Q1

Housing Affordability should be examined as a whole.

Housing Affordability as an issue has gone beyond lower income households up into middle New Zealand.

Q2

Yes, Figure one does capture the important determinants.

The only addition would be to add Availability and the Cost of finance to the top supply box. (Letters of example enclosed of difficulty surrounding Supply Finance specifically for Affordable Housing)

Q3

The visual concept of the Housing Ladder identifying each rung bracket. Starting with lower rungs as social housing through private rental upward to Home Ownership. (Enclosed Ladder for reference and to demonstrate the void to available Affordable Housing Product)

Q4

Regulatory increases, Council Contributions, materials, Land costs, finance costs, Labour costs, GST increases.

There are never any temporary increases in the building industry or regulatory fees. E.g. Carterton District, 2007 Developers contributions up from $1500 per section to 2009 $10,000. There are only increases. Inflation 5%.

Q5

Houses were undervalued.

Q6

Home ownership has fallen and falling still, as houses become more expensive they are by way of definition becoming unaffordable thus inaccessible to the most amount of New Zealanders.

Q7

No it is far too generalized

Q8

Housing ladder identifying Price Bracket rungs encl..

Q9

Demand and availability of land plus available development finance coupled with increased employment opportunities.

Q10

Ratio to mortgage stress of household income. Percentages of group incomes, Yes a singular measure is what is required.

Q11

New Zealand as a country has still not focused on Affordable Housing, Some countries are 20 years ahead. We are playing catch up to identify we have an Affordable Housing Crisis so ignoring the issue would be one of the main causes and no action of building and/or incentivizing the building of Affordable Housing.

Wages did not increase at the same rate as material increases and Land value increases.

The average age of the first home owner has drifted up to 36 years of age.

R

Banks have an ever increasing stringent criteria for mortgages and physically saving the deposits required has become a barrier.

Plus house prices are continuously moving upward due to the above mentioned increase across the board.

The GFC effected banks appetite toward property developers and the stock of new property is dwindling.

Q12

The first barrier to purchase is the deposit, the second is a house at the lower spectrum of the housing ladder. This is constantly trending upward.

Q13

No they do not capture adequately the problems of those on lower and middle incomes. Urban, Rural, Fringe is not a cookie cutter solution every case has to be able to be looked at and not generalized.

Generalization is what causes broad stroke declines and broad stroke acceptance.

E.g. one Bank we deal with explained they would not invest into a project in what they classed as the fringe, that specific District is the 5th fastest growing district in the country and has low unemployment and a huge demand for new Housing stock.

Q14 - Q16

We do not Advocate rental, we encourage home ownership. So we are unable to answer these specific questions.

Q17

Numbers are only starting to come through on some of the assisted home ownership schemes, to date the impact has been minor but with more promotion and more New Zealanders needing assistance toward home ownership we are sure these schemes and subsequent demand will increase.

The assistance focus should be toward developers constructing the specific Affordable Housing product. Then the level of assistance required to secure first homeownership would be capped and regulated. Eg a first home owners grant or rebate on only purchasing the specific housing product in this case with a price ceiling of $357 000.

This could easily be derived from the GST 15 % content of a $357 000 new build say $46500. Scale the first home owner grant similar to Australia up to $20 000 that still leaves a residual of $26500 for the IRD. Better to have a bit of something than all of nothing. (Diagram enclosed)

Q18

Credit, Personal Credit has been a key driver.

The 18 to 25 year old bracket are eligible for store credit and car finance.

Banks shy away from this group in the mortgage arena.

$10,000 store credit is easily attainable and car finance can be secured for as little as $250 deposit for a $15000 vehicle.

These credit facilities are generally at a far greater interest rate than current mortgage rates. So by the time house purchase comes up as an issue most expendable income has been utilized, this also acts as an obstacle to deposit saving.

Rents, there are a large group of New Zealanders who are trapped in the rental cycle, the rent they pay is higher than what a mortgage would be but are unable to keep pace with saving a deposit relevant to housing market increases and subsequent interest rate increases constantly diminish their chance of Home ownership.

