Development of a Housing Strategy for the Waikato District

Waikato
DISTRICT COUNCIL

Veros

Introductions

Clare Thorne
Principal Strategic Advisor, Veros

Morgan Jones
Managing Director, Veros

Adele Hadfield
Director Strategic Projects , Veros

Martin Udale
Director, Essentia Consulting

Project Scope & Timeline

Scope:

The delivery of a Housing Strategy for the Waikato District:
1. Current State Housing Assessment
2. Housing Strategy
3. Action Plan

Timeline:

- Commence November 2023
- Draft Housing Strategy Framework beginning of December 2023
- Final Housing Strategy end of January 2024
- Implementation of Council led actions through March 2024 LTP process

Context – Housing Continuum

Source – The Auckland Plan 2050.

Need to ensure that we are not just talking about the pathway to owning a home, it is about having a home whether it is rented or partially or fully owned.

It is about supporting existing and future community needs.

For Discussion

Key Considerations:

1. Council's role?
2. How ambitious should Council be?
3. How hands on do you think Council should be? 0-10
4. Funding?
5. What would we like to encourage partners to do?

Acknowledging previous conversations/consultation

You may feel you have been here before!

- Waikato 2070
- Blueprints
- Variation 3 and District Plan changes
- Ngaaruawaahia, Hopuhopu, and Taupiri Structure Plan Review
- Future Proof
- Annual Plan and Long-Term Plan engagement
- Waikato Housing Initiative Whakaaro
- Draft Affordable Housing Action Plan

A lot of great work has been done.

The Housing Strategy provides:

- an opportunity to pull those housing outcomes into one place, and to join the dots between all the different pieces of work
- clear priorities to move forward and an action plan that is both a call to arms and a coordinated and collective effort.

Engagement so far

1. Analysing data and information for the current state housing assessment
    - Core Logic
    - QV
    - MSD & MHUD
    - Stat NZ
    - Infometrics
    - Tenancy Services
    - Waikato District Council
    - Data N Dashboards

2. Meeting and talking with key stakeholders one on one or in workshops including:
    - Waikato Housing Initiative (WHI)
    - Developers (Local, Hamilton, Auckland, National)
    - Community Housing Providers
    - Waikato-Tainui
    - Tainui Group Holdings (TGH)
    - Mana whenua
    - Māori ward councillors
    - Community Boards and Community Committees
    - Elected Members
    - Council staff

Example Questions

What would you like to see reflected in a housing strategy?

What is important to think about when we talk about housing in your community?

Tell us about your role in housing, your documents, vision? Understanding of the problems and context?

What type of housing are you delivering. What's your target market and price point? What scale?

What is working well?

What is hard / difficult / challenging ?

What would make you develop more in WDC?

Would you consider other price points and product?

Are there parts of the district that you would not develop?

What role do you think Council should have?

What are the housing issues facing the District?

Who are the partners who will lead or support the solutions?

What are the key focus areas of a strategy?

What types of housing are needed- right now, across the continuum?

What tools do you think can shift the delivery?

How are we going to bridge the gap?

Do you think there is a place for inclusionary zoning or a locally led housing trust?

Is papakaainga part of the solution?

What we have heard so far

- We need a focus more on community-enabled not just developer-enabled processes.
- Consenting processes – make easier to follow and understand.
- Inclusionary Zoning – will this really deliver more affordable housing?
- Social infrastructure including community services, schools (capacity), greenspace/parks needs to be considered – building communities not just buildings
- Affordable housing is needed but is a challenge to provide
- More rentals are needed urgently in some areas
- Allow and encourage different housing typologies e.g. intergenerational/ papakāinga
- More joined up conversations between all agencies working in different areas on supplying housing – quite siloed
- Let the community who are impacted by the problem tell their stories
- The community (representatives) need to be at the table
- Acknowledge what is already happening in this space (support from Waikato Tainui and Te Puni Kokiri to whanau who want to build/own their own homes) and work together to fill the gaps
- Council as an enabler (building relationships and partnerships) and regulator (through consenting processes)
- Local solutions for each community – not a cookie cutter one size fits all response
- Partnerships……Papakāinga……..Putea……People …..Priority.

Engagement – What we have heard

Some Issues

"Building more houses isn't the solution. We can't afford to buy all these houses. We can't afford to rent all these houses."

"We don't want separate clusters for rich and poor. We need everyone mixed together."

