
Our 10-Year Plan

Wellington City Council, Draft Housing Strategy

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Part one:

Building a strategy

Introduction

"It's clear that housing is the biggest challenge facing Wellington. It is imperative that we find innovative, affordable and accessible solutions for our city." – Mayor Justin Lester.

The Wellington housing market is under growing pressure. Demand for social housing is high and rental costs and purchase prices for homes have continued to rise. Conversely, house sales and rental turnover have fallen and fewer houses and apartments are being built, leading to a current shortfall in supply.

This scenario is set to worsen as Wellington's population is forecast to continue its steady increase. Up to 30,000 additional housing units will be required to meet housing need in 2043.

Improving housing outcomes is a significant priority for the Council.

Having the security of a home that is safe, warm, dry, and affordable is a key foundation to ensuring that individuals, families, and whānau can live well and achieve their aspirations. When they do, they are able to contribute to wider community outcomes, which in turn help to realise the city's full potential and wider socio-economic aims. Wellington City Council's Housing Strategy acknowledges the important role the Council plays in leading the change required to see all Wellingtonians well housed.

Background

Adequate housing is a key aspect of Wellington's liveability and central to the city's ability to successfully function economically. It is an essential component in making sure residents can live healthy and comfortable lives.

Housing affordability is a nationwide issue and while Wellington has not yet reached the crisis situation of Auckland or Queenstown, it still faces a significant challenge.

Addressing this challenge is the Council's priority. Extensive analysis and consultation has been undertaken to identify what key objectives, outcomes, and opportunities exist for housing in Wellington. Council business units have led engagement and consultation on a range of housing issues, for example medium-density housing options and the development of the Strategic Housing Investment Plan.

More broadly, the Wellington Summit held by the Mayor and Councillors in October 2016 sought feedback on priorities for the city from 150 key city stakeholders, and housing was highlighted as a priority.

To address the issue, the Mayor's Housing Taskforce was set up in October 2016 to draw on critical experience and expertise from across the housing sector.

The Council and taskforce also hosted the Wellington Housing Forum in May 2017, which was attended by over 70 representatives from across the housing sector including:

- developers
- tenant advocates
- Non-Government Organisations (NGOs)
- social housing providers
- academics
- local and central government officials.

Issues raised in that forum were taken into account in developing the taskforce's recommendations, which were released in the Report of the Mayor's Housing Taskforce in June 2017.

Collective feedback from the Wellington Summit, Housing Forum and Housing Taskforce indicated the need for a long-term strategic approach that draws on partnerships with a range of stakeholders, making best use of information and resources to achieve housing outcomes.

Taskforce recommendations focused on areas where the Council, iwi partners, central government and the broader housing sector could affect the greatest level of change across the city. One of the main recommendations was to develop an agreed strategy, ensuring a connected approach to addressing the range of housing issues facing the city, including:

- leadership, advocacy and government relationships
- addressing homelessness
- social housing
- housing affordability – both rental and ownership
- housing regulation
- housing quality and resilience.

Principles of recommendations:

- Focus on the short-term objectives that span emergency housing, social housing, affordable housing, existing housing stock, and new housing supply.
- Focus on the long-term objective of the Council providing leadership, coordination and support for future mixed-tenure and large-scale residential developments.
- Define what housing affordability means in Wellington.
- Define the Council's role in, and approach to, increasing supply across all aspects of housing.

The vision: All Wellingtonians well housed

The vision “all Wellingtonians well housed” is about making sure all residents in Wellington can live in good quality homes that they can afford and that meet their needs, regardless of whether they rent or buy.

Inherent in this vision statement is the ‘housing first’ concept – that housing is the first intervention required to address social issues and support the wellbeing of individuals and families. By improving housing accessibility and affordability we can build more resilient communities. To do this, consideration must be given to the full housing continuum:



This vision contributes to the Council's broader goals, as identified in the Council's city strategy document *Towards 2040: Smart Capital*:

- People-centered city
- Connected city
- Eco city
- Dynamic central city

Guiding principles

Leadership:

The Council has an important role in leading and contributing to change in the housing space. We will be actively involved in enabling and leading housing solutions through our roles as decision maker, regulator, social housing provider, infrastructure provider, catalyst and facilitator. We will make better use of Council land, assets and resources in order to address gaps not filled by the market.

Partnership:

Working with central government and community partners is critical to ensuring we can achieve the outcomes of this strategy. We will be easy to do business with, and work to remove any unnecessary obstacles.

Informed decision-making:

Good governance, monitoring and reporting are essential to informed decision-making. We will make sure Council decisions that impact housing outcomes are strategic, coordinated and well informed with a clear governance structure. We will produce consistent information so the market has access to robust data.

Equity:

We recognise the housing system is not equitable and some people need more support than others to access housing that meets their needs. We will support the housing sector in providing for our vulnerable communities by continuing to provide social housing and actively facilitate the growth of community housing providers in Wellington.

