



# Homes for All

Nā te kāinga, te oranga

 **Green**

GREEN PARTY ELECTION PRIORITY

## Summary

The Green Party believes that everyone has the right to decent housing. The wellbeing of people, whānau, and communities starts with warm, dry, affordable homes.

Despite progress in the past three years, many people are still paying too much for cold, damp houses that make their families sick, with limited options to improve their situation.

The Green Party has already made changes as part of this Government, introducing the Healthy Homes Standards for rental insulation and heating, changing laws to protect housing security for renters, building thousands of new state homes with high standards of warmth and energy efficiency, and introducing a progressive home ownership programme to help more people buy their own homes.

In the next term of government, we need to go further and faster to fix housing and create thriving towns and cities. The Green Party has a comprehensive plan for community-led housing redevelopment, to transform the approach to housing in Aotearoa. This will give communities the ability to shape their neighbourhoods in ways that meet their needs and aspirations. We will:

- 1.** Use the Kāinga Ora Crown building programme to:
  - a. Deliver enough affordable new rental properties to clear the public housing waiting list in the next five years.
  - b. Ensure no net loss of Crown land for housing, except when returning land to mana whenua for housing development.
  - c. Create an affordability target that drives Kāinga Ora to match new housing supply to market demand.
  - d. Focus on Te Tiriti o Waitangi and community-driven housing redevelopment.
  - e. Expand progressive home ownership options like rent-to-own.
  
- 2.** Put communities at the heart of housing development, by:
  - a. Fixing funding and regulatory barriers for papakāinga.
  - b. Making co-housing an easier option for first home buyers.

3. Create a fairer deal for people who rent with:
  - a. New Crown financial guarantees for community housing providers to build affordable long-term rental homes.
  - b. A review of the Accommodation Supplement and Income Related Rent Subsidy to better serve renters and public housing providers.
  - c. Improved Healthy Homes Standards to create a proper Warrant of Fitness for rental homes.
  - d. A new registration system for landlords and licensing of property managers.
  - e. Better standards of for tertiary student accommodation.
4. Promote environmentally sustainable and inclusive urban development, both in Crown developments and through better planning provisions.
5. Ensure every home is safe, warm, and dry, by:
  - a. Overhauling the Building Code.
  - b. Extending Warmer Kiwi Homes subsidies and a two-year COVID-19 recovery economic stimulus subsidy for extra energy efficiency initiatives.

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If successive Governments of New Zealand had ensured over the last several decades that every housing related legislative and policy decision had as its aim the promotion of the right to housing, it is clear that the country would not be confronting a housing crisis.

- Leilani Farha, Special Rapporteur on the Right to Adequate Housing to New Zealand, February 2020

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## Situation

Everyone deserves a warm, dry, affordable home that supports their wellbeing and enables them to be part of a connected community.

But successive governments have failed to plan for sustainable urban renewal, and have neglected both public housing and the community housing sector. Owning a home has become unachievable for many families, while many people who rent are forced to settle for substandard, overpriced homes.

Good housing and urban development is crucial to social equality and caring for our natural environment. The decisions we make now will be felt for generations. In the past three years with the Green Party's support, the Government has made significant changes to housing. We have:

- Abolished letting fees for rental properties.
- Taxed housing speculation, by extending the bright line test.
- Extended subsidies for insulation and heat pumps.
- Introduced the Healthy Homes Standards.
- Built more state houses than any government since the 1970s.
- Extended the Housing First programme and committed to the goal of ending homelessness.
- Directed Kāinga Ora to ensure new homes meet the Homestar 6 energy efficiency standard.
- Created a fairer deal for renters in the Residential Tenancies Act.
- Created a framework for sustainable urban regeneration with the Urban Development Act.
- Introduced the Building for Climate programme.
- Removed minimum parking requirements and up-zoned areas near good transport links for medium density apartments, so there's more space for affordable housing in our cities.

These changes are already making a real difference to people's lives. Now we need to go further and faster to empower community-led housing regeneration. Energy efficient, affordable housing in neighbourhoods built to enhance the natural environment and reduce greenhouse gas emissions, will have a transformative effect for Aotearoa.

# 1. A sustainable and inclusive Crown-led building programme

Housing is a basic right, regardless of financial circumstances. But Aotearoa does not have enough of the types of homes people need, at prices they can afford.