"We are between two major metro cities, so change is coming to us whether we like it or not."

"There are some success stories happening across the district. Some papakaainga projects are working really well."

"In the past we have ticked the boxes and built a platform. Now we need decisions. Now we need the mahi. Now is the time for action."

"Variation 3 is destructive."   *"Variation 3 is urgently needed."*

Engagement – What we have heard

Some Solutions

"We need stepping stones for our mokopuna."

"We need to enable those doing good work to do more."

"We need to keep things simple. We need a 1,2,3 pathway."

"We need to embrace innovation and different housing types. We need to allow for 3 generations in one home. We need to allow for collective living."

"We (developers) are keen to talk to Council to discuss how we can work together, but if they (Council) don't lead it, nothing will happen."

"We not only need to think about the costs of building but operational costs once they are built, so they are not expensive to live in."

Barriers and Challenges

- Putea
- Development Viability – some towns will be attractive to developers, others won't be, so how should that be addressed?
- Consenting complexities for developers and community – how do we make it easier
- Lots of agencies working in the housing space but no one seems to be working together
- The impact of development on the awa and taiao needs to be managed

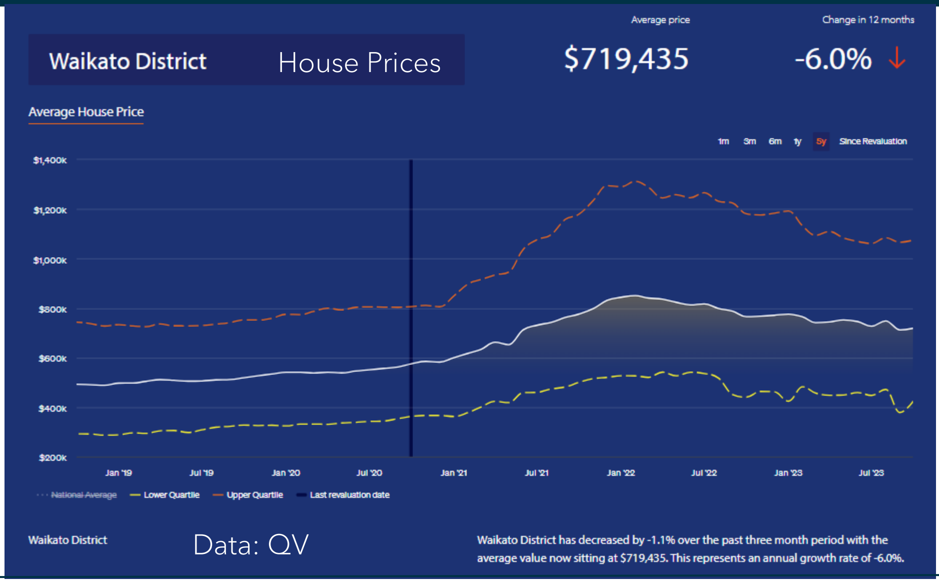
Barriers and Challenges

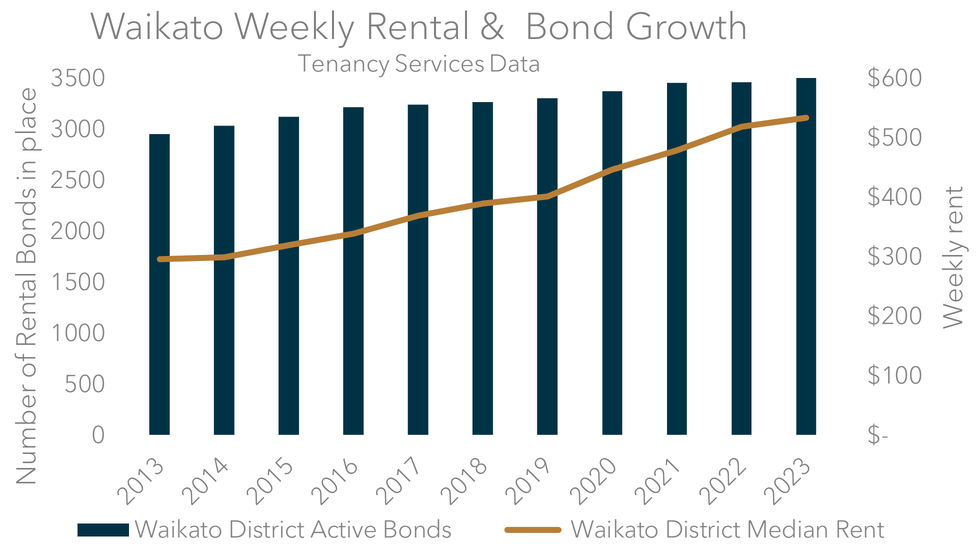
- Need good social infrastructure – public transport (Huntly West), footpaths to facilities, transport to and from kura etc

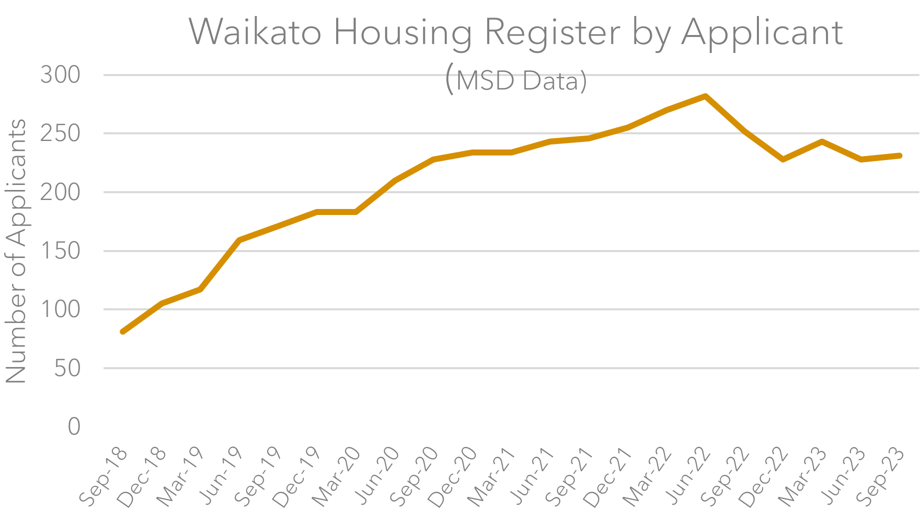
- Integrating new ciommunities with existing communities is challenging

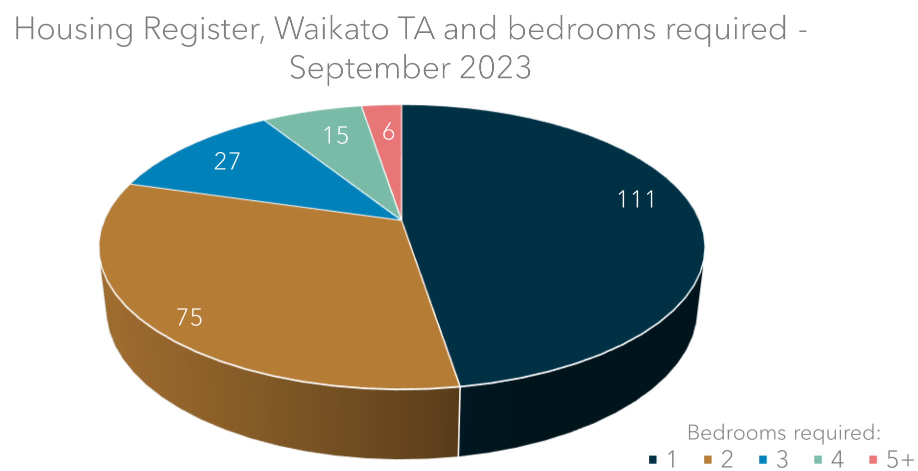
- Maaori trusts have land but don't have funding for building and infrastucture

