

# ***Housing: Investing in Youth for a Brighter Future***

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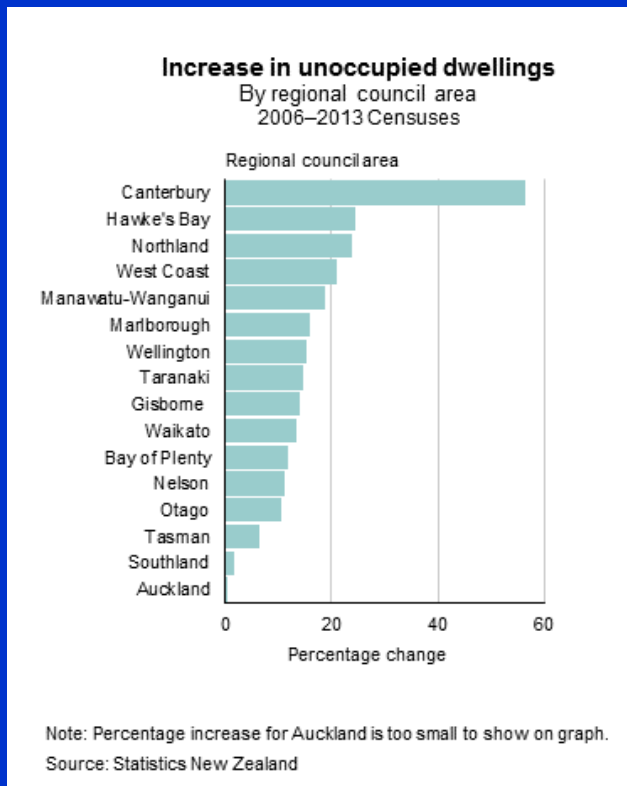
# Do we have a problem?

- Major housing problems:
  - 43% of 15-24 yr olds not living with parents
  - 33% of the adult population
- Not just a Christchurch problem but 2006-2103:
  - CHCH median rents 13.1% increase
  - NZ median rents 9.4% increase

# Under-Supply? My....

- 1 in 10 dwellings are unoccupied in NZ
- Unoccupied dwellings:
  - 2006 – 159,276
  - 2013 – 185,448
- Reason:
  - Temporarily away – 46,000
  - No one lives there – 139,000
- CHCH unoccupied increased 56.3% 2006-2013
  - In 2006 – 18,117 unoccupied dwellings
  - In 2013 – 28,317 unoccupied dwellings