The Green Party's top housing priority is meeting the needs of people in severe housing deprivation, by growing the Crown building programme and empowering community housing providers and iwi to build more homes. Our goal is to clear the public housing waiting list in the next five years. As part of the next Government, the Green Party will ensure the Crown build programme delivers sustainable and inclusive housing outcomes. We will:

- Continue to invest in building more social housing, with a focus on both Crown builds and Community Housing Providers (CHPs).
- Embed a Tiriti o Waitangi-based and community-focused approach to urban redevelopment through Kāinga Ora, and ensure developments promote sustainable, equitable, and inclusive outcomes.
- Ensure no net loss of land in public ownership: require the overall Crown build programme maintains current levels of land held in public ownership and reinvests funds in new public builds when land is divested (except where land is returned to iwi and hapū as part of a Right of First Refusal).
- Prioritise progressive home ownership instead of market sales: getting people into home ownership who otherwise would not be able to afford it, and delivering mixed tenure developments without selling off public land to private investors.
- Require progressively higher standards of energy efficiency and accessibility for new homes within the Crown build programme.
- Equip all suitable state homes with solar panels and batteries to create Virtual Power Plants, saving people on their power bills and allowing them to share clean electricity with their neighbours (see the Green Party's Clean Energy Plan at [https://www.greens.org.nz/clean\\_energy\\_plan](https://www.greens.org.nz/clean_energy_plan))

## Clearing the housing waiting list

With the Green Party's support, this Government has delivered more social housing than any previous government since the 1970s, exceeding 2000 new builds in 2019, and requiring all new builds to be at least Homestar 6 rated for energy efficiency.

However, due to the legacy of underinvestment, the current waiting list of people needing housing is at a record high. The most recent data available suggests there are 18,520 households waiting for a suitable home to become available.<sup>1</sup>

The Green Party will extend Kāinga Ora's borrowing limit from \$7.1 billion to \$12 billion over the next five years to allow it to scale up the Crown build programme to 5000 new homes a year. This funding will be available to support Kāinga Ora to build homes directly, and to contract building to community housing providers. Together with policies to support affordable rentals and papakāinga, within the next five years everyone who needs a home will be able to get one.

Crown building through Kāinga Ora is a cornerstone of making sure there are enough homes for all New Zealanders. But some recent housing redevelopments under the previous National Government have seen land sold off and communities displaced. With the Greens in Government, we will direct Kāinga Ora to ensure that property built or commissioned by the Crown cannot be sold on the open market unless it has first been offered to community organisations (including hapū and iwi) for use as a long-term rental property or to support progressive home ownership initiatives such as rent-to-own and shared equity programmes.

As well as making sure houses aren't sold off unnecessarily, the Green Party will protect the Crown's total landholdings, so future Governments retain housing options. The Crown owns land on behalf of all New Zealanders, and the Green Party will ensure the Government Policy Statement on Housing and Urban Development (GPS) provides clear direction on divestment of Crown land and reinvestment in new builds, ensuring no net loss of Crown land over time (other than where land is returned to iwi or hapū).

When Crown property is sold off, including transfer to community providers, Kāinga Ora will be required to reinvest funds into more housing

development. With this requirement, and permission to borrow more, Kāinga Ora will be able to continue building new houses, with a longer repayment timeframe rather than market cross-subsidisation.

Modelling for existing regeneration projects has been based on a split of equal thirds for KiwiBuild, state housing, and open market sales. The Green Party will increase the proportion of retained state housing (based on an assessment of demand in the area) and replace open market sales with a mixture of progressive home ownership and community-provided affordable rentals.

Additional capital expenditure allocation will be required in out-years to enable the build programme to maintain volumes of redevelopment while cycling capital on a slower timeframe, to enable new builds to continue without market sales. This will be achieved with the additional Kāinga Ora borrowing outlined above.

### **Affordable housing mandate for Kāinga Ora**

As the Crown's development agency and housing provider, Kāinga Ora needs a long-term mandate to actively manage housing supply and ensure the current housing shortage is fixed and is not allowed to re-emerge.

The Green Party will direct Kāinga Ora and the Ministry of Housing and Urban Development to create a standard of housing affordability, and structure Kāinga Ora's building programme to ensure the supply of new houses enables the affordability target to be met.

The affordability standard will be based on the percentage of net income spent on housing and take account of tenure type, location, and the number of people living in the house (ensuring that affordability is not achieved through inadequate housing and overcrowding).

Kāinga Ora will be required to work towards ensuring every household in Aotearoa has an affordable home, measured by the new standard. This will be achieved by managing the level of supply provided through directly building homes and underwriting new community housing developments.

