

BUILDING BETTER
HOMES, TOWNS
AND CITIES

Ko ngā wā kāinga hei
whakamāhorahora

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

Kay Saville-Smith

A Research Leader for the Building Better Homes Towns and Cities National Science Challenge

Centre for Research, Evaluation and Social Assessment Ltd

**GUARANTEEING HEALTHY HOMES - THE ECO DESIGN ADVISOR CONFERENCE 2018
20 – 21 MARCH 2018 – WELLINGTON**



Housing Crisis & the Vicious Circle

BUILDING BETTER
HOMES, TOWNS
AND CITIES

Ko ngā wā kāinga hei
whakamāhorahora

- 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

BUILDING BETTER
HOMES, TOWNS
AND CITIES

Ko ngā wā kāinga hei
whakamāhorahora

- 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

	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

Affordable Housing

BUILDING BETTER
HOMES, TOWNS
AND CITIES

Ko ngā wā kāinga hei
whakamāhorahora

- 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

BUILDING BETTER
HOMES, TOWNS
AND CITIES

Ko ngā wā kāinga hei
whakamāhorahora

- 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

BUILDING BETTER
HOMES, TOWNS
AND CITIES

Ko ngā wā kāinga hei
whakamāhorahora

- 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

BUILDING BETTER
HOMES, TOWNS
AND CITIES

Ko ngā wā kāinga hei
whakamāhorahora

- 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

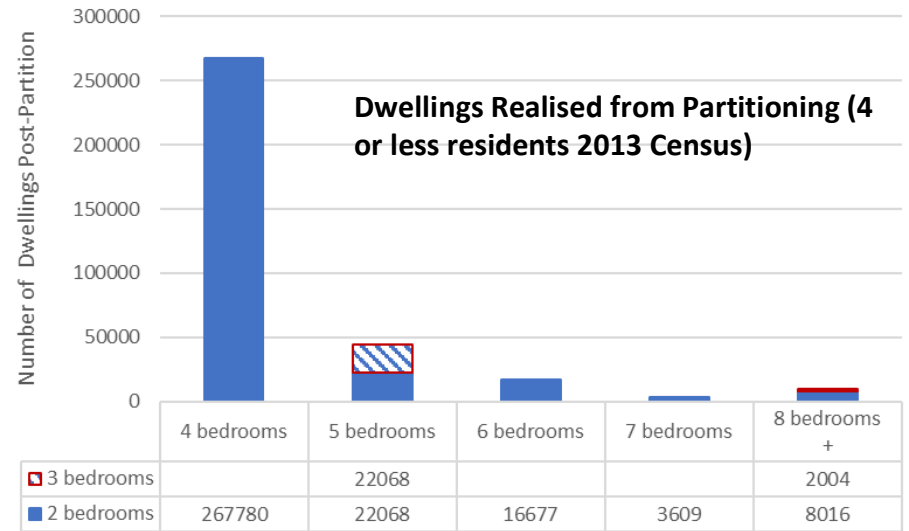


Partitioning Potential

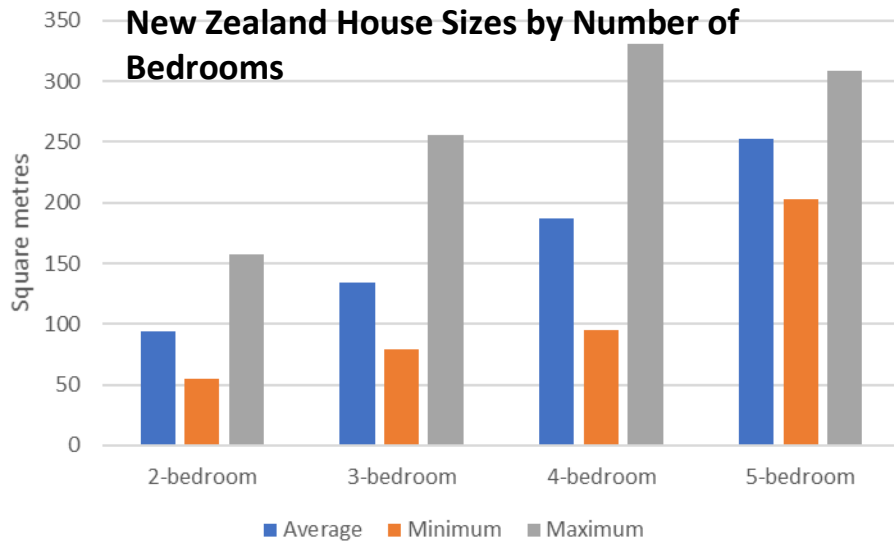
**BUILDING BETTER
HOMES, TOWNS
AND CITIES**

Ko ngā wā kāinga hei
whakamāhorahora

Partitioning is not new
but largely forgotten



Configuration of Dwellings by Original House Bedroom Number



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