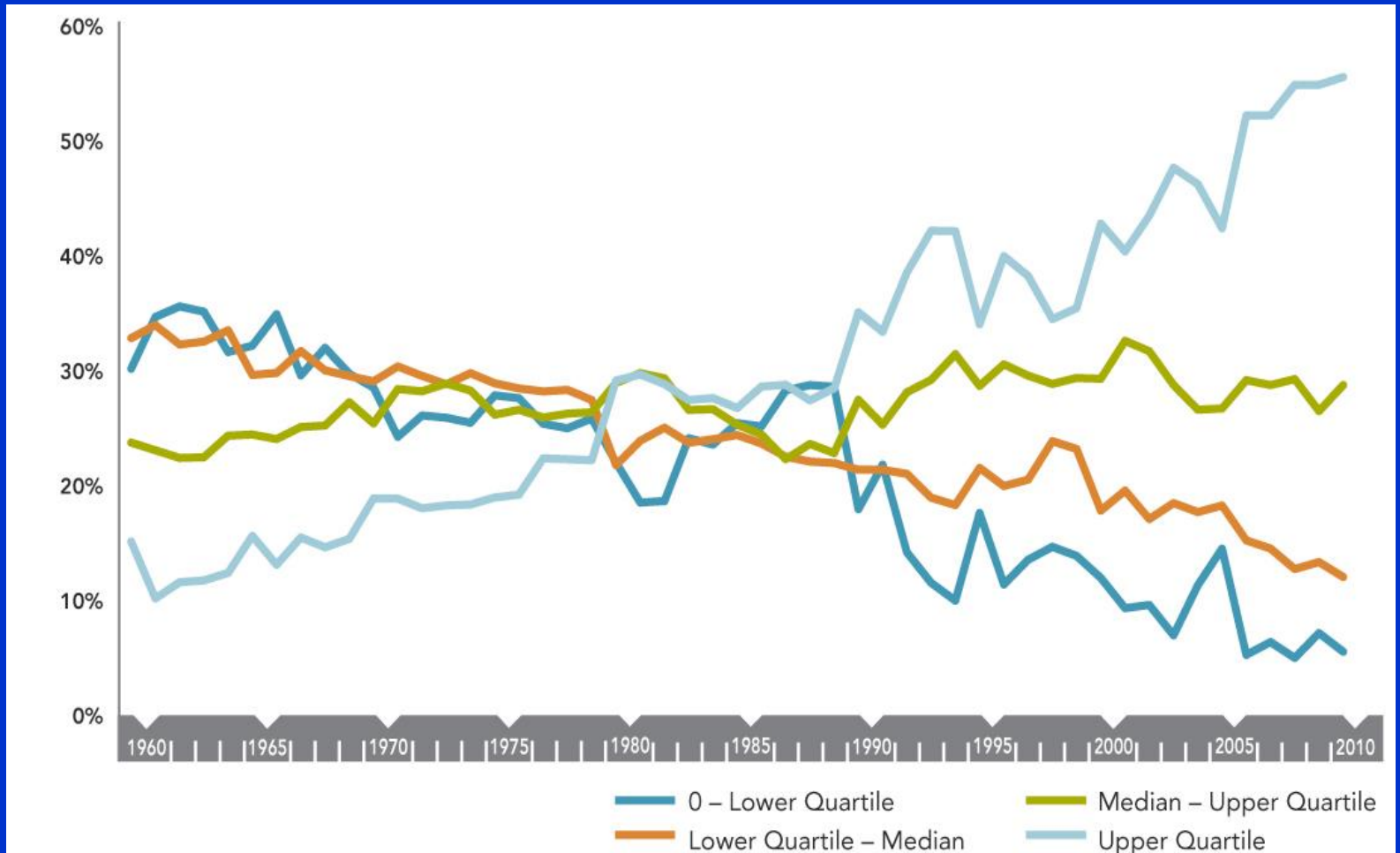
# A National Picture of Under-Occupation



Its all about inequality:

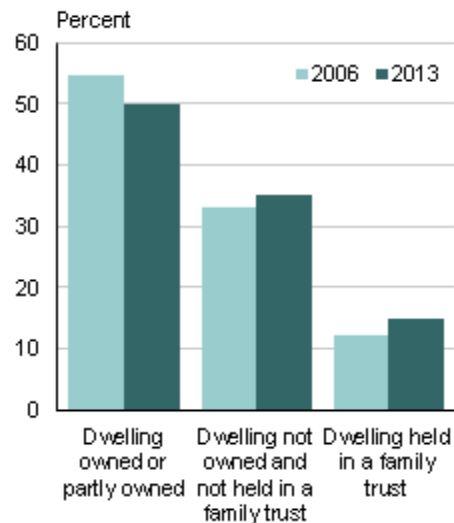
- Consolidation of dwellings among non-residents, non-landlords
- Mismatch between stock and housing need
- Targeting new dwellings to the high income market