To help achieve this, Kāinga Ora will be instructed to identify suitable properties to purchase for development of medium rise housing developments that include social and affordable housing, green spaces,

and access to public and active transport links. This will prioritise apartments and townhouses that can provide a mixture of social housing and progressive home ownership. Kāinga Ora will be required to include a specific focus on areas with significant scope to increase density in Auckland and Wellington.

### **Focusing on Te Tiriti and community needs**

The Green Party believes that all Crown-led redevelopment must honour Te Tiriti o Waitangi and contribute to inclusive community outcomes in sustainable, low-emissions developments.

Due to the ongoing effects of colonisation, Māori are less likely to own a home, and iwi and hapū face barriers to housing development on their own land. The Crown has an obligation under Te Tiriti to address this, and restore power to iwi and hapū to provide housing for their rohe.

The Green Party will ensure Kāinga Ora achieves equitable outcomes for Māori in the delivery of all urban redevelopment projects. Iwi and hapū will have a clear right to be involved in scoping projects in their rohe, and will be involved in all levels of development. Kāinga Ora will be required to engage with iwi and hapū to identify options early in a development to give effect to statutory Rights of First Refusal in a way that meets the housing aspirations of iwi and hapū while also delivering on broader social goals, for example iwi and hapū administering affordable rental housing.

For redevelopment in lower income neighbourhoods with existing social housing, Kāinga Ora will be instructed to engage in participatory processes with existing communities and mana whenua, and endeavour to meet residents' aspirations for community cohesion, affordability, tenure options, supporting infrastructure, and environmental enhancement. Kāinga Ora will be required to measure and report on the extent of displacement as a result of any Crown developments, and modify practice as needed to minimise disruption to existing residents.

### **Expanding Progressive Home Ownership**

Progressive home ownership is a crucial bridge to help people on low incomes buy their own homes. This Government has allocated the first round of funding for progressive home ownership, delivering on the Green Party's Confidence and Supply agreement. This will provide support for community housing providers, and a direct shared equity option delivered

by Kāinga Ora. It also enables more tenure choices through leasehold, so families can own a home while community organisations or iwi and hapū retain the underlying land, keeping prices affordable.

In the next three years, we will continue to expand progressive home ownership, embedding this as a core part of the Government's housing response. Funding has already been allocated. Prioritising progressive home ownership over market sales will help ensure Crown redevelopment serves existing communities and provides them with new opportunities for stable housing, rather than displacing lower income residents. This will also enable models where iwi and hapū own the own underlying land, and households move from renting a property to progressively owning a leasehold interest.

## Ending homelessness

During the COVID-19 lockdown, government, the community sector, and private accommodation providers worked together to ensure everyone had a safe place to stay and no-one was sleeping on the streets. In the past three years, this Government has also scaled up the Housing First initiative to provide wraparound services for homeless people with complex needs.

In the next term of government, we need to ensure people facing housing insecurity and homelessness get a permanent home, building on the existing initiatives in this Government's Homelessness Action Plan. The Green Party will:

- Increase support for Housing First by an additional \$20 million a year, so that people with complex needs such as drug and alcohol addiction get a safe place to live and wraparound support while underlying issues are worked through.
- Address the specific causes and dynamics of Māori homelessness, and resource iwi and hapū to implement solutions.
- Require Kāinga Ora to invite expressions of interest from owners of properties previously used as tourist accommodation to identify suitable places for short to medium-term transitional housing while permanent options are built.

Housing First is a successful initiative, proven internationally to address chronic homelessness by providing wraparound support for people facing housing deprivation and other complex needs. The Green Party will expand this further, ensuring it is available in all areas where there is a need for these services, and resourced sufficiently. This will address the most pressing need and ensure the progress in addressing homelessness during COVID-19 lockdown is maintained.

As part of this approach, dedicated funding will be provided for hapū and iwi-led approaches to addressing chronic homelessness. We will extend the current community development approach to address severe housing deprivation within Māori communities, utilising powers and resources available to Kāinga Ora, to implement solutions identified by iwi and hapū. This will include:

- Supporting Māori social service and housing providers to address root causes to chronic homelessness through the Housing First funding allocation.
- Ensuring delivery of the Homelessness Action Plan provides funding for iwi and hapū delivery of transitional housing for Māori inmates leaving prison, tai tamariki leaving care of Oranga Tamariki, and wāhine Māori seeking safe accommodation (both with and without children).
- Prioritising whole of community development programmes in rural Māori communities with sustained housing deprivation, and ensuring Kāinga Ora and Te Puni Kōkiri work together to provide local support for these programmes.
- Trialling iwi and hapū led “Pathways to Permanence” initiatives - using sustainably designed relocatable housing for emergency and transitional accommodation, instead of motels, and enabling these to be moved to Māori land as part of papakāinga development.