Regional approach:

Housing is a regional market. Thousands of people live outside Wellington City but travel in for work. We recognise our responsibility to consider challenges and opportunities across the Wellington region when making decisions that influence housing outcomes. Where possible we will work with other councils across the Wellington region to co-design solutions and initiatives.

Resilience:

Housing provides shelter and contributes to a sense of place day-to-day but also has a key role during and after a natural disaster. Alongside work being done as part of the Wellington Resilience Strategy, we will support and help grow the resilience of households, communities and the city as a whole.

Part two:

Strategy in action

Outcomes and Action Plan

The Housing Strategy sets objectives in four key outcome areas. A 10-year time frame has been set for the progression of each.

The Housing Action Plan includes a work programme of current and planned projects and initiatives aligned with each of the outcome areas. This provides an overview of activity in the housing space, better coordination across projects, and lets us monitor and report on progress.



Affordability

Issues of affordability affect each of these four outcome areas, so it's important there is a clear understanding of what affordability means, and how it can be understood in the Wellington context and in relation to specific Council projects.

Existing measures of affordability vary nationally and internationally. Examples include the Housing Affordability Measure (HAM) produced by the Ministry of Business, Innovation and Employment; the Annual Demographia median-multiple measure; the Massey Affordability Index; and the Interest.co.nz Home Loan Affordability Series.

While each is useful within its given context, they often take a 'one size fits' all approach that does not account for different household circumstances or compositions.

They also tend to focus on trend information. While trend information is useful for broad analysis, it is not particularly useful when trying to understand what is affordable for a specific group of households, or in understanding what types of households can afford a particular level of rent or house purchase price.

For us, as a Council and city, we want a clearer understanding of what affordability looks like for all Wellington residents.

To provide this the Council is developing and testing the Wellington Housing Affordability Measure (WHAM), a robust and consistent definition of what housing can be considered affordable, and for whom. It is anticipated that this will be used alongside other measures to help the Council make informed decisions about housing.

Using WHAM

WHAM specifically seeks to provide answers to the following questions:

- Who is this affordable for?
- What is affordable for XX population?
- How affordable is \$xxx rent or purchase price for xxx group?

The WHAM calculation includes:



Delivering the outcomes

Projects in the Housing Action Plan are aligned with one main outcome but in most cases contribute to more than one of the four outcomes (refer page 10). The plan identifies relationships between projects allowing for prioritisation.

Outcome 1: Wellington has a well-functioning housing system

The housing system in Wellington is under pressure as demand continues to grow beyond the limited supply. To achieve a well-functioning housing system we are working on the following:

Medium term outcomes:	More availability and choice	More affordable homes	Growth in supply
Projects:			
Delivery of the Strategic Housing Investment Programme: Three-streamed programme of work that delivers 750 new build social and affordable housing units over the next 10 years. <i>Also contributes to outcomes 2,3 and 4</i>	✓	✓	
Direct programme of proactive new build on other Council land: Use of under-utilised Council land for housing development. <i>Also contributes to outcomes 2,3 and 4</i>	✓		✓
Development of a new Special Housing Area (SHA): Simplified consenting and affordability to encourage and fast-track development of more affordable homes. <i>Also contributes to outcomes 2,3 and 4</i>	✓	✓	✓
A project-led approach to work on Urban Development Agency options: A function to facilitate more efficient housing development at scale. <i>Also contributes to outcomes 2,3 and 4</i>	✓		✓
Review of District Plan settings: Review of settings regulating the environmental effects of development in the city. Includes Water Sensitive Urban Design, Three Waters Strategy and Whatua process. <i>Also contributes to outcomes 2 and 4</i>	✓		✓

<p>Review of Urban Growth Plan: Review of high-level strategy for development, transport and infrastructure for Wellington's growing population. <i>Also contributes to outcomes 2 and 4</i></p>	✓	✓	✓
<p>National Policy Statement on Urban Development Capacity: Provides direction to councils on planning for urban environments, enabling growth and supporting intensification of development without compromising people's wellbeing. <i>Also contributes to outcome 3</i></p>	✓		✓
<p>Rates Remission for first home builders: \$5000 rates discount for anyone building their first home or purchasing a newly built home or apartment off plans in Wellington. <i>Also contributes to outcome 3</i></p>		✓	✓
<p>Lincolnshire Farm Structure Planning: Development of a structure plan for urban development in response to the Petone to Grenada road project. <i>Also contributes to outcomes 2 and 4</i></p>	✓		✓
<p>Stebbings Valley Structure Planning: Development of a structure plan for urban development in the Upper Stebbings area, between Churton Park and Tawa for 500-2000 additional households. <i>Also contributes to outcomes 2,3 and 4</i></p>	✓		✓

Outcome 2: Homes in Wellington are of good quality and are resilient

Having the security of a home that is safe, warm and dry is a key foundation to ensuring that individuals, families and whānau can live well and achieve their aspirations. To achieve this we are working on the following:

Medium term outcomes:	More homes are safe, secure, and resilient	More homes are warm, dry and energy efficient	More homes are environmentally sustainable
Projects:			
Earthquake Check: Service offered to Wellington residents for home earthquake assessments. <i>Also contributes to outcomes 3 and 4</i>	✓		
Unreinforced Masonry (URM) Initiative: Provides support and funding to owners of buildings with URM. <i>Also contributes to outcome 4</i>	✓		
Development of a Wellington Housing Standard: A voluntary scheme for in-home assessment of health and safety components of a property, building on the rollout of the voluntary Rental Warrant of Fitness. <i>Also contributes to outcome 3</i>	✓	✓	
Contact solar energy trial: Two-year trial of a combined solar and battery system. <i>Also contributes to outcome 4</i>		✓	✓
Home Energy Saver: Energy auditing of Wellington homes. <i>Also contributes to outcome 3</i>		✓	✓
Warm Up Wellington: Subsidised insulation retrofitting for low-income households in the Wellington region. <i>Also contributes to outcome 3</i>	✓	✓	
Apartment Amenity Design Guide: Provides guidelines for quality requirements of apartments. <i>Also contributes to outcome 4</i>	✓	✓	✓
Resource Consent Assessments: Assessment of Resource Consents against District Plan provisions, including urban design, effects of heritage values and transport impacts. <i>Also contributes to outcomes 1 and 3</i>	✓		✓

<p>‘One-stop shop’ consenting improvements: Improvement of consenting efficiency through case management and process improvement. <i>Also contributes to outcomes 1 and 3</i></p>	✓		
<p>Improving Urban Design outcomes: Reviewing options for encouraging and incentivising good design outcomes. <i>Also contributes to outcomes 3 and 4</i></p>	✓	✓	✓

Outcome 3: Homes meet the needs of Wellingtonians

To ensure all Wellingtonians are well housed, understanding and responding to the needs of different segments of the population is crucial. To achieve this we are working on the following:

Medium term outcomes:	Decisions reflect the housing need in Wellington	More Wellingtonians can access a home (rent or buy)	More Wellingtonians can sustain a home
Projects:			
Our City Tomorrow: A forum for Wellingtonians to discuss the challenges and opportunities facing the city, including population growth, climate change and earthquakes. <i>Also contributes to outcomes 1 and 3</i>	✓		
Central city apartment conversions: Investigation of options to retrofit underutilised office space to residential units. <i>Also contributes to outcomes 1,2 and 4</i>	✓	✓	✓
Wellington City Council Social Housing: Ongoing management of a portfolio of properties, targeting low-income households and those who face other barriers to accessing housing. <i>Also contributes to outcomes 1,2 and 4</i>		✓	✓
Te Whare Oki Oki: A 'housing first' initiative. Secure accommodation for targeted group who experience homelessness and alcohol/ drug dependency. <i>Also contributes to outcome 1 and 4</i>		✓	✓
Let's Get Wellington Moving: Collaborative process to review Wellington's transport network. Project will influence future land use patterns and housing outcomes. <i>Also contributes to outcomes 1 and 4</i>	✓		✓
Housing trends monitoring: Ongoing monitoring of residential growth, development trends and housing affordability. Statistics to be made available on the Council's website. <i>Also contributes to outcome 1</i>	✓		

Outcome 4: Housing system supports sustainable and resilient communities

Housing is key to supporting and enabling connections and social inclusion within and across communities. To help this, we are working on the following:

Medium term outcomes:	Housing supports wellbeing (economic, physical, social, cultural) particularly for the most vulnerable.	Housing supports and is part of better place-making for communities
Projects:		
Building strong and resilient communities: Programme of work that aims to increase wellbeing and resilience through empowerment, connectedness and cohesion. <i>Also contributes to outcome 3</i>	✓	✓
Co-design approach to communities of place: Community-led design approaches in 3 projects: Strathmore regeneration, Kia Ora Newtown and Aro Valley, Strathmore and Newtown Community Facilities Upgrades <i>Also contributes to outcome 3</i>	✓	✓
Preparing for an ageing population, reducing isolation: Planning for transport, housing, health system and social spaces to enable our ageing population to fully participate and contribute to the economic and social life of our city. <i>Also contributes to outcome 3</i>	✓	✓
The inner city as a community, vertical neighbourhoods: Building social cohesion and a sense of community for inner city residents. <i>Also contributes to outcome 1</i>	✓	✓
Te Mahana – Homelessness Strategy: Community-led strategy aiming to end homelessness by 2020. <i>Also contributes to outcome 3</i>	✓	
Sustainable Food Network: Integration of urban agriculture into Wellington’s urban form. <i>Also contributes to outcome 2</i>	✓	✓
Framework for a Child and Youth Friendly City: Development of a framework that provides guidelines on being a Child and Youth Friendly City.	✓	

