘left-overs’ of the old Town and Country Planning Act
- Significant win-wins for affordability, supply of affordable housing, and environmentally
 - Potential equity realisation or income stream for owner occupiers
 - Affordable housing:
 - Smaller house size
 - More effective utilisation of land
 - More effective utilisation of infrastructure
 - Performance efficiencies – energy consumption and water

Accessory Dwellings Units

- Independent dwelling with no subdivision requirement
- Rules vary, often around 'who' lives in them rather than controlling for effects
- Potential for in-scale intensification
- Need careful design for functionality and visual amenity
- Resonance with the tiny house movement and low resource consumption
- Potential to realise the potential of the pre-fab industry

Partitioning Potential

Partitioning is not new
but largely forgotten



Eco-designers:

- Skills challenge
- Opportunities for extensive retrofit at marginal cost
- Partitioning promotion in councils
- Plug and play solutions

Partitionable Stock by Region 2013 Census

