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**Inquiry into Housing Affordability**  
**New Zealand Productivity Commission**  
**PO Box 8036**  
**The Terrace**  
**Wellington 6143**

## **COMMENTS ON THE INQUIRY INTO HOUSING AFFORDABILITY**

### **Introduction**

The principal purpose of this submission is to express support for the Housing Affordability Inquiry Draft Report.

The Draft Report is an impressive document. It has been thoroughly researched and its findings have been based on statistical data, as well as on 55 Submissions and 77 Engagement Meetings which represent a broad spectrum of views. It seems to me to be balanced and free of bias. The Opinion piece in NZ Herald of 19 December 2011 by Murray Sherwin, the Chair of New Zealand Productivity Commission, set the scene clearly and understandably.

It seems to me that all the factors influencing affordability have been described, addressed and responsibly evaluated in the Draft Report.

### **Comments**

In this submission, I have commented briefly on a limited number of matters included in the Draft Report and I have added, in an Appendix, relevant items from my submission on the Auckland Council 30 Year Plan and a copy of my letter to the then Member for Local Government which expressed my concerns about the role played by staff in Territorial Authorities.

My views are influenced by having lived in Auckland for more than 50 years.

As an architect, my field is principally health planning; I have no expertise in the field of housing.

## COMMENTS

### Terms of Reference

The first term is

“Stability of the home environment is widely considered to be important for social cohesion and family stability”

The Draft Report makes no comment on which types of housing and home ownership are most likely to promote “cohesion and family stability”. Multistorey blocks, as evidenced by examples in London and Paris, have promoted crime rather than cohesion, but there are factors such as accommodating unemployed immigrants, that do not exist in New Zealand.

Viewing Auckland from the summits of Mt Eden and Mt Albert, one sees the maligned quarter-acre section development which did provide “cohesion” and “stability” in 20<sup>th</sup> century terms.

The addition in the Report of comments on this matter would be valuable.

### Renters (Overview)

The Draft Report notes the special role of State Housing (its traditional nomenclature) in providing rental accommodation. If State Housing is included in any data related to renters, the statistics will be skewed.

### Taxation (6)

In the wide-ranging view of taxation, the idea “betterment” should not be overlooked. Betterment was proposed by town planners in the UK in the 1940’s. As a simple example, it proposed that when land zoning is changed to suit community needs e.g. from rural to residential, without any contribution from the landowner, some financial contribution should be made by the landowner from the profit which resulted from the change in zoning. I am not aware of betterment ever having been adopted by a territorial authority.

### Urban Planning and housing affordability (7)

The Findings and Recommendations in Section 7 effectively summarize the current position and offer appropriate solutions. A related matter is that associated with the zoning of land for greenfield housing, there should be land zoned for industrial use to reduce travel time/distance for workers.

### Building regulations and affordability (9)

The first key point in this chapter states

“..... by imposing standards that exceed what home owners would otherwise choose.”

This is also referred to obliquely in F10.1.

Houses are a national investment and asset . Residents come and go but houses should be designed for occupation over a long period and thus decrease house prices by increasing the housing stock. It would be interesting to know how many houses in Auckland have been occupied for more than 50 years and of these, how many have been upgraded (usually bathrooms and kitchens) because the base structure made upgrading economical and a preferred alternative to demolition.

Durability should not be compromised by adopting lower constructional standards.

### **The Performance of the Building Industry (10)**

This subject is discussed in Section 10 and also in the Overview. “The residential building industry is fragmented with low productivity growth” provides a succinct summary of the building industry. Work on site is inefficient and quality control is poor, matters which can be improved if work is prefabricated under factory conditions. A study carried out some years ago showed that electrical power used by building workers in New Zealand was significantly below comparable usage in Australia and USA, with a corresponding reduction in output. Prefabrication is particularly suited to group home building but, as stated in F10.3

“A lack of available land can present a barrier to productivity through inhibiting the development of group home building and scale development”.

The possibility of increasing affordability by using prefabrication was demonstrated by the development in the USA of the Core House. The fixed items were the kitchen/bathroom unit; the external walling used prefabricated units; internal partitions, using prefabricated units, could be added as or when needed, thus minimising cost.

Prefabrication is an aspect of the building industry which can contribute to increased affordability.

  
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