## 2. Empowering community-led housing development

Other than state housing, housing development in Aotearoa has mostly been done by private developers, who then sell houses to owner occupiers or investors. But communities also want to provide for themselves, coming together to plan developments and build homes that meet their needs.

Community-led and non-profit housing development gives neighbourhoods a stake in housing redevelopment. This will ensure that developments create neighbourhoods that meet the needs of everyone who will be living there.

Papakāinga housing provides one option for joint landowners to develop housing together on Māori land, but successive governments have neglected the potential of this model. New Zealanders from diverse backgrounds are also exploring co-housing.

It is time to review our legal and financing frameworks to better support the housing options people want and need. In the next term, the Green Party in Government will unlock the constraints to community-led housing development, with a particular focus on enabling papakāinga.



Image: Tuatahi Mt Albert, courtesy of Ockham Residential.

## Supporting papakāinga and Māori housing solutions

The development of papakāinga on whenua Māori – approximately 5% of land held in Māori freehold title – is a long-held aspiration of whānau and hapū around the motu. Due to the policies of successive governments, there are numerous barriers to developing whenua Māori for papakāinga. The barriers include government support across multiple agencies that is uncoordinated and underfunded, problems accessing finance, planning restrictions, and lack of infrastructure. The Green Party will introduce policies to remove the barriers to the development of whenua Māori for papakāinga. To do this, we will:

- Create a specialist cross-agency Māori Housing Development Unit.
- Review and reform the Kāinga Whenua loan programme.

The Māori Housing Network is currently located within Te Puni Kōkiri. This entity has a Māori development mandate and reaches into Māori communities, but has limited specialised development capability. In Government, the Green Party will empower Te Puni Kōkiri, the Ministry of Housing and Urban Development, and Kāinga Ora to create a joint Māori Housing Development Unit. This would bring together the policy capability and stakeholder relationships of the Māori Housing Network with the development capacity of Kāinga Ora, to provide practical support to whānau and hapū seeking to develop their whenua.

The new Māori Housing Development Unit would have responsibility for helping Māori land owners to plan for land development, including access to Kāinga Ora powers and funding instruments. This would enable it to utilise Kāinga Ora powers and funding instruments to support comprehensive planning for papakāinga, including provision of infrastructure to whenua Māori that has no road access or lacks water servicing, electricity, or broadband connections.

The Māori Housing Development Unit would be directed to initiate a comprehensive Māori housing finance reform programme, starting with reform of the Kāinga Whenua loans scheme to resolve issues of securitisation, low lender uptake, and relatively low uptake by borrowers, as well as supporting alternative tenure options (such as cooperative and community land trust models).

The review will consider options for introducing a Māori housing investment fund, underwritten by government, and options for the establishment of Māori community development finance institutions.

## Fair rules for co-housing

As the population of our cities and towns continues to grow, many people want to be able to share the benefits of medium or high density living and retain a sense of community. Co-housing (also known as co-operative housing) provides one solution, but legal and financial barriers make it difficult for communities to provide this sort of housing for themselves.

Co-housing can take many forms, with the common feature that the development is created by a group of people seeking to form a housing community, including some shared spaces.

The Green Party will create a fit for purpose legal framework for co-housing, drawing from developments that have navigated co-housing within our existing law. We will:

- Provide national guidance to ensure local planning rules enable co-housing.
- Ensure first-home buyers can withdraw KiwiSaver for co-housing.

With the Green Party's support, the Government has removed the minimum parking requirements that have been a major planning barrier to sensible co-housing developments. Next, we will provide more clarity on how subdivision rules (including minimum lot sizes) should be applied to co-housing developments, and direct the Ministry for the Environment to prepare guidance for local authorities on consenting pathways for co-housing, papakāinga, and mixed tenure community housing. This could be through a National Policy Statement on collective housing models.

We will reform the KiwiSaver Act to ensure first home buyers can access funds to use in a co-housing development they will be living in, regardless of ownership structure, and provide guidance to banks on withdrawal in the early stages of a development. This will remove a disparity between using KiwiSaver funds to purchase a house that has already been built or as a deposit for a house that is being built by a private developer, and using KiwiSaver funds to support a community co-housing development.

