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Inquiry Housing Affordability (NZ)

I enjoyed reading through the findings and recommendations; one item I may have missed was with regard to finance surrounding the supply of the Affordable Housing Product. High and unsustainable / unreliable Residential Construction Finance rates are inhibitive to the supply of Affordable Housing.

Please refer to Q 12.3 below.

Q7.1 An application valet system. The application is vetted to check that it contains all the necessary information required for the decision making process to be completed. A formatted check list of the required information that fulfils the criteria of the local Council.

Q8.1 the first advantage is that the process would at the very least be contestable. The present system has no allowances for any type of innovative discussions or dialogue to take place. The merits based test would have to be gauged on a national basis otherwise merit could be at the discretion of the local council. Any type of ambiguity surrounding these decisions which involve large sums of money will lead to dispute should the merit based test not have a national benchmark/standard.

Q8.2 In the first instance all Resource Consent Application data should be sent to all objectors to gain a full understanding of the proposed project. Should individuals or organisations wish to dispute the professional findings of an industry expert then they should be free to take application data to there own experts for a second opinion at their own costs, should that data conflict then mediation should be sought always before litigation.

Council should understand that best business practices utilized by the private sector and pursuing the very best outcome for both parties would reduce their need to litigate or be litigated against.

Communication should be of paramount importance, generally conflict in these instances are a the result of poor communication.

Council also need to recognize that time really is money on the construction site or subdivision development. Council employees need to be instructed of deadlines and target dates and assist with keeping the project on track, get involved for the collective good of the project.

Q9.1 A You tube channel could be set up that allows individuals and organisations to upload their own footage so can be discussed and analyzed by the industry.

Announcements by the DBH could be broadcast this way also.

Councils could upload how they individually like things completed, open medium.

Q9.2 Numerous builders better suited answer here.

Q9.3 a national criteria/standard could be established inspectors should be heavily regulated and supply mandatory personal liability insurance this would lead to better accountability and great responsibility. Insurers would weed out poor inspectors.

Q 11.1 Yes the commission clearly understands the issues of sustainability and scalability, the current situation is not sustainable and the industry has no scale for provision, heavy demand is abundantly apparent but the sector has no clear indication of... When is a start going to be made on physical supply, a date? Who is actually going to build? Who is going to pay? Hard Solutions need to be formulated and Implemented immediately. The time lag is colossal with fulfillment of the affordable housing product , you don't pump out houses like light bulbs , overnight!

Q 11.2 low interest loans to developers for the sole purpose of the strict supply of Affordable Housing, providing a successful commercial business model that would attract investment from individuals and institutional investors. The profit motive. Sustainable returns to investors generated from the activity of Affordable Housing residential construction. (Demand is Heavy, Product Supply is Thin)

Q11.3 yes, Demand is growing for the rental product at an exponential rate. Directly correlated to the reduction in Affordable Housing Stock is the increase in demand for shelter by way of rented accommodation.

At present I am unaware of a single dwelling being constructed in the Wellington Region that is intended for rental. All are owner occupiers.

Q11.4 Long term lease agreements, with fixed increases not coupled to inflation etc. A standard or registered certificate of what the actual rental return should yield, this may assist Govt to stabilise the Accommodation allowance. A QV of rent. Build Build Build rental accommodation a lot more people are going to be long term reliant on rental accommodation.

Q12.1 better answered by directly affected Maori.

Q12.2 as above

Q12.3 Difficulties surrounding finance for Affordable Housing residential construction are not only limited to Maori. This peculiarity of lack of residential construction finance for a sector / product that has such an overwhelmingly apparent demand.

NZ has statistical evidence of sustainable demand for the Affordable Housing Product yet the banking sector has almost no appetite for Financial Involvement in the development of the Affordable Housing Product.

Q12.4 Only if terms are agreed with financiers prior to commencement of any projects, liabilities for all parties would have to ring fenced.