



# Housing Policy

New Zealand has a major housing crisis with an immediate high demand. This has been caused by high immigration numbers and many returning Kiwis who are entering the housing market.

The Government currently spends up to \$600 Million dollars a quarter on 'Emergency and Temporary' housing which is literally money down the drain. When houses are built they are cheap, unhealthy and do not last for very long.

Labour's promise — through their much heralded *Kiwibuild* program to provide 10,000 houses per year — has failed. They have only produced approximately 150 houses each year.

New Zealand needs a Government with experienced housing industry professionals, who know how to work with key stakeholders involved in the three portfolios of Housing, Building and Construction, and Urban Development.

There is a need for residential sections in many regions. Emergency housing is at an all-time high. Property values have continued to climb during 2020 because supply has not met the demand.

The current Government has not been able to address the open market, which is the main area of need with regard to the housing supply.

Two main areas of need are the two types of First Home Buyers: those who can borrow from Trading Banks, and those who are unable to and need extra support. We offer new support options, including a shared equity scheme.

When demand and supply are in balance, property values remain stable with moderate inflationary pressure. Available land must match both present and future housing needs in both the cities and regions.

Advance NZ acknowledges there will be a greater need for housing in regional centres; this will also take the pressure off the main centres.

Advance NZ also recognises the International Council of Local Environmental Issues (ICLEI) pushes the United Nations program Agenda 21 Sustainable Development and Agenda 2030 that are promoting an urbanisation of housing and a residential planning approach that is not fit for New Zealand conditions. Through this initiative, there has been an unnecessary increase of building compliance requirements and costs that we will fight to see removed and replaced with a build-friendly program that takes the environment into consideration.

We will fight to remove red tape barriers that bar certain building solutions to our housing crisis, and prevent people building on their own land. We will take an entrepreneurial approach to solving the housing crisis.

## Policy in brief: 12 Pillars

- Change the Homes Start Grant to the Advance Home Ownership Grant, and increase the Grant value for both existing and new homes.
- Remove the cap on the value of Build packages that qualify for the Advance Home Ownership Grant and Kiwisaver.
- Remove the income cap limit to qualify for the Advance Home Ownership Grant and Kiwisaver.
- Advance NZ will establish a Shared Equity Scheme between the Government and a First Home Buyer to provide a further avenue to enter the housing market.
- Create a Government lender known as Advance Home Loans to offer a scheme for low-income families.
- Place no Capital Gains tax on owner-occupied and tenanted residential properties. Remove GST on Real Estate fees.
- Repeal the Government's latest National Policy Statement (NPS) for Urban planning and for the Tenancy Act rule changes.
- Review the Resource Management Act (RMA) as it relates to alignment with local Councils' District Plans.
- Encourage alternative construction methods; review and improve the existing Building Standards for construction, insulation, ventilation, and heating.
- Provide Advance Home Energy Grants for alternative energy solutions.
- Identify location needs for residential sections, and provide Land Development Funding loans to Regional Councils for the development of sections.
- Review Government strategies for *Kiwibuild's* Community Housing Trusts, and Social Housing.

## Advance NZ's Plan

*Capital Gains are tax-free on all residential properties. GST charges on Real Estate fees of owner-occupied residential property will be removed.*

- Residential property is where the primary purpose of a property is as a place of residence, whether owner-occupied or tenanted under the Residential Tenancy Act.
- We will remove GST on the sales commission of residential owner-occupied dwellings
- The aim is to protect the equity of the homeowner.

### Shared Equity Scheme

- Advance NZ will consider implementing a shared equity scheme in which first-homeowners can purchase their new home with the Government taking a one-third equity stake. Upon sale, the Government will recover the initial one-third equity, plus 1.5% interest per annum. This would enable first homeowners — who are unable to save a sufficient deposit — to gain a foothold in the housing market.
- A person would not be able to claim both the Advance Home Ownership Grant and the Shared Equity Scheme at the same time.

### Advance Home Ownership Grant – Replaces the existing Home Start Grant

- Higher Grant of \$10,000 for existing homes and \$20,000 for new home builds per applicant.
- A maximum of two (2) applicants per dwelling.
- Stay-at-home parents or caregivers qualify for the Advance Home Ownership Grant if the working partner/spouse qualifies.
- One borrower having three (3) years total contribution to the Kiwisaver Scheme qualifies a second applicant for an Advance Homes Ownership Grant.