### 3. A better deal for renting

Almost half of all households in Aotearoa rent their home. Housing standards vary wildly and while some property managers provide a valuable service for renters and landlords alike, others give their profession a bad reputation.

Finding a decent place to rent is increasingly difficult, and creates housing stress for many people – even on good incomes. The Green Party will increase the supply of affordable rentals, shifting away from highly leveraged individual investments, towards more stable community provision of rental homes. This will create better options for people who rent, in a sustainable 21<sup>st</sup> century rental sector.

We will also bring residential property managers into the existing regulatory framework for real estate agents, and improve standards in the university accommodation sector. This will support the shift to a professionalised approach to providing rental accommodation.

#### **Increasing the supply of affordable rentals**

More and more New Zealanders are renting for longer, and not everyone wants to buy their own home. Renting can be a good option, with secure tenure, decent housing standards, and a sense of community. Most other OECD countries do a better job of providing rental housing, such as through housing trusts and non-profits, and New Zealanders want and deserve better rental housing options.<sup>2</sup> The Green Party will:

- Develop a Crown financial underwrite to support housing developments delivered by community housing providers, iwi and hapū, and membership-based housing associations.
- Establish \$250 million in seed funding for newly built community non-profit rental homes – providing an initial boost to get this sector up and running, and allowing for capital to be cycled through for further developments.
- Review the Accommodation Supplement and the Income Related Rent Subsidy.

A “Buying off the Plans” underwrite has been introduced by the current Government to support developers to build affordable homes, sold as a mixture of KiwiBuild and market sales. This has been particularly effective at providing one and two bedroom apartments for first home buyers. The Green Party believes the Crown also needs to support affordable community rentals, including long-term tenure options such as secure multiyear leasehold.

We will extend the Buying off the Plans underwrite to community housing providers seeking to build long-term affordable rentals, and include apartment blocks that provide a mix of owner-occupier units and affordable rentals. We will provide up to \$250 million in seed funding to kick-start the affordable rental sector, making this available for existing community providers seeking to enter the affordable rental market.

#### ***How underwrites can support community housing***

*An existing community housing provider seeks to buy a large block of former light industrial land, in an area close to transport links. They intend to build 150 homes in five apartment blocks, providing a mixture of first-home sales, progressive home ownership, and long-term affordable rentals. The apartment blocks will be surrounded by community gardens, and there will be a children’s play area on site. The community housing provider expects to be able to pay off a loan in 30 years, after which they will retain 60 homes for affordable rentals, with the balance sold to owner-occupiers.*

*After checking the viability of the proposal, the Crown decides to underwrite this development and provide an additional \$6 million Crown loan to assist the community housing provider to obtain further private finance to fund this development. The combination of the Crown deposit assistance and underwrite enables the development to be topped up with private finance, and get underway. The development provides 40 KiwiBuild homes, 50 progressive home ownership homes, and 60 long-term affordable rentals which remain in non-profit or community ownership. The Crown’s loan is paid off within one year of the completion of the build, after the sale of the KiwiBuild portion of apartments.*

These changes will support a non-profit rental sector to emerge, increasing housing supply, and providing better options for renters. It will also contribute to inclusive urban development outcomes – creating a financial pathway for community-led redevelopment.

Community and non-profit housing providers have the expertise and experience to help ensure all New Zealanders have a warm, dry, affordably home. Including membership-based community housing associations and community housing trusts in the plan to provide more affordable housing, will give residents a direct stake in the redevelopment of their neighbourhoods. It will also enable organisations such as university students associations to build accommodation for their members, matching existing community support networks with specific sectors of housing demand.

Over the next ten years, this underwrite will contribute to a fundamental reshaping of how rental accommodation is provided in Aotearoa, creating inclusive neighbourhoods that accommodate the needs of people at all stages of life and income levels.



Image: Tuatahi Mt Albert, courtesy of Ockham Residential.

## Reviewing unfair and inefficient financial support

The rental property market in Aotearoa is propped up by two forms of government financial support: the Accommodation Supplement and the Income Related Rent Subsidy. The current settings for these are inefficient and unfair, and have not succeeded in promoting supply of affordable homes.

