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INTRODUCTION

The provision and development of housing is a key issue within the community, affecting all residents to some extent. Council has long played a role in housing within the City through its planning function, the provision of social housing, and as a residential developer.

Recently, the issue of affordable housing has become an increasingly important issue, with many people feeling locked out of home ownership by high prices and rental increases stretching many households. Council expects that over the longer run, housing affordability will remain an important issue with an aging population, tendency towards smaller households, and a growing population.

In recognition of these issues, both the Wellington Regional Strategy and the Hutt City Long Term Community Plan contain outcomes related to the provision of affordable housing - reflecting the importance of housing affordable to the quality of life within the city. The Hutt City Long Term Community Plan City outcome is:

“To ensure everyone has a quality standard of affordable housing.”

Council intends to play a significant role in ensuring that this outcome is met. This policy outlines the direction Council will take in making its contribution.

BACKGROUND

Hutt City Council has long had a role in providing and influencing housing development in the city. The district plan is critical to influencing the availability of land for residential development, as well as the main characteristics of housing developed within the city.

Council has traditionally played a role in providing rental housing, although this role is limited to social housing for the elderly and socially disadvantaged today. These units are provided mainly through UrbanPlus – a Council controlled trading housing organisation that owns and manages most of Council’s social and public housing, provides a property management service to the Council, and develops property transferred to it by Council.

The Council has also played a significant direct role in the residential development in the City, undertaking major residential subdivisions and developments such as Maungaraki and Holborn.

Recently, the issue of affordable housing has become an increasingly important issue, with many people feeling locked out of home ownership by high prices, and rental increases stretching many households.

Analysis undertaken by the Council indicates that the present problems with housing affordability are largely a result of market cycles and other factors outside of Council control or influence. The influence of these factors on the housing market has ceased or is likely to ease within the next few years, improving housing affordability over the medium term.

However, predominate demographic, building, and energy trends are likely to worsen housing affordability in the longer run unless more action is taken. The trends of primary importance are:

- Historically high forecast population and household growth – over the next 15 years, Hutt city’s Population is expected to rise by around 3,000 people, mostly over the next few years. While this seems low, it is reasonably high considering Hutt City has had a reasonably stable population for the last decade.
- Falling household sizes – average households sizes have been falling for the past 40 years. It is presently around 2.7 people per household on average, but is expected to fall to around 2.5 people within 15 years. While this may appear to be a small change, it means that even if Hutt City’s population did not change over this time, an additional 3,000 home would be needed. Most of the growth over the next 15 years is expected to in small households of one or two people, or single parents. It is heavily influenced by the ageing population (see below).
- An aging population – strongly influencing the growth in households is an aging population. The number of people 65 years of age or older is expected to rise 73% over the next 15-20 years, from around 11,000 to 17,000 people (this forecast already takes account of a portion of retirees leaving the city). Many of these people will be downsizing or changing homes to better suit a retirement lifestyle.
- Dwelling construction levels – to accommodate the expected additional 4,500 home needed over the next 15-20 years. Between 250-300 dwellings will need to be built per annum on average. At present, the number of new dwellings constructed per year is only around two-thirds of this rate. There are a number of reason for this, but a major factor is the relatively scarcity of land available for development in the city, with most easily available land with good transport links already developed.
- Growing new dwelling sizes – new dwellings constructed continue to grow in size. New stand alone homes have grown from an average of 126m² in 1991 to around 200m² now. This trend is strongly related to growing wealth and housing expectations, but also to planning regulations that typically have more stringent limitations around intensive housing. However, these trends also mean that the housing stock is increasingly becoming more expensive, and are not likely to cater for the needs of lower income and smaller households in the future.
- Rising energy and fuel prices – fuel and energy prices are expected to rise steadily over the next decade. Concerns about the environmental impacts of fossil fuels and the (potential) growing scarcity of oil are expected to be increasingly reflected in the cost of these energy sources.