# What the Building Industry Targets

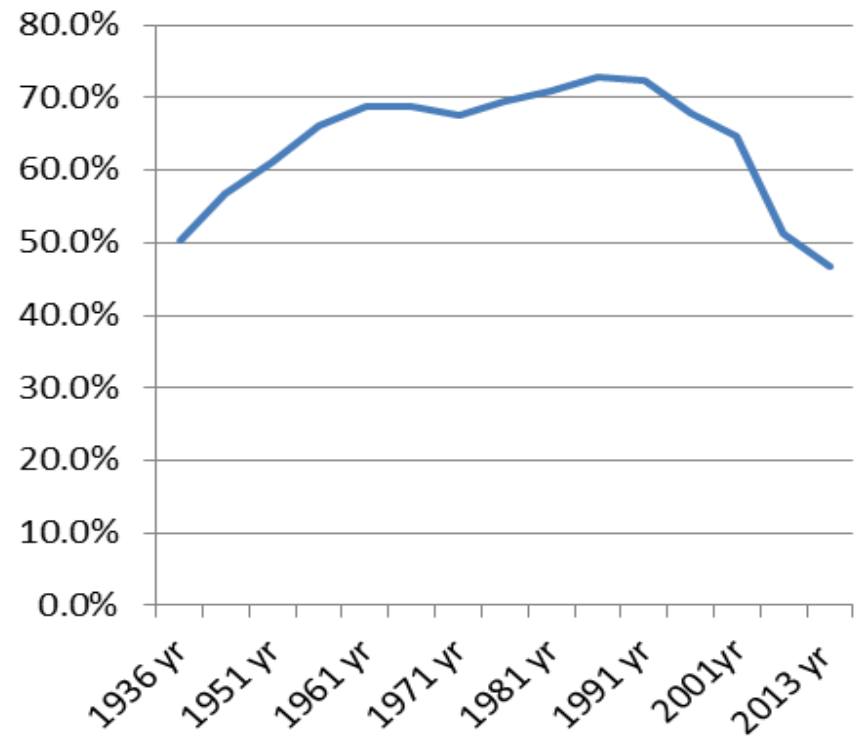


# And the Result Is

**Home ownership by households**  
2006 and 2013 Censuses

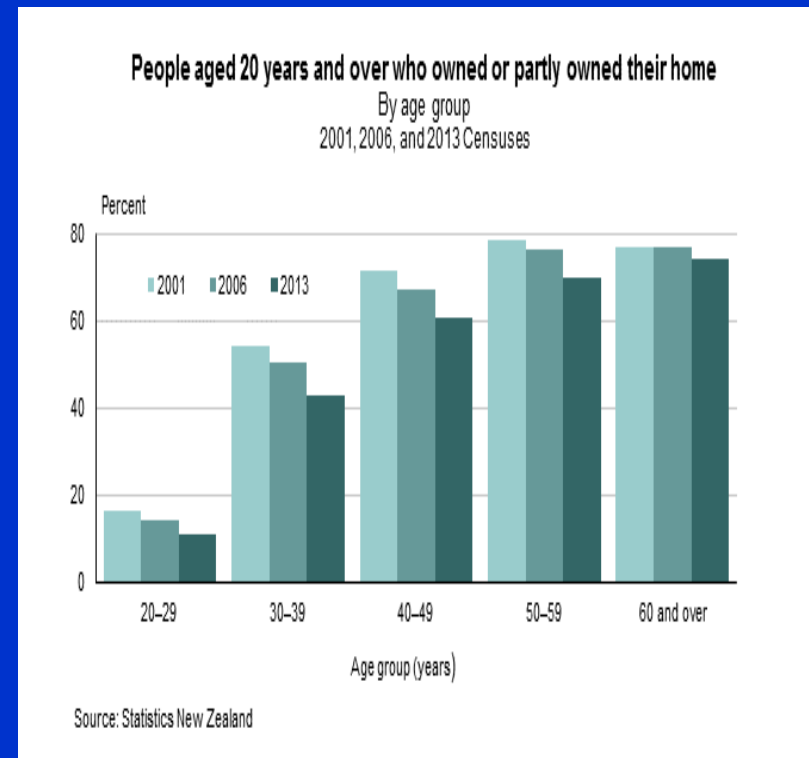


Source: Statistics New Zealand



# For Young People:

- Renting is no longer transitional
- Labour force participation:
  - Low for young
  - Very high for old
- Intergenerational equity:
  - take from older people
  - Rather than invest in young people



# All Our Policy Settings are Wrong:

- Price fetish rather than Use Value
  - High house prices
  - Misalignment between supply and need
  - Service landlords are squeezed
  - Speculators encouraged
- We:
  - Allow covenants specifically designed to drive up prices – but bang on about the barriers of district planning
  - Fail to use covenants to deliver affordable houses where people, particularly young people, need to live
- We persist with a billion dollar (and rising) AS untied to housing condition
- We cast young people onto a rental market where they are stigmatized and some can not enter into necessary contacts



# All Our Policy Settings are Wrong:

- Young people and children have:
  - No housing rights
  - No priority
- Landlords and tenants are exposed to :
  - A supply side dominated by speculators, passive investors and amateurs
  - Landlord churn and unstable tenure
  - A belief that renting is transitional
  - Policy and tax settings that reward poor tenants and landlords
- We are dominated by big housing and inflexible tenure thinking

# So Where to?

- Reinvigorate low cost housing building:
  - Covenants for affordable housing not for price driving
  - Support intermediate tenures through the community sector
  - Promote stock diversification
- Get the rental market right:
  - Tie the AS
  - Reward good landlords
  - Recognise the particular needs of young people
  - In CHCH – rent control or resetting AS access
- Speculation control and capital gains tax
- Deal with Auckland
- Give kids a break
  - Reinvest in a house owning future
  - Support landlords that give young people opportunities