Housing Insights and Current State

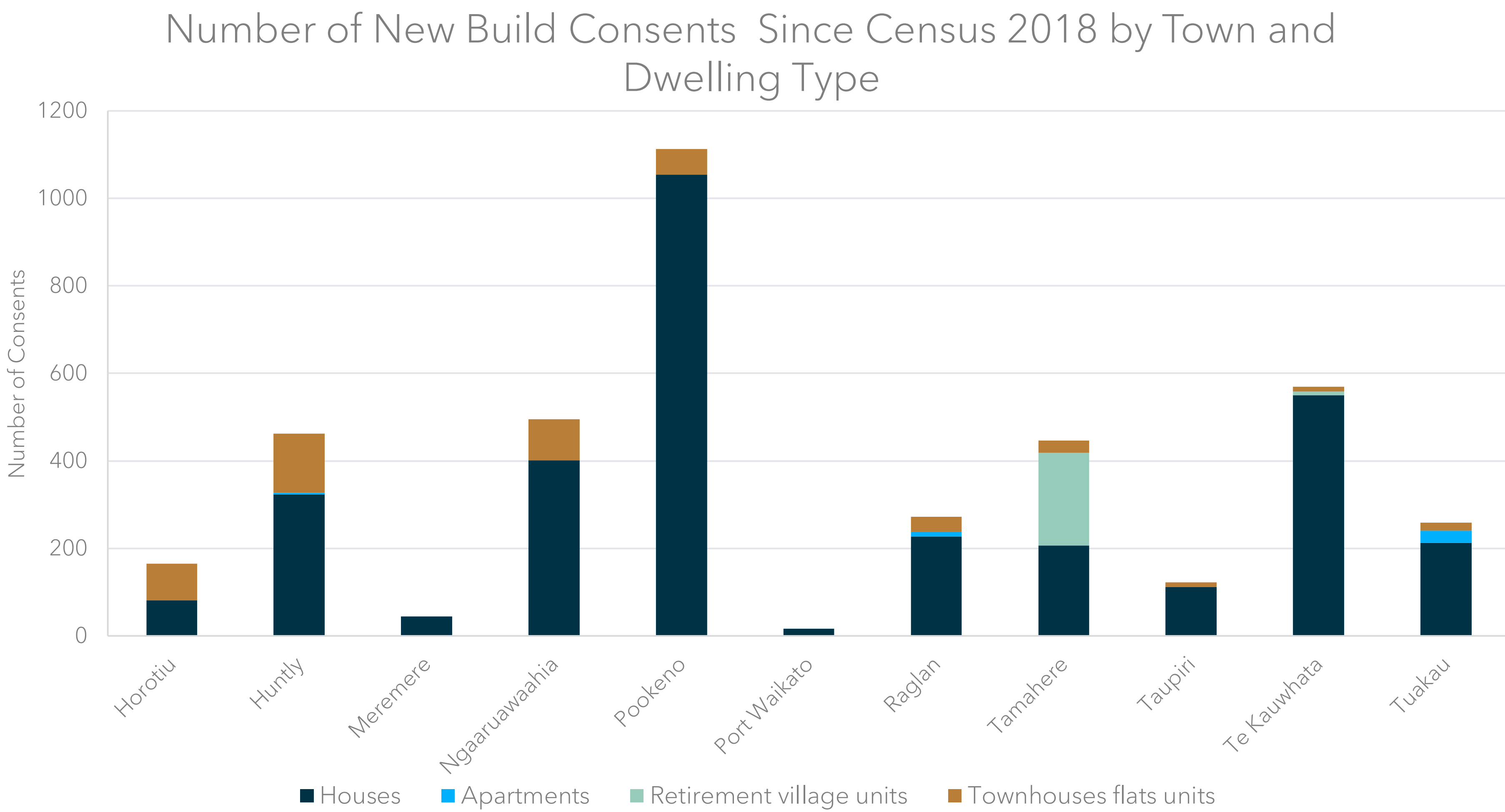








Housing Insights and Current State



Note: Townhouses, flats and units includes prefabricated homes later transported to final location.
An estimated 295 of these homes were produced during this period

Housing Insights and Current State

Highest number of Sales:	Pookeno	316
Highest Median Sale Price:	Tamahere	$1,885,000
Oldest Median Age Sale:	Meremere	1960-1969
Smallest Median Home Sale:	Port Waikato	90m^2
Smallest Median Section Sale:	Te Kauwhata	483m^2
Most Holiday Homes:	Raglan	37%*
Highest Stock Turnover:	Te Kauwhata	25%

Based on Core Logic Data from sales over the last 2 years
*based on unoccupied homes Census 2018

Highest Median Rent:	Pookeno	$665 per week
Lowest Median Rent:	Huntly	$480 per week
Highest Median Rent Increase:	Meremere	117% since Census 2018
Highest Proportion of Rentals:	Tuakau	27%
Highest Gross Rental Yield:	Huntly	5.7%*

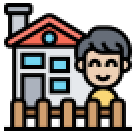
Based on Core Logic Data from sales over the last 2 years, Tenancy Services Data and Stats NZ
*Calculated on the median rental and lower quartile sale

Housing Insights and Current State

Most Number of Consents Issued:	Pookeno	1,113
Lowest Number of Consents:	Port Waikato	17
Most Retirement Unit Consents:	Tamahere	213
Portable Homes Constructed:	Horotiu, Huntly & Ngaaruawaahia	295*

Biggest Differential Between LTP Estimated Population Growth and Housing Consents: Pookeno

Based on Stats NZ data since Census 2018
*Based on units constructed where no permanent townhouses/ units have been built



Highest Number of Young People:	Ngaaruawaahia	27%	0-14
Highest Number of Seniors:	Te Kauwhata	24%	65+
Lowest Median Income:	Huntly East		
Highest Unemployment Rate:	Ngaaruawaahia Central	8.5%	
Highest Not in Labour Force Rate:	Huntly West	45.9%	
Highest People per Household:	Ngaaruawaahia	3.3	

Based on Stats NZ data since Census 2018, Waikato DC LTP projections, Data n Dashboards data

Housing Insights and Current State

	House Sales November 2021 – November 2023							Rental				
	Number of Home Sales	Turnover of Estimated Stock	Median Sale Price	Median Age of Dwelling	Median Beds	Median Home Size	Medan Land size	Median Rent	Rent Increase Since Census 2018	Number of Rental Properties (Bonds)	% of Property Pool that are Rentals	Estimated Median Gross Rental Yield
Horotiu	23	8%	$ 730,000	2020-2029	3	125	500	$635	87%	51	18%	5.0%
Huntly	210	7%	$ 526,250	1970-1979	3	107	898	$480	109%	810	26%	5.7%
Meremere	29	3%	$ 560,000	1960-1969	3	105	839	$500	117%	63	7%	5.3%
Ngaaruawaahia	239	10%	$ 675,000	1990-1999	3	132	670	$535	84%	561	22%	5.1%
Pookeno	316	15%	$ 972,500	2020-2029	4	184	605	$665	21%	141	7%	4.5%
Port Waikato	33	6%	$ 640,000	1970-1979	3	90	809	No rental data available on Tenancy Services				
Raglan	145	7%	$ 978,000	1980-1989	3	104	814	$520	63%	378	18%	3.9%
Tamahere	108	4%	$ 1,885,000	2000-2009	5	300	7000	$550	57%	156	6%	2.1%
Taupiri	32	3%	$ 577,500	2010-2019	3	104	723	$550	104%	156	16%	5.5%
Te Kauwhata	308	25%	$ 927,500	2020-2029	4	288	483	$580	66%	288	23%	4.6%
Tuakau	257	13%	$ 810,000	2000-2009	3	127	627	$570	50%	546	27%	4.5%

Data from Tenancy Services, Stats NZ and Core Logic
Gross rental estimate based on lower quartile sale price (Core Logic) and median rental (Tenancy Services)

DRAFT Strategy Framework

Liveable Thriving Connected Communities

He noohanga aahuru, he iwi whai ora, he hapori tuuhono tahi.

DRAFT Waikato District Council - Housing Strategy

VISION	***Everyone in our community has access to a home that is safe, healthy and affordable and is part of a prospering, resilient and connected community.***							
OUTCOMES	**Everyone has access to the housing that they need when they need it**		**Everyone has access to a safe, healthy and affordable home**		**Our communities are prospering, resilient and connected**		**Together with our partners we deliver on our communities' aspirations**	
	We will enable and actively encourage the delivery of housing that meets the needs of our community now, and into the future.		*We will use the tools available to ensure that everyone in our community has access to a safe healthy and affordable home.*		*We will work together with others and focus on building prosperous, resilient and connected communities.*		*We will build partnerships and work together with others to deliver on our communities' aspirations for housing and for the future of their community.*	
PRINCIPLES	Focus on homes not houses	Inclusive and equitable	Be bold, learn from others and innovate	Work together	Future generations & existing communities	We will protect the taiao - environment	Evidence-based decisions informed by local knowledge	Resilient homes and communities
DELIVERY TOOLS	**District Plan**	**Variation 3**	**Long Term Plan (Annual Plans)**	**Policies**	**Partnerships**	**Advocacy**		

Council’s Role – for discussion

Actively participate – provide land for development and partner with others to deliver housing

Enabler/facilitator – provides platform to encourage partnerships between those providing housing - provides the supporting infrastructure required and advocates to government on behalf of the community for social infrastructure - actively works to connect communities and provide a sense of place for new and existing communities through placemaking

Regulator – consenting, Variation 3, District Plan rules, Inclusionary Zoning, development contributions

Observer – stick to statutory role, but let the market (and Central Government) decide

DRAFT Action Plan Opportunities

Baseline: Three Legs of the Stool for Local Government Levers	What does this mean
1. Zoning and Regulation	• Ensure the District Plan is achieving the outcomes sought for the community. • Enabling sufficient zoned, serviced and viable land. • Enable housing diversity and innovation. • Provide confidence to invest. • Ensure zone and regulatory instruments do not lag community needs. • Ensure the impacts on the taiao are actively managed.
2. Infrastructure	• Ensure infrastructure capacity is available to support new housing in locations where housing is a) needed and b) a market participant is providing it. • Front end fund infrastructure to de-risk housing outcomes where they are sought. • Capture the cost of infrastructure fairly and equitably.
3. Consenting (customer) Interface	• Work with the market, not against it. • Support innovation. • Fast track exemplar development. • Red carpet consenting for key customers. • Speed.

DRAFT Action Plan Opportunities

Levers that can be pulled by Council in the district, that will have an impact on housing:	Comments
1. Inclusionary Zoning	• Might work well in some areas but not all – understand where it will work best, and the most appropriate funding vehicle/model to manage contributions and deliver housing.
2. Variation 3	• Ensure that there are communications to the community about how it will enable housing provision and the different types of housing.
3. Development Contributions, targeted	• Use the DC Policy to encourage and enable development of specific housing types in the places they are needed
4. Making consenting processes easier and simpler to understand	• Identify pathways for getting a consent for different house types and making it clear to the community.
5. Making Council land available for housing	• Identify appropriate council-owned land and work with partners to deliver housing.
6. Building/nurturing key relationships and partnerships with those involved in housing in the Waikato - establishing a housing taskforce	• Set up and lead a housing taskforce or equivalent to bring all housing enablers/providers and community reps together, with a focus on improving housing outcomes across the district.

DRAFT Action Plan Opportunities

Other things we have identified already underway:	Comments
1. PDA – Raahui Pookeka socio-economic masterplan	• Underway, collaborative with Kaainga Ora.
2. Enabling intergenerational housing, papakaainga and maaori housing	• Recognising that intergenerational housing should be available across many cultures e.g. Pacific Island, Chinese, Indian. • Work together with maaori housing enablers and providers to understand where there are challenges for housing supply and how they can be managed (consenting/zoning/land/funding etc) • Online information hub
3. Urban Design/Built Design Strategy or similar	• In development, Council led.
4. Working with partners, ensure placemaking approaches are focussed on integrating new and existing communities	• Working with other housing providers such as Kaainga Ora, CHPs. Investment in Council provided social infrastructure.
5. Working with partners to ensure that social infrastructure is appropriate and meets the demand of growing communities	• This includes central government provided social infrastructure including early childcare, schools, public transport, health etc.
6. Use the information provided through the HS project Current State Housing Assessment.	• Build on and embed the information and data into good decision making and use it to determine future areas of focus for council and its partners.

What success will look like

- Housing that is delivered is appropriate for the area and meets the needs of the community.
- Demand for housing is decreasing as people move into their own homes.
- Complaints about complexity of consenting and the processes to follow, is reducing.
- Everyone across the district understands the path to follow to get a home.
- Council is actively (and proactively) using the levers available to encourage the right development in the right place at the right time.

What success will look like

- Our communities have regular access to the social and community services that they need to flourish and prosper.

- Future developments are integrated well into existing communities.

- Led and co-ordinated by council, agencies and the community are regularly discussing and are involved in what is happening across the district, and concerns are being addressed.

- Everyone involved in building housing and communities is clear about their role and the role of others.

- Waikato District is seen is a good place to do business - to invest in homes and business.

DRAFT Action Plan Opportunities

Examples of actions being implemented elsewhere

- Land for housing – Kawerau / Palmerston North/Tauranga (Active enabler)
- Funding – Christchurch City Council provides social housing / Western Bay of Plenty provides housing for older people
- Partnerships – Central Hawkes Bay / Waitomo / Hamilton
- Inclusionary Zoning – Queenstown / Waipa / Hamilton
- Build To Rent - Wellington CC - Te Kāinga affordable rental programme