Stringent bank Criteria. Issues around self employed and seasonal workers.

Q19

Many New Zealanders have given up on the kiwi dream of home ownership.

The acceptance of many New Zealanders to Rent for Life has lowered the aspiration for home ownership.

Q20

Urban, Regional, Rural, sub markets key factors are distance location to transport Links, education providers, employment options and job creation activities.

Q21

Yes price trends do differ across sub markets.

E.g. Two regional towns one in a ski field area that focuses on tourism and is seasonally bound by weather, the second being a town that is in a high Dairy production area and large forestry processing. These are sustained differentials.

Q22

Tangible investors, tactile investors, property investors like to visually see their investment. They like a solid return in the form of weekly rent payments. They like the physical security of the land and House.

No, offshore investment has not played a major part in the Affordable Housing Market, the wider market especially in Auckland minor.

The segment with the most investment activity is also the market with the most activity $380 000 to $420 000.

Q23

The collapse of 23 finance companies with a total loss of funds over 4 billion NZD.

Investors have identified that many New Zealanders are unable to own there own home as housing affordability diminishes so therefore there is a current market and a growing market for long term rental opportunities.

It is becoming more frequent to utilize a Lease instead of rental agreements.

Demand is growing for the rental product.

Yes the perceived risk and real risks are understood unilaterally worldwide regarding property compared to other forms of investments.

Q24

Investors strangely enough drive the house price lower, individual private buyers will pay more through emotion than an investor.

Very little effect as investors generally don't compete against private buyers, private buyers will always pay more than an investor as the investor has a return criteria where as the individual requires fundamental shelter.

Investment has been widespread across the market.

Q25

This is an emerging industry; New Zealand is only just entering the first generation of lifetime renters who have either no ability to own or no desire to own.

This market segment will evolve on a similar basis to the retirement housing industry. As bulk demand becomes more apparent larger supply solutions will be formulated.

Q26

Real Estate fees and commissions have an increase effect on sale price as the vendors generally include these fees and commissions into the asking price. As the market price has increased affordability has decreased. Too soon for any changes regarding Real estate agents from introduction of new regulations.

Q27

What would be useful is a set commission charge across all real estate agents for sales at the lower end of the market, e.g. reduced percentage on commission for sales under $380 000.

Q28

Intensification or Vertical Housing has physical accessibility issues with stairs or elevators required.

Amenities such as Sewer and Water demands may not have been engineered into the design of that specific location.

E.g. an Urban apartment block with 400 toilets that connects to an area of the city that the sewer network was designed and built in 1926.

Water services that where designed to supply 10,000 max in 1955 to support intensification now up to 100,000.

Demand on these services within some infill areas has become detrimental to the previous existing user residents. Capacity is everything with intensification.

Generally only constructed by commercial construction companies.

Expansion or Horizontal Development

The benefits of Green field developments reside in a holistic expansion model.

As satellite areas are developed transport links can be extended, new services such as sewer plants and water treatment stations can be easily constructed incorporating future demands for large areas.

Electricity and telecommunications can easily be extended and new design and innovative technologies can be utilized.

The kiwi identity of the quarter acre dream does not have to be over. Cricket on the back lawn and a Bar-b-q. in planning terms it is noted as Character and Amenity of the area.

Building of individual stand alone homes utilizes the most amount of labour and enables apprenticeship opportunities across many trades. This will only benefit the industry by repairing lost capabilities for future house construction.

Q29

Both activities are beneficial for economic growth, any economic activity around building and construction is instrumental to materials manufacturing and materials handling. Expansion employs more individuals as Roading and earthmoving contractors are required on a greater basis.

Expansion supports competitiveness amongst the most participants.

Eg if you required 500 new homes on private sections your tenders and bid process would have more participants than a construction tender for a 500 room apartment block. More varied materials would be utilized from more suppliers building 500 individual homes, ie all 500 bathrooms would not be the same and purchased from a single supplier.

Q30

AHNZ support the Urban Design Protocols which incorporate living areas, communal parks, integrated education and early child care centers, close proximity to Transport links and medical service providers. AHNZ construction is inclusive of all ages and mobility needs. One of AHNZ policies regarding large development property purchases is to minimize any environmental impact to an absolute minimum. In some cases allowing the environment to dictate how the development will proceed.

Q31

New Zealanders undoubtedly prefer to live in suburban developments. This is evident in the current ratio data of Apartment/ intensive housing v Individual freehold land titles.

New Zealand is identified world wide as having large 1000m2 quarter acre sections.

The term Quarter acre dreams is synonymous with New Zealand.

As living costs rise, especially food, people begin to utilize land again for productive food growing in the good old kiwi vege patch. This assists with sustainable affordability.

One of the predominant reasons for the preference of individual property ownership is territory. Security through the physical ownership of the land under foot and under the dwelling. This also allows for future expansion with the good old kiwi extension.

Q32

There has been no reduction in the rate of land release for residential use.

Eg what does occur frequently is that the owners in situ when their' land is rezoned are not in the financial position to develop the land and do not have the will, so even though that specific area has been opened up this does not equate that the area is going to be developed in the immediate term.

Q33

All Local Authority decisions to release land by rezoning only increase supply never constrain, as until they rezone its not residential. Local authority are the only current avenue to have areas rezoned so if they didn't release land there wouldn't be any future residential.

Q34

Generally AHNZ budget two years for rezoning of land areas to residential, then the RMA process takes on average 12 to 14 months, then finance and project management 6 months, the physical construction work generally takes the least amount of time. Recently we had a subdivision that took 2 years of regulatory to begin and 14 weeks to construct the subdivision.

Housing on a general basis takes 16 to 20 weeks per house once permits are stamped, with most generic house plans councils now stamp in 10 working days.

Q35

AHNZ have found all major service providers extremely well prepared and willing to assist, admittedly there are leadin times that must be adhered to; you don't pick up a phone on Friday to build a subdivision on Monday.

Power Co generally one month lead in time, Chorus 6 weeks, Roading contractors generally book in with 3 months advance, as with drain layers etc.

In ten years I have never received a notice that prices are going down, not once.

Q36

High Density housing is resisted by residents and local authorities. High density cannot make easy changes in any direction; it is what it is; High Density.

Q37

Yes there is evidence of land banking, purchasing a future pipeline for development is essential to development companies and housing companies alike.

As with question 32 some individuals become land bankers by default when there land that is in most cases utilized as a small holding or lifestyle block is zoned as residential. Most have to relocate due to crippling rates increases.

Development funding/ finance is too difficult to organize and in most cases not available to a general property resident.

Q38

Yes, too complex. It could be simplified into a national strategy and format.

All developments begin to look generic as we are all meeting the same design standards, in some areas more intimate and innovative designs could be used but any variation from NZS standards sends the project costs and timeframes spiraling upward, so many developers just stick to the book.

Unnecessary costs and Uncertainty generated by local authorities interpretation of the design principals is a major contributing factor to time over runs and budget increases.

E.g. on an AHNZ subdivision the town engineer wanted us to investigate the use of a gravity fed sewer to a different connection point.

This took one month and cost over $5000 with consultants plus holding costs to only find the original approved sewer was the best design.

Q39

Local Authorities could have a master plan to encourage development.

E.g. this is where we want to build more housing, this is were we want a school, this will be a transport link here, water reticulation should be brought from here, Councils should be a lot more proactive toward development as they increase the rate paying base and also receive large council contributions from development activity.

Q40

Individual Councils vary greatly across New Zealand. Most adhere strictly to the RMA requirements. These can be time consuming and sometimes costly with regard to acquiring expert professional analysis for items such as Traffic Management Plans, Sewer Capability reports, Water hydraulic testing.

Most now process well within the given timeframes under RMA requirements.

The request for information that comes could be expedited by a valet period of the application.

A Liaison officer from the local authority to valet the information provided within 24 hours to identify any issues that may need greater explanation or clarification, This would greatly assist the local authority by enabling them to focus on an application in its entirety instead of on a drip feed of information through delayed requests or absent information preventing them from processing.

