



## **He Kainga Oranga/Housing and Health Research and New Zealand Centre for Sustainable Cities submission to the UN Committee on Economic, Social and Cultural Rights**

This submission was prepared by researchers from He Kainga Oranga/Housing and Health Research Programme, and the New Zealand Centre for Sustainable Cities, both in the Department of Public Health, University of Otago, Wellington. The research team comprises a large group of multi-disciplinary scientists and researchers led by Professor Philippa Howden-Chapman. The research of both groups has been seminal in demonstrating the links between housing, urban form, and health, and is both internationally and nationally acclaimed.

The submission relates primarily to the right to an adequate standard of living in terms of housing, and touches on the rights to work, social security, family life, health, and education. It draws on a recently completed report for the new Minister for Housing and Urban Development, authored by Alan Johnson, Philippa Howden-Chapman, and Shamubeel Eaqub, “A Stocktake of New Zealand’s Housing.”<sup>1</sup> We proceed in eight sections: homelessness; social housing; housing assistance; market renting; housing quality; home ownership; indigenous housing; and we finish with some comments about urban form and accessibility.

### **1. Homelessness:**

- 1.1. Homelessness rose significantly between the 2006 and 2013 censuses, from one in 120, to one in 100 people. There were an estimated 4,197 people without habitable accommodation, and 37,010 in temporary accommodation, or sharing in severe overcrowding in 2013.
- 1.2. Disproportionately high numbers of Māori and Pacific people are homeless, compared to people of European descent.
- 1.3. More families were in severe housing deprivation in 2013 than single people.
- 1.4. There is no systematic recording of homelessness in New Zealand. There are a significant number of homeless households who are not on the waiting list for social housing, and there is an acknowledged ‘floating population’ who are unable to access government housing or community agency assistance, but the scale of these is unknown. The lack of coordinated recording makes it difficult to assess whether efforts to reduce homelessness are working.

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<sup>1</sup> Alan Johnson, Philippa Howden-Chapman, and Shamubeel Eaqub, *A Stocktake of New Zealand’s Housing* (2018 report), (Wellington: Ministry of Business, Innovation, and Employment, 2018).

- 1.5. Furthermore, there are no records of levels of LGBTIQ+ homelessness rates. Internationally, we know that LGBTIQ+ identifying individuals make up roughly 20-40% of the homeless population, but only 2-10% of the general population. Anecdotally, we know that there is vast over-representation of LGBTIQ+ individuals seeking housing services from organisations such as Tāmāki Housing.
- 1.6. The ‘turnaway rate’ from community emergency housing providers is around 82% - 91%. For every ten people who approached these agencies over 2017, only one to two could be accommodated.
- 1.7. In mid-2016 the former National-led government commenced an emergency housing response. This included an increase in the number of people having their housing needs assessed by the Ministry of Social Development; a rise in the social housing register waiting list of 65% between March 2016 and September 2017 ; a 90% increase in those on the social housing waitlist identified as Priority A; a 160% increase in the provision of places in transitional housing; and the provision of 38,700 housing special needs grants between September 2016 and September 2017.
- 1.8. Housing First, an internationally-recognised homelessness response which provides rapid, permanent housing without preconditions, and wraparound support, is being provided with mainly private funding in Hamilton, and is being piloted with government funding in Auckland. The 2016 Budget included funding of \$16.5 million to extend Housing First to other areas, but funding is heavily weighted overall towards emergency housing.
- 1.9. The Labour, Green, and Māori parties led a cross-party inquiry into homelessness in 2016, and now that the Labour and Green parties are in government, they have indicated that they are committed to implementing the recommendations of this inquiry, which include: implementation of Housing First as a nationwide primary response; an increase in state housing stock; systemic fixes to the housing crisis overall; and the creation of a national strategy to end homelessness.

## **2. Social Housing:**

- 2.1. The term social housing has been used to refer to a range of housing options that generally means the provision of affordable housing allocated on the basis of need. This includes housing provided by the state, local government, NGOs, and private for-profit investors.
- 2.2. The number of state housing units has declined in the past ten years, to the lowest number in Crown ownership since 2000, through a combination of sales, demolitions, and transfers to public-private partnerships such as the Tamaki Regeneration Company (2,800 units).
- 2.3. The stock of social housing owned and provided by agencies such as NGOs and local government rose between 2015 and 2017 as a result of the previous Government’s policy of the transfer of state housing to other providers.
- 2.4. The number of households on the social housing register (administered by the Ministry for Social Development) rose 27% between September 2016 and September 2017. This represents a 72% rise since September 2015. These figures do not include those who made enquiries but were not allocated to the social housing register. Unmet demand for social housing is therefore unknown, and is not recorded.

2.5. The state housing agency – Housing NZ – paid dividends of \$305 million to the Crown between 2012 and 2017, and \$1.8 billion in tax over the past ten years. Between 2012 and 2017 Housing NZ’s assets, as a result of rising land values, rose more than 75%. Despite representing 20% of the Crown’s net worth, state housing has been portrayed by the previous Government and by media as a drain on the state.

### **3. Housing Assistance**

3.1. Since 2008, housing assistance budgets have grown by just over 50%. These include subsidies that support people in rental accommodation such as the Accommodation Supplement and Income-Related Rent Subsidies, and subsidies that support homeownership partly through the Accommodation Supplement and partly through the HomeStart grant programme.

3.2. The Accommodation Supplement refers to ‘top-up’ payments made to New Zealand residents who qualify in terms of housing costs relative to their incomes. More than 85% of the people receiving it are also receiving a working age benefit or Superannuation. The total number receiving the Accommodation Supplement has fallen by 7% since September 2012, though this decline is not expected to continue as more people receiving Superannuation require the supplement. Two-thirds of Accommodation Supplement recipients are in private sector rental houses.

3.3. The extent to which the Accommodation Supplement acts as either a tenant or landlord subsidy is unclear, as well as whether there is potential for these supplements to contribute to higher rents in a tight rental market. This will be tested in mid-2018 when subsidy increases are implemented.

3.4. Income-Related Rent subsidies account for much of the increase in Housing Assistance budgets. These subsidies support around 65,000 households in social housing, 93% of which are homes owned by the state. The annual cost of Income-Related Rents grew by almost 80% between 2008 and 2017, but the total number of social housing units supported has not risen significantly.

### **4. Market Renting**

4.1. In the 2013 Census, 33% of people in households lived in a rented dwelling. There are higher numbers of Māori (56.9%) and Pacific (66.9%) renters, than people of European descent (29.9%).

4.2. Estimates from Statistics New Zealand indicate that the number of dwellings either rented or provided rent-free to occupants grew by almost 23% between 2007 and 2017, while the total number of dwellings grew just 11%.

4.3. Approximately 581,000 households are renting, yet there are only 387,000 active bonds lodged in the State-held Residential Tenancy Trust Account. The interest earned on this Trust funds the Tenancy Tribunal.

4.4. 90% of applications to the Tenancy Tribunal are from landlords, effectively making it a landlords’ tribunal.

4.5. Around 40% of the private rental market has some level of state or public support, for example through the Accommodation Supplement.

4.6. Tenants generally pay a higher proportion of their household income on housing than owner-occupiers. Of those households paying over 40% of their income to housing costs, 60-65% are tenants, although they make up only 36% of households overall.

4.7. Market rents have risen faster than wages in recent years. Between 2012 and 2017 average rents for three-bedroom houses rose around 25% while wages only rose about 14%.

4.8. The average tenure of a rental home is just over two years. While this has increased slightly in recent years, it is still short. Higher levels of residential mobility affect community cohesion, and schooling and social networks for children especially.

## **5. Housing Quality:**

5.1. Dwellings in New Zealand generally have poor thermal efficiency, making them difficult to heat, and susceptible to damp and mould. Private rental housing and state housing is generally in poorer condition than owner-occupied housing.

5.2. Only around two-thirds of New Zealand houses are even partially insulated. The Warm Up New Zealand: Healthy Homes programme, which offers grants of 50% of the cost of insulation for low-income owner-occupiers and landlords with low-income tenants is currently due to end in June 2018.

5.3. A recent Statistics New Zealand report on Energy Hardship indicated that up to a third (29%) of New Zealand households struggled to afford their power bills, spent a larger part of their income on power, or often felt cold. In winter, 5% of households did not usually heat living areas at all and almost half did not usually heat any occupied bedrooms. Renters are more likely to experience energy hardship, with 44% of renting households reporting at least one energy hardship indicator, compared with 22% of households who owned their own home.

5.4. Indoor air temperatures are often colder in New Zealand homes than WHO recommendations of 18°C minimum. A Building Research Association of New Zealand report measured temperature and humidity across 83 homes in New Zealand in 2015, finding a median bedroom temperature of 16.4°C, and relative humidity levels above 54% for 46% of the time. Bedrooms were below 18°C for 84% of the night and morning period (23:00-09:00).

5.5. Around 10% of people live in crowded household conditions, and children are over-represented in crowded households, with over half of crowded households having two or more children living in them, according to the 2013 census.

5.6. A recent study using the Ministry of Health measure of Potentially Avoidable Hospitalisations found 619,667 hospitalisations affecting 390,220 children, and 1,469 deaths between 2000 and 2014. Children with potentially avoidable hospitalisation had twice the risk of re-hospitalisation and three times the risk of death than children hospitalised for diseases not related to housing, after adjusting for age, sex, ethnicity, and deprivation.

5.7. The new Government recently passed the Healthy Homes Guarantee Act 2017 which enforces minimum standards for rental properties, coming into effect from July 2019. A Rental Warrant of Fitness which goes further than this Act is also being trialled in a number of New Zealand cities, in partnership between He Kainga Oranga/Housing and Health Research Programme and local governments.

## **6. Home Ownership:**

6.1. Housing in New Zealand is predicated on the cultural and political idea of home ownership as the norm, but home ownership rates have been declining since 1999. In

2013, just under 65% of New Zealand households owned their dwelling, which is the lowest rate of home ownership since 1953.

- 6.2. People of European descent enjoy higher rates of home ownership (57%) than Māori (28%) or Pacific people (19%). Home ownership rates have declined more for Māori and Pacific than for Europeans.
- 6.3. Median house sale prices rose by around 40% over the past 10 years, and by 30% over the past five years. Post-GFC low interest rates mean that overall housing affordability measures detect stability in affordability outside Auckland (where house prices have risen much more significantly), despite house prices rising much faster than wages.
- 6.4. Efforts to stabilise house prices have primarily affected first-home buyers through loan-to-value ratio restrictions imposed by the Reserve Bank. Whilst this has contributed to cooling the market, they have also contributed to growing wealth inequality. Recent capital gains have gone to approximately 50%-60% of adult New Zealanders.
- 6.5. Superannuation is calculated with the assumption that retirees are likely to own freehold or near-freehold property. With increasing numbers of people stuck in the private rental market, older people may be increasingly restricted to lower quality, high cost rentals that Superannuation payments struggle to cover.

## **7. Māori and Pacific housing:**

- 7.1. Māori, the indigenous people of Aotearoa New Zealand, have historically and contemporarily been dispossessed of their lands. Over the past thirty years, many iwi (tribes) have made Treaty of Waitangi settlements with the Crown, resulting in the return of some pieces of land.
- 7.2. There are considerable obstacles to building housing on Māori land, due to the legal intricacies of building on communally-owned land.
- 7.3. Conventional western-style housing is generally designed to house a two-generation family (two parents, two children). However, the Māori concept of whānau (family), and Pacific concepts of family, are generally wider than western concepts, and it would not be unusual to have three or four generations living in one home. This can contribute to overcrowding in some cases.
- 7.4. Māori and Pacific people are disproportionately affected by homelessness, housing unaffordability, and poor quality housing, and are consequently more susceptible to policy changes regarding social housing and regulation of the private rental market.

## **8. Urban form and accessibility:**

- 8.1. This submission has so far commented on the right to an adequate standard of living in terms of the dwelling itself. However the right to an adequate standard of living also encompasses location and access to work and basic facilities. This final section offers some comments on New Zealand housing in terms of urban form and accessibility.
- 8.2. Land use and transport legislation in New Zealand does not explicitly recognise accessibility as a key consideration for land use and transport policies. However, some more recent examples do make this connection, for example the Auckland Spatial Plan, which notes the importance of labour market accessibility.
- 8.3. New development in many New Zealand cities has tended to favour sprawling greenfield development, which increases reliance on private motor vehicle transport, and increases emissions. This is evident in the rebuild of Christchurch following the

2010 and 2011 earthquakes, and in some Special Housing Areas opened for development in Auckland.

- 8.4. Central government transport funding tends to favour roading developments for private vehicle use, over investment in public and active transport infrastructure. This is in part because of the policy priorities of the former Government, but also because of the funding arrangements set out between central and local government.
- 8.5. Favouring roading for private vehicle use affects demographic groups differently; for example, children and teenagers who are unable to drive yet have decreased access to urban facilities without adequate access to public and active transport options. Similarly, older people who are no longer able to drive become more restricted, contributing to reliance on private or commercial transport options (for example, family members, taxis), and contributing to social isolation and loneliness.
- 8.6. Whilst in general most New Zealand housing has good access to local amenities such as schools, high levels of residential mobility reduce community cohesion, and negatively affect children and teenagers' sociality and education.
- 8.7. Whereas in the past, state and social housing has been built in concentrated areas, resulting in separation of communities along socioeconomic lines, recent developments are favouring mixed-tenure communities which include a mix of social, affordable, and 'regular' housing. Whilst reducing geographic social stigma may be seen as a good thing, it remains unclear as to whether mixed-tenure communities will increase wellbeing. There is also an element of stigmatisation of social housing areas as 'slums', which disregards the strong communities that support the people who live there.