The Welfare Expert Advisory Group found that:

*The [housing] subsidies provided through the welfare system are demand-side supplements that continue to increase in a housing market that is overpriced and undersupplied and where these factors are worsening. These subsidies simply increase with rent inflation and, some make the case that in all probability, contribute to higher housing costs. However, these subsidies could not be removed, given the current housing market, without increasing poverty and homelessness.<sup>3</sup>*

The Accommodation Supplement helps low income people afford a home. But it acts as a subsidy to private property investors, driving up rents across the board. It cost the Government \$1.73 billion in the 2019/2020 financial year and is forecast to exceed two billion per year over the next three years, as demand increases due to the economic disruption of COVID-19.<sup>4</sup> Much of this money ends up with property investors. A review is needed to find better ways to target that funding towards creating a more sustainable, fairer housing market, while also making sure people who need help paying rent can get it.

The Income Related Rent Subsidy is another form of support specifically for public housing, but it only applies to Kāinga Ora and community housing properties – not local councils. Councils provide over 7,000 rental homes in Aotearoa, and are often in touch with the needs of their local communities. The Green Party will review eligibility for the Income Related Rent Subsidy with a view to making local councils able to access it, giving councils a sustainable revenue stream with which to provide more stable, affordable rental homes in their communities.

The review of the Accommodation Subsidy and Income Related Rent Subsidy will be asked to recommend policy changes to help achieve:

- ✓ Long-term housing security and affordability for people on lower incomes, whether in work or not.
- ✓ Incentives for construction and provision of affordable housing by iwi and hapū, community housing providers, local government, and other housing developers.
- ✓ Predictable and sustainable operating costs to the Crown and local councils.

## Improving and enforcing Healthy Homes Standards

Homes should support wellbeing. But 44% of children growing up in rental accommodation are living in damp houses, and 36% are living in houses with a significant level of mould.<sup>5</sup> Rental homes are typically in poorer condition than owner-occupied homes, and due to being more likely to rent, poor quality housing disproportionately effects Māori, Pasēfika, and new migrant communities.<sup>6</sup>

The Healthy Homes Standards, introduced by the current Government are a big step forward for renters, and when these are fully implemented they will improve the quality of rental housing.

However, two additional changes are needed to ensure these standards deliver warm homes for all renters. In the next term of government, the Green Party will:

- Extend the temperature requirement of 18° C from a fixed heating source to bedrooms in rental homes.
- Introduce a proper rental housing Warrant of Fitness (WOF).

A minimum temperature of at least 18° C in all indoor living spaces is what's needed for a healthy home, according to the World Health Organisation. The Healthy Homes Standards currently require the main living area of a rental property to be able to be heated to at least 18° C from a fixed heating source.

In the next term of Government, the Green Party will extend this requirement to bedrooms. This will have a particular benefit for children, the elderly, and those with underlying health conditions.

Warmer bedrooms will help reduce Aotearoa's shameful level of hospital admission for child respiratory conditions over the winter months. This will also reduce reliance on inefficient portable heaters, which will have benefits for both energy efficiency and home safety. This new aspect of the Healthy Homes Standards will come into effect for new rental agreements from 1 September 2021, to allow time for property upgrades to occur. The final date for full compliance of existing rentals with the Healthy Home Standards will remain 1 July 2024.

The Green Party will add the enforcement mechanism of a Rental Warrant of Fitness, requiring all rental properties to be independently assessed for compliance with the Healthy Homes Standards. This will be introduced in phases, matching the implementation of the Standards themselves – applying first to new rental agreements, and then expanding to all rental properties. With the combination of improved Healthy Homes Standards and the Rental Warrant of Fitness, people who rent will have confidence that their homes will keep them warm and healthy.

## **Landlord and property manager registration**

Many landlords and property managers do a good job, but some let everyone down. Real estate agents, taxi drivers, builders and many other professions are all licensed. Companies must be registered with the Companies Office. Licensing and registration helps improve standards across industries. There is no licensing or registration system for landlords and property managers in Aotearoa.

The Government doesn't even have good data on how many landlords exist with estimates ranging from 130,000 to 270,000 – let alone any ability to prevent someone from acting as a landlord or property manager in the future if the Tenancy Tribunal finds they have repeatedly breached their obligations.

Property managers have become a significant feature of the rental market in Aotearoa, acting as agents for landlords and providing the day to day contact point for tenants. Property managers are not currently subject to professional oversight or standards. Anyone can be a property manager and while some act professionally, others do not. There is limited recourse for both tenants and landlords if property managers behave poorly.

Two recent reports have detailed problems in the property management sector and concluded that regulation is required.<sup>7</sup> Examples of poor practice include failure to promptly fix issues arising with a property, failure to communicate with tenants, and failure to lodge bonds. In the UK, licensing of landlords has improved rental standards and reduced anti-social behaviour.<sup>8</sup>

The Green Party will extend the current regulatory framework for real estate agents to include property managers. This will introduce a licensing requirement for property managers and provide clear professional

obligations and complaints mechanisms for misconduct, whether or not it reaches the threshold of breaching the Residential Tenancies Act. It will require amending the Real Estate Agents Act 2008, which governs the Real Estate Authority.