As noted above, forecasts indicate that an additional 4,500 homes will be needed in Hutt City over the next 15-20 years, or approximately 205-300 dwellings per annum. At present, the number of new dwellings constructed per year falls significantly short of this figure – indicating a shortfall is likely in meeting the City’s future housing needs unless the rate of development increases. These trends also suggest a greater proportion of well located intensive housing (townhouses, units, apartments, terraced housing, and flats), will be needed by the growing segment of one and two person households, and by households seeking to minimise energy and transport costs.

VISION AND OBJECTIVES

Vision

To ensure everyone has a quality standard of affordable housing.

Objectives

The key objectives of the housing policy are to:

- help ensure that the housing needs of Hutt City are met and to improve the affordability of housing in Hutt City by;
 - increasing the supply of residential developments;
 - ensuring there is a more balanced mix between intensive housing and non-intensive housing developments, particularly around shopping centres and key transport routes; and
 - ensuring a supply of social housing for the elderly and socially disadvantaged;
- ensure the District Plan and associated intensive housing design guidelines recognise and maintain appropriate levels of residential amenity;
- ensure that the family friendly nature of housing in Hutt City is maintained, particularly through the retention of family homes and sections within the city;
- outline Council's approach to achieving the above.

METHODS

There are three main strands to Council's approach to meeting the objectives of the housing policy:

- District Plan
- Investment and development
- Advocacy, influence, and encouragement

Within these strands, Council will provide leadership in the housing development market through direct intervention, indirect intervention (such as regulatory controls), or UrbanPlus.

District Plan

The Council's District Plan contains policies and rules governing residential development within the City. The District Plan is critical to ensuring that there is a sufficient supply of appropriately zoned land for residential development for greenfield, infill, and intensive housing.

The District Plan became fully operative in 2005 and five residential activity areas were identified in the city. The residential provisions of the District Plan are currently under review. The review takes into account raw land availability, geographic characteristics, amenity values, the Wellington Regional Strategy, and affordable housing goals. Whilst

current provisions allow for a range of housing types, including some higher density and comprehensive residential development, it is proposed to provide for further residential intensification around shopping centres and key transportation routes. These proposed provisions (subject to consultation and approval in accordance with the requirements of the Resource Management Act) are considered critical to ensuring high density and intensive housing developments are undertaken in the city. It is important however, that the city also protect family friendly housing, particularly through the retention of family homes and sections within the city.

Within the District Plan, emphasis is also placed on maintaining and enhancing those amenity values which contribute to each residential area. This is critical to ensuring new development does not come at the expense of peoples' quality of life. Design guidelines will be used to help guide the development of intensive housing within the city, helping to ensure adequate amenity values, quality and aesthetics of construction, and quality of life for residents.

Investment and development

As noted earlier, Council has long had a role in providing or developing housing within the city. The Council intends to continue in this capacity into the future, mainly through UrbanPlus. The key elements of Council's approach to investment and development are discussed below.

Meeting local housing needs

UrbanPlus is tasked with identifying gaps in the local housing market where intervention would assist in meeting local housing needs and the objectives of this policy, such as the expected growth in households.

Council will also consider making appropriate Council land available to UrbanPlus or the private market to assist in meeting local housing needs and the objectives of this policy.

Commitment to social housing

Council will continue to provide pensioner housing and also housing for the socially disadvantaged through UrbanPlus. The number of units to be held for this purpose will be reviewed at least annually during the process of agreement in establishing the Statement of Corporate Intent with the Board of UrbanPlus.

Commercial operating basis

Council expects an appropriate financial return from its investment in UrbanPlus in fulfilling its roles. UrbanPlus must ensure all ventures are taken on a commercial basis and ensure an appropriate financial return from any proposed investment or development.

Advocacy, influence, and encouragement

The Council, on behalf of the community has a key role to play in lobbying central government, to address housing issues or to seek change to government policy. Council has also worked in partnership with central government to help facilitate residential housing developments. Council continues to be involved in a range of initiatives to establish linkages between a wide range of stakeholders (including potential funders) with an

interest in housing provisions and housing issues. Council will also consider appropriate ways of encouraging more residential development generally to help meet expected growth, as well as a greater proportion of intensive housing development.

REVIEW PERIOD

This policy will be reviewed in April 2011.