### Remove the existing cap from the purchase value when applying for Kiwisaver contribution and the **Advance Home Ownership Grant**

- This will allow more buyers to benefit, and allow higher-valued homes to be built if the buyer can afford it.

### Remove the income cap for people applying for the **Advance Home Ownership Grant**

- The current income limit of \$85,000 for a single buyer and \$130,000 for a couple will be removed.
- This will qualify more buyers to own a home.

### Create a new Government-owned lender for low-income families called **Advance Home Loans** to enable all families to own a home.

- For low-income borrowers that Trading Banks will not lend to.
- Second Chance Loans aimed at first-home buyers who thought they could never own their own home, holders of Iwi House loans, and borrowers who have been renting for at least five (5) years.
- Interest-only lending for five (5) years to ease cash flow.
- Interest rates for five (5) years are fixed at 1.5% per annum.
- Loan value to 95% of the property's Registered Valuation.
- Government guarantees on its own lending.
- At the end of the five (5) years, the interest rate changes to floating, and is based on the rate of the lowest main Trading Bank.

### Repeal the Government's latest National Policy Statement (NPS) for Urban Planning and Tenancy Act rule changes.

#### Inner-city apartments

- Review the minimum size rules of apartments in the inner cities of our major centres, such as Auckland, Wellington, and Christchurch.
- Reinstate minimum car parking requirements.
- Ensure that recreational spaces in the location reach minimum requirements

#### Suburban developments

- A minimum road width for new residential sub-divisions to ensure adequate visitor carparking can be achieved.
- Houses and apartments must provide one garage/carport space and one off-street carparking space per dwelling.
- Establish a minimum section size for new subdivisions.

## **Joint venture arrangements with local District Councils for development of residential land.**

- This is intended primarily for regional centres where there is a clear housing need.
- Funds by way of a loan to the Council are to be paid back once a percentage of the land is developed.
- The plan is intended to make land prices affordable.
- Councils will benefit from increased rates as the sections are built on.

## **Advance Energy Grants** and Alternative Housing developments

- Offer Advance Home Energy Grants for alternative energy solutions.
- Allow for Planning Consent for off-Grid housing complexes and villages in rural locations that are serviced by existing towns and rural centres.

## **Major review of the Resource Management Act 1991 (RMA)**

- Limit the Government's powers to dictate on matters related to urban planning.
- Ensure Local Councils' District Schemes are aligned with the Resource Management Act (RMA)
- Sign 'Minimum Annual Land Supply Agreements' with local councils.

## **Emergency Housing Solutions and Allocation**

The Labour coalition Government's failed *Kiwibuild* program is more than a political disaster - it has real human consequences.

The housing crisis has very real victims and they represent thousands of families across New Zealand that right now are living in tree huts, cow sheds, cars, vans, garages, Caravans and sub standard housing, if they are lucky enough to have them.

There are landlords under such pressure that they are either taking house stock off the market or completely selling their houses. The proposed Landlord levies that this Government is framing to launch into legislation will penalise both landlord and tenant.

The outcome being that tenants are being given one month's notice to vacate their rented homes and are left sitting on the street with their children with no where to go.

Advance NZ has been contacted by such families who are distressed, homeless and without hope and waiting for the failed and faulty Ministry of Social Development (Work & Income) and Kainga Ora (Housing NZ) to assist them.

The only answer this Government has is to provide emergency housing in motels, caravans and hotels at the cost of approx. \$600 Million dollars per quarter - over \$2BN Billion dollars of tax payer money wasted and used for a dead end purpose. And this has had the undermining effect of both the tourism and hospitality sectors across New Zealand.

We need to take a stance that will super charge our building sector so that we can deliver houses that are desperately needed.

Therefore Advance NZ proposes the following:

1. We will make building 300 houses per distressed town or region a first equal priority with roading.
  - 100 houses will be for transitional housing. With that we will have different houses that have variant durations of tenancy
  - We will identify 12 regions to fund immediately and give priority to the highest distressed regions such as Rotoura, Whangarei, Gisborne, and so on.
2. We will work closely with local councils to remove the red tape to building houses on an urgent basis.
3. We will work with local building companies to provide the housing based on high value, not high cost, healthy and environmentally friendly.
4. We will develop a short cut process with WINZ to give priority to parents with children with no stand down.
5. We will help enable the building sector to rapid respond to the shortage of housing.

Advance NZ will take an entrepreneurial and out of the box approach to solving this terrible and significant housing crisis and get the job done as we recognise how important it is that families and people have safe homes to live in.