We will also require landlords to be registered with the Ministry of Housing and Urban Development. We expect that an annual registration fee of \$50 (or \$1 a week) for landlords would generate enough revenue to cover the costs of administering a simple registration system. Better records of landlords would allow the Tenancy Tribunal and others to keep track of the small number of landlords who engage in repeated poor behaviour, so appropriate enforcement action can be taken.

This will provide protection for tenants, create more clarity over the role of property managers, and give confidence to landlords and the property management sector that bad practices will be identified and addressed.

### **Better standards for student accommodation**

Many students live in accommodation associated with their tertiary institution. The COVID-19 lockdown has put a spotlight on gaps in protections for students, with many required to pay fees despite not being able to stay at their university accommodation. The Green Party has started a Select Committee inquiry into student accommodation, due to report back in 2021.

While this review develops more detailed recommendations, the Green Party will build on the Code of Pastoral Care for tertiary institutions to include specific obligations regarding the provision of accommodation. These will apply for both domestic and international students, and will be introduced as part of the work to create a permanent code in 2021.

The Code of Practice will put the wellbeing of students first and ensure universities cannot contract out of their obligations by outsourcing management of student accommodation. This will create fair dispute resolution frameworks, co-designed with student associations. It will also include protections for the working conditions of Residential Assistants.

## 4. Thriving cities and towns

The towns and cities of Aotearoa can be transformed through community-led redevelopment in existing urban and urban fringe areas, and co-designing mixed use development along new public transport routes.

As the population of Aotearoa continues to grow, our cities and towns will need to provide new housing and infrastructure. In the next term of Government, we need further reform to ensure density is done well, and new housing development creates stronger communities and greener neighbourhoods.

### Resource Management Act reform

The Green Party welcomes the independent review of the Resource Management Act and looks forward to environmental law reform in the next term of government. Our environmental laws need to do a better job of protecting nature and ensuring urban development is sustainable. The status quo is failing to enable the types of development Aotearoa needs – leading to sprawl, congestion, expensive housing, and degraded nature.

Urban development can create low-emissions solutions for our cities and towns, as well as addressing growing inequality by providing affordable, warm homes for all. Different rules and incentives could support compact, low-emissions urban form, with more affordable housing close to where people work, and effective public transport. This would include quicker and cheaper consenting for new apartments and townhouses, bringing down the cost of new housing.

We will ensure spatial planning protects food producing land, significant natural areas, water catchments, wāhi tapu, and coastal zones from inappropriate development. At the same time, we will empower communities to create vibrant and connected cities and towns. We will implement urban design principles for high density and medium density housing that provide quality living environments for residents and contribute to people-friendly urban and green spaces.

Urban water quality and the health of streams and beaches will be a priority – with a particular focus on new green water infrastructure such as rain gardens, green roofs, and swales for stormwater management. Urban

waterways will be restored and daylighted where possible, with accompanying walking and cycling paths. This will improve water quality, connect people with nature, and create jobs for people as we recover from COVID-19.

We will ensure urban trees have better protection, to protect mature trees and increase new urban tree cover. This will improve quality of life for people, provide habitats for precious native species, and help mitigate the “urban heat island” effects of climate change.

Urban development needs to work with nature, not impose on it. As the climate changes, the Green Party will ensure housing developments are safe from sea level rise, flooding, and other natural hazards – to create thriving, resilient communities.

### **Zoning for affordable housing**

In the next phase of resource management reforms, the Green Party will also create tools to protect housing affordability in new developments, by empowering local councils to use “inclusionary zoning” and affordable housing development contributions. These will be based on a transparent assessment of the house price dynamics in an area and suitable tools for affordability. For example, local councils will be able to require new developments to include a percentage of affordable housing for sale, a percentage of affordable housing for transfer to a community housing provider, or a funding contribution to a local community housing trust, as a condition of planning consent.

This will also help protect against gentrification – so that the people who have always lived near an area being redeveloped can keep living there as more housing goes in. Local councils would be able to assess the best settings for inclusionary zoning and housing development contributions in their area.

## 5. Improving housing standards

Houses in Aotearoa are notoriously cold and damp. This has an enormous health impact – particularly for children and people who are elderly or have health conditions. It also means high energy usage, which unnecessarily increases energy demand and carbon emissions. Better housing will be better for people and better for the planet.