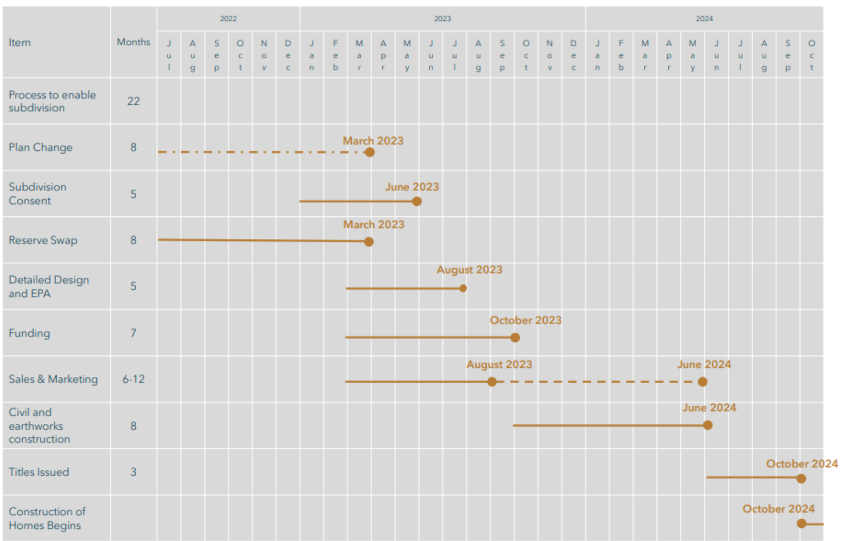
Case Studies

Examples: Using Council land as a market participant

Case Studies

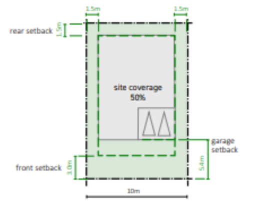
Examples: Using Council land as a market participant

Stoneham Park Subdivision Draft Timeline



B. **Site coverage increased from 35% to 50%**

Enables smaller land parcels to build a home (on a 300m² section you can build a 150m² home)



C. **Lot width or shape factor to be lowered to 10 metres**

- Enables smaller lots
- Lower cost for buyer
- Good design outcomes still achieved

E. **Additional Minor Dwellings**

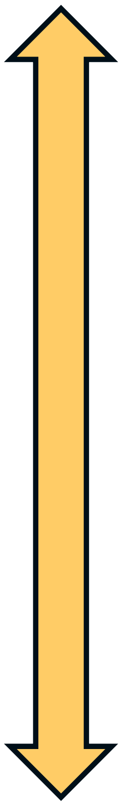
- Allows for an attached/adjoined granny flat when a house is 90m² or more
- Enables inter-generational living
- Ensures value for neighbours

Benefits to Kawerau

- Additional housing for the district – approx. 80 dwellings
- A range of housing options such as inter-generational
- A variety of section sizes from 300m² to 700m² to meet different price ranges
- Enhanced green space and recreational areas
- Potential to partner and offer a range of housing models (rent to own, rental, etc.)
- Increased value for the surrounding properties
- More rateable properties (approx. $300,000 rates income p/a)
- Estimated profit $2-million from section sales

Focus and Priortise

Short Term



Longer Term

Where should we focus effort – quick wins vs longer term – ideas

- Educate and provide easy to understand information to the community about Variation 3
- Housing Taskforce
- Talk to community and collect their stories
- Enable opportunities for others to connect with the community (e.g. Cllr Turner's papakaainga)
- Consenting processes – make them easier and more streamlined
- Investigate levers by town/area – what will get things moving faster? How and when?
- Develop community and placemaking plans – continue to build a sense of place for communities and to help them adapt to the changes of growth.

Next Steps

- Strategy and actions to be tested with ELT and elected members – 7/12/23
- Incorporate feedback into final strategy and actions – 16/1/24
- Finalise strategy actions and current state housing assessment – 26/1/24
- Adoption of strategy and actions by elected members – early February 2024 (TBC)
- Communication on adoption of strategy with key stakeholders and community - mid-February 2024 (TBC)
- Implementation through LTP (2024-34) of actions including quick wins – during 2024 and ongoing

Hamilton

25 Ward Street, Hamilton 3204

PO Box 112, Hamilton 3240

07 838 2887

Tauranga

78 Second Avenue, Tauranga 3110

PO Box 324, Tauranga 3144

07 579 9747

Rotorua

1072 Haupapa Street, Rotorua 3010

PO Box 1027, Rotorua 3040

veros.co.nz

info@veros.co.nz

Veros

we make projects real.