E.g. two weeks after making an application to have a request for more in-depth information within a specific category. Generally by this time the industry professional who was utilized is not immediately available to assist so delays are encountered.

AHNZ was required to employ a traffic management specialist as a subdivision we where constructing entered out onto State Highway 1 in a 50kmph area.

The report was comprehensive and informative. This was enough for town planners but as members of the public had questions surrounding this issue AHNZ was exposed to the costs of having the Industry Professional physically present to answer questions from submitters. In a nut shell read his own document. Surely a copy of the report would suffice.

Q41

With the financial bar elevated to begin proceedings at the Environment Court this has eliminated many minor or vindictive appeals, most of which are settled during the mediation process.

As a responsible development company we aim to settle as many submitter's queries by way of direct communication, we know that people want answers especially surrounding their greatest asset, their home.

It's when you have a submission that can be easily answered by council or expert professional but still doesn't meet the requirement of the submitter and then you are all off to the Environment court. There should be a point when appeals must be based on non provision of answer; not; Not happy with answer.

Q42

A one off connection fee to the towns supply ie $5000 Sewer contribution plus developer/owner pay for connection costs.

$2000 Water connection fee

$5000 Road Reserve Fee

$5000 Parks and Reserve contribution.

$17000 Total generic charge nationwide.

Q43

Current infrastructure charges are justified as long as that is specifically where the contributions are spent.

I.e. sewer contributions being invested into further/future sewer networks or processing plants.

Road reserves on the roads.

How can they over recover, it's a one horse race, they can charge what they believe is required.

Q44

All Local Authorities should publish as part of there annual plan the fees associated with development and regulatory building costs.

Including all Council contributions and the hourly rate of council processing staff.

Some local authorities may exercise greater discretion than others. Some may vary plans to better fit the specific location or to be in keeping with the current environment.

The decision is always open to the discretion and interpretation of the local authority.

Q45

Should be generic across the country.

Q46

Yes coupled with the on going revenue generated from Rates.

Q47

Yes they are a cost just like the initial land purchase, finance, Tarmac all passed on to the consumer.

Q48

One generic nationwide fee as above. $17000.

Q49 – Q51

Building sector are better qualified for these questions

Q52

Anything beyond a duplex is going to undergo some serious scrutiny by most local authorities. Certainly not encouraged.

Q53

Standardized nationwide bulk builders plans are passed with relative ease.

Again, possibly a valet process to identify any additional information for clarification that will be required to make an informed decision.

Q54

Construction costs increase on an incremental scale they constantly ratchet upward, there are never any decreases;

Labour costs increases on a yearly basis, will people show up for less next year?

Material cost increase on a quarterly basis, Is timber and aluminum and silica going down next year?

Increased Regulatory and compliance costs increase. Are councils decreasing their fees next year?

Insurance increases annually, now after the Christchurch Quakes will insurances decrease?

Transport costs are constantly increasing , Can builders get to sites cheaper and deliveries be made cheaper?

So Houses will cost more next year and the year after that....

Q55

The rate of Residential Building has declined 3 years in succession so additional demand has been put on supply but still there has been price increases.

The supply chain is dormant as the amount of residential building has hit an all time low.

The residential building industry needs stimulating in a controlled direction to assist with building in Affordability. If the largest amount of new homes that where available to the market were Affordable with a price ceiling of $360 and $ 400 dependant upon location, then by default, the market would become more affordable.

Then the threat of increasing construction costs could be measured against the Affordable House Product by way of a percentile of completion.

Q56

Lack of willing participants to provide Finance for large scale housing which in turn negates any economy of scale purchases.

I.e. AHNZ have a 24 lot subdivision, funders prefer staging the development into 4 stages of 6 houses, greatest economy of scale reached is 6 instead of 24.

Barriers, Finance. As we know demand is there.

Q57

It's a very small pond with a couple of pretty established participants.

Q58

It is driven by both

Q59

Due to the lack of residential building work many New Zealand Builders have left New Zealand for more constant work opportunities.

Many are leaving each month.

I recently spoke with a developer in Brisbane who indicated over 2000 kiwi builders in QLD and NSW.

Many of these builders did not leave for better pay rates they left because the level of house building in New Zealand HALVED.

They had and some still have no work.

Even with out the Christchurch rebuild there is a huge skills capability shortage now in the New Zealand building sector.

Some technical institutes are now closing or reducing tutor numbers as they can't attract young entries into apprenticeships because they see there is no demand for trade skills.

Considering Housing is a fundamental need to providing shelter from the elements and is integral to survival you don't want to be light on builders.

The lack of builders will affect all New Zealanders as Houses need to not only be constructed but maintained.

If building seems expensive now with the supply at an all time low when demand kicks in there will be a very long lag to gear back up and in that interim builders will be in fierce demand and with that increased rates.

Q60

Economy of scale and different construction techniques allow commercial to build more rapidly.

Greater range of larger finance packages available to commercial builders.

Q61

Poor design, builders generally only build to the plan.

Poor supervision at the planning stage could be the fault.

Q62

Immigrants generally cluster around the major cities Auckland and Wellington,

due to easy access to airports and commuter routes.

Many immigrants rent for the first year.

Q63

Percentage wise the greatest increases is in the regions. As regional towns grow by 50 and 80 new residential dwellings per year this is a large percentage increase in the total population of the town.

Also when the current house price in the town was $280k and you build 80 new $400k to $500k homes the average new sales price raises very sharply.

Rural towns have also seen meteoric rises on the back of high commodity prices in the dairy industry coupled with sheep and beef plus increases in the forestry sector. These tend to get overlooked or classed as fringe towns but are actually financially robust and offer very good job prospects.

Q64

Immigrants generally congregate to the major cities and desire easy access to transport links, this also enables access to more employment options and to be near other members of the immigrant community.

Q65

The average age of the first home owner in New Zealand is 36 years old.

The average time required to save a deposit is 8 years.

More people are single / unmarried.

In today's current market it is highly unlikely that a single person, one income will be eligible for a mortgage.

Many New Zealanders have resigned themselves that Home ownership is out of reach and long term rental or lease is the only alternative.

The single biggest barrier to purchase is the saving of a deposit to meet bank criteria. The amount of savings required for a deposit is also increasing whilst you are saving.

Q66

One would think houses would get smaller with a lot of singles and smaller family units, but the actual average size has increased to about 200m2.

There has and always will be a demand for housing, natural population growth demands more housing.

Over the past 4 years with the financial pressures of the GFC many personal relationships have failed and many individuals split from partners into renting or smaller apartments.

Retirees are downsizing into single story smaller more manageable lower maintenance properties.

Less people are Building Houses, less houses are being built.

The amount of owner/occupier dwelling construction has fallen but not as great as the fall in rental residential construction, this has all but ceased.

Q67

New Zealanders have a preference to own there own home.

Affordability is the key issue, financially attainable to the most amount of individuals.

A first home owner's grant/rebate derived from the GST generated by the catalyst of building a new home.

Incentives towards developers constructing the Affordable House Product.

Simply put why would developers build Affordable Homes with a smaller profit margin but all the same red tape and associated costs and time required to build a more expensive home.

New Zealand needs to think hard about retaining Young New Zealanders as many leave for Australia and are eligible after 18 months for a first home owners grant in Australia. Probably to be built by kiwi builders.

Q68

Incentivize the construction of smaller homes and smaller homes will be built.

Incentivize Affordable homes and affordable Homes will be constructed. At the moment very little building is going on at all, so shifting toward Affordability would be a good shift before demand picks up again.

People will have constructed what they can afford and to there own personal taste.

Q69

All costs involved in the build of a home are passed on to the owner, so any increase in taxes will be past on to the owner.

The GST is the kicker in the new home construction.

Even on an Affordable House being $357 000 there is $46 500 in GST that is generated directly from the catalyst activity of building.

Australia has a first home owners grant but is general knowledge it is derived from the GST content of the new build. A portion is retained by the new home owner, the residual is returned to the State.

Better to get a little bit of GST and have someone own their own home and employ people to build it as the alternative is to build them a state house.

Q70

There are No concessions to development companies.

If there were higher costs surrounding housing these would only be passed on to the end user.

Q71

The tax system neither favours owners to non owners of Housing.

Maybe if there was some form of mortgage relief in the form of a slightly lower tax for one year for new first time home owners, but exempt property speculators.

Q72

Local property taxes are inevitable, not many people are going to sell their family home, lose money on real estate commissions buy another dwelling in a cheaper rated area, move the kids out of school solely because the rates went up again....

Recently areas that seemed to have reduced rates have increased and caught up nationwide.

Rates in England are higher yet general USA property taxes are less.

Q73

House hold incomes have reduced over the past 3 years in comparison to the cost of living. Also house prices had declined over the past 3 years, but again now house prices and construction costs are increasing faster than wage increases.

Q74

Over the past 3 years interest rates have declined steadily to the lowest in 3 decades.

House prices are recovering but were most affordable in the month of June 2011.

Even though bank interest rates are at historical lows and Housing at its most affordable Banks continue to calculate interest at the historical average of about 7%.

Banks have reduced the amount required for a deposit in some cases from 10% to 5%.

This in turn describes a crisis. Houses most Affordable, Interest Rates historically low and the average New Zealander still can't afford a house.

So if you can't afford a home in today's most favourable economic climate, you will never be able to afford a home in New Zealand thus the renting or leasing solution or immigrating to a country where home ownership is attainable or assisted.

Q75

Building numbers are so low, builders are leaving New Zealand weekly.

Most are on reduced wages compared to 4 years ago.

Q76

Houses are generally valued at replacement cost. This replacement cost is generally quoted as new build cost between $1400 and $2000m2.

Even though the house may be 50 years old its value for replacement is that of a new home.

As new house prices continue to climb due to materials, labour, regulatory requirements, increased finance costs etc the existing stock value climbs also.

As fewer homes are constructed currently at the 2.7 homes per 1000 existing homes this number does not even keep up with the rate of housing decay, the amount destroyed or no longer fit for purpose, approximately 3.5 houses per 1000.

If you don't specifically build housing to be affordable, affordable housing will not exist.

Q77

House prices are affected by supply constraints, any constraint on finance to the housing sector favouring toward financial markets will only increase the cost of housing by increasing the cost of finance.

Investors will turn to the best investment vehicle that shows the greatest returns. Certainly not toward Affordable Housing.

Q78

Compared to investment companies the returns are stellar.

In twenty years I have never seen a complete loss of a properties value, ie worth $0.

During the GFC property was a very good safe haven compared to NZ finance companies.

Q79

Very little innovation for the lower spectrum of 1st time home owners, a lot of good marketing but still very stringent criteria's.

3 main banks have reduced their exposure to the residential market and have reduced their loan books recently.

The banks have changed considerably their practice. It is far more difficult to obtain funding for house construction, home ownership and residential development finance is non existent for Affordable Housing.

Q80

No; Capital Markets are not assisting with the creation of Affordable homes or enabling purchasing options for those to enter the 1st home owners market.

Q81

The financial sector is not at all over exposed to the housing market. Defaults in New Zealand have been and are still miniscule compared to overseas.

Q82

Household debt levels have been reduced over the past 3 years.

Generally 1st home buyers have no exposure to the capital markets, they don't have share portfolios, their biggest risk is exposure to higher interest rates.

Q83

The benefits of owning are numerous and complex and well documented over the past 6 years in many other reports. (Home and Housed)(CHIRANZ)

The underlying overall preference is to own a home. The reality is those that cannot, for whatever reason, become long term renters.

Q84

As the cost of house ownership rises and as necessary deposit amounts rise, so do rents.

As housing affordability reduces, demand for rentals increases and landlords look for either longer term guaranteed rentals or short term rentals with incremental rent increases.

Borrowing has a huge influence on home ownership especially at the 1st home owner affordable end of the housing spectrum.

Many people who currently pay high rent find it hard to save a deposit and also be able to show some expendable income that will be required for rates, insurance and maintenance. Many New Zealanders pay rent in excess of what the mortgage repayments would be but are unable to attain bank finance. This non eligibility has recently climbed up to middle New Zealand.

Q85

The increase in rents has had the effect of making it harder to save a deposit from the residual funds remaining after the cost of living inclusive of rent has been deducted.

Most banks require a 10% deposit currently so $35000 for the average kiwi home up to $40 000 with fees, insurances, rates, building reports, valuations etc.

Coupled to this a solid banking history with a solid job. Some banks shy away from seasonal workers and the self employed.

With the recent employment shift caused by the GFC many people have been affected personally, this has effected their banking and job history negating any previous longevity in employment and previous financial position.

People who own there own home muddle on and make it through with issues surrounding increases in home ownership, eg rates, insurance increases.

Those that don't own yet have to show precisely how they will pay these incidentals accumulatively they do add up to a hard number.

Most individuals given the choice for home ownership or rental would chose ownership, but home ownership Penultimately comes down to whether you can gain finance and that there are available affordable houses.

Q86

A lot of investment has gone into rental stock and with out it thousands of New Zealanders wouldn't have a place to live.

Very little has been directed at Affordable Housing Construction to encourage Home Ownership.

Predominantly developers do not build Affordable Housing.

Generally Banks do not lend to Affordable Housing Projects, the thin veneer of profit does not meet current bank criteria.

It is currently easier to attain bank finance for the $500K home and land package than it is to find finance for the Affordable end of the spectrum.

Q87

Assists with meeting current market rental prices, without the accommodation supplement many people would not be able to remain in a private rental and would seek social housing.

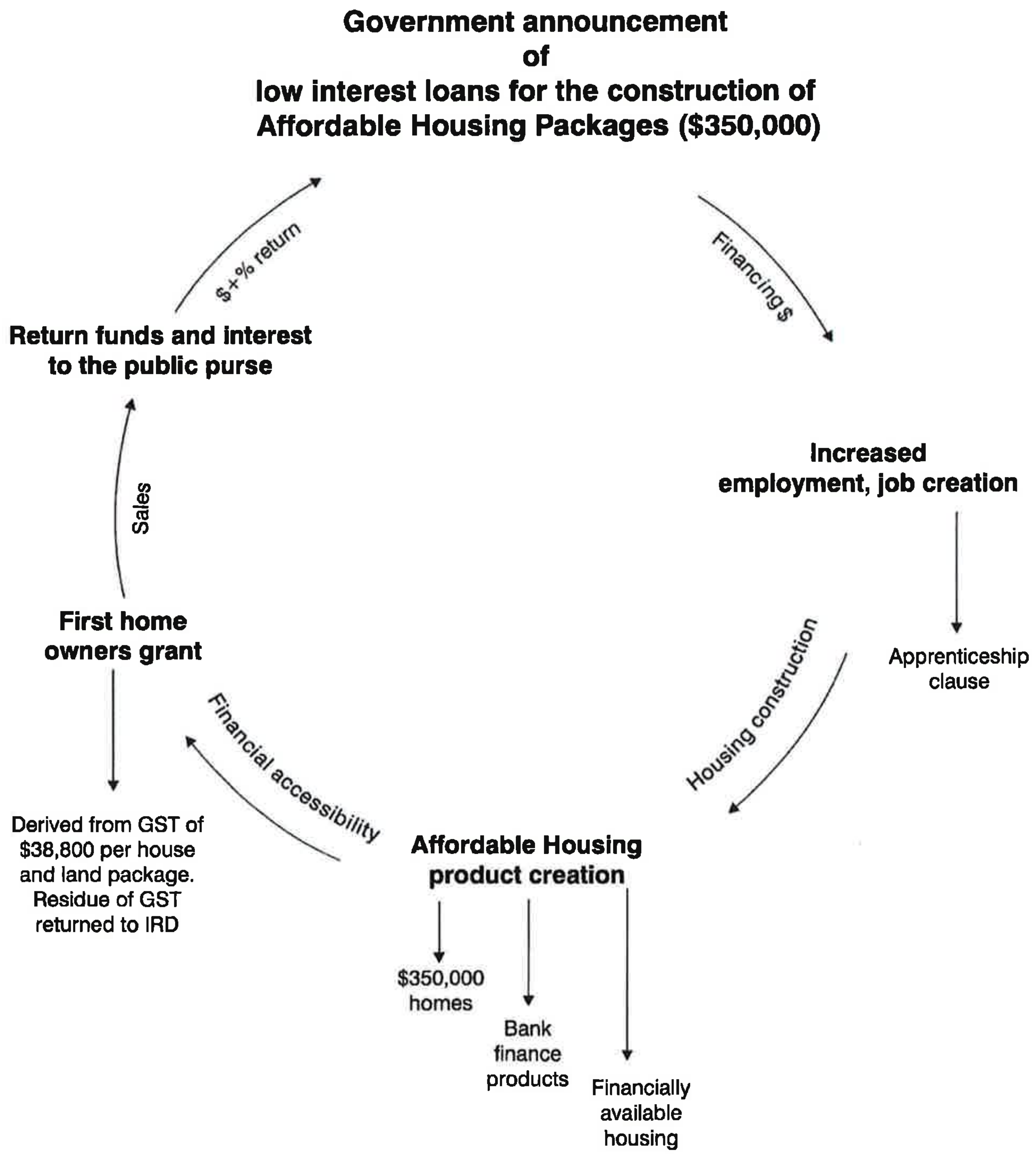
It does not influence home ownership or housing affordability.

AFFORDABLE HOUSING NEW ZEALAND LTD

NGA KAINGA WHARE HE ITI UTU O AOTEAROA

AFFORDABLE SOLUTION

GST Generated Stimulus for First Home Buyers Grant



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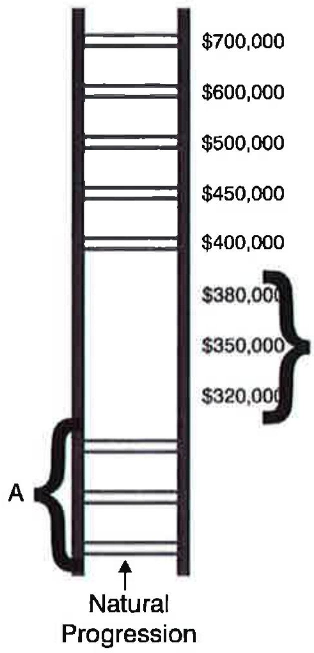
NGA KAINGA WHARE HE ITI UTU O AOTEAROA

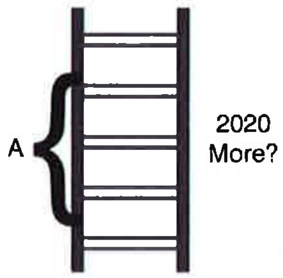
Analogy Of The NZ Housing Ladder (The Missing Rungs)

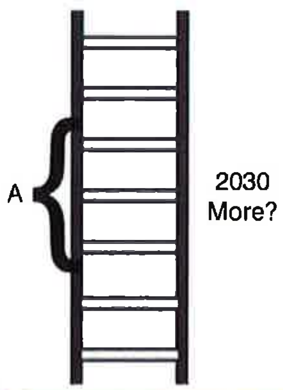


These rungs are missing "build to fit this segment" so natural progression into home ownership can occur freeing up Zone A for new entrants.

This divide is too great and has caused a barrier to home ownership so cannot leave the cycle of government dependence.

A = NZ Government owned Housing Stocks





The solution is to utilise government funds in the form of low interest loans to private industry to build homes to fit the segment of missing rungs.

Then initiate an incentive to assist with home purchase that is less than the $38,000 in GST that has been generated and return to government per house and land package.

(Prior to Oct GST Rise.)

$46K Now.

R