In addition to improvements to the Healthy Homes Standards for rental homes, the Green Party will implement two further changes to bring all homes up to high standards of warmth, energy efficiency, and dryness. We will:

- Overhaul the building code.
- Increase subsidies for energy efficient retrofits.

### Overhauling the building code

The Building Code is no longer fit for purpose. Cold, draughty houses with high heating costs should be a thing of the past. The Government’s “Building for Climate Change” programme takes the first step towards reducing carbon emissions from buildings. Next we need to reform the Building Code to require new builds to be:

- Energy efficient.
- Warm, dry, and well ventilated.
- Water efficient, including mandatory greywater recycling.
- Accessible to people with disabilities, with minimum standards for different types of buildings.
- Designed in ways to minimise high-emissions construction materials and maximise materials such as wood.

Building reforms will be phased in with a goal of net zero energy for new buildings consented after 2030. The Green Building Council defines this as “highly energy efficient [for heating, cooling, and lighting] with all remaining energy from on-site and/or off-site renewable sources.”<sup>9</sup>

Green buildings will support Aotearoa’s overall emissions targets, and ensure the homes we build today are resilient for our changing climate. Under this approach, new builds will be designed for maximum energy

efficiency, and will work towards universal solar panels. This will improve electricity grid resilience, support the transition to an electric vehicle fleet, drastically reduce household energy costs, and help achieve 100% renewable energy.

Buildings certified to the equivalent Home Star or Passive House level will be deemed to comply with the relevant requirements of the new Building Code, preventing duplication of assessment.

This will be complemented by design guidance and consenting pathways for small living spaces, such as tiny houses and apartments, ensuring these can be part of the solution for more sustainable living while providing quality living spaces.

Green building standards for energy efficient heating and cooling will be complemented by the financial support available for solar panels and to switch commercial and industrial fossil fuel heating systems to clean alternatives in the Green Party's [Clean Energy Plan](#).

## **Warmer Kiwi Homes**

The Warmer Kiwi Homes programme already provides significant assistance for lower-income home owners to insulate their properties and install better heating, such as heat pumps and efficient wood pellet burners. The Green Party will expand this through extending eligibility for Warmer Kiwi Homes and creating an additional temporary retrofitting stimulus.

Under the current Warmer Kiwi Homes programme, eligible households are able to receive a 90% subsidy on the cost of insulation and/or efficient fixed heating sources up, to a cap of \$3000. To be eligible, the property must be owner-occupied, and either in a lower-income area (targeted by street), or have an occupant who is a community services card holder.

The Green Party will extend eligibility to all owner occupier households with children under five, or with an occupant who has a referral from the Ministry of Health's Healthy Home Initiative programme, as well as replacing the street-level targeting for low income households with eligibility based on actual household income being in the lowest quartile of households, equalised for occupancy.



Around 60,000 homes were insulated in Aotearoa last year. The insulation industry expects this could be increased to 90,000 a year, creating much needed local jobs in our communities. The Green Party will commit up to \$150 million a year extra to Warmer Kiwi Homes, allowing up to 40,000 more homes to access insulation and/or heating through Warmer Kiwi Homes support.

As part of COVID-19 economic response, the Green Party will also create a temporary two-year subsidy for specific energy efficiency upgrades, providing households with 30% of the cost up to \$3000 per house. This will provide a short term job stimulus while also reducing emissions from energy use. This support will be available to both owner occupiers and landlords, to ensure renters can also get the benefits of upgrades, and assist landlords to meet their expanded healthy homes obligations.

This retrofitting stimulus subsidy will be available for the purchase and installation of:

- Floor, ceiling, or wall insulation.
- Under floor moisture barriers.
- Internal mechanical ventilation.
- LED lighting.
- Double glazing windows.
- Energy efficient heating appliances.
- Thermal curtains.
- Fixing gaps in windows, door frames, floorboards, etc.
- Replacing hot water heating with energy efficient models.
- Rainwater tanks.
- Greywater recycling systems.

We have Budgeted \$375 million over two years from the COVID-19 Response and Recovery Fund. If fully subscribed, this will help 125,000 homes become greener, warmer, and drier.

Financial support for solar panels and batteries on state homes and private homes is provided for separately, through [the Green Party's Clean Energy Plan](#).

## Costs

Making sure everyone has a warm, dry, safe home will have significant wellbeing and economic benefits.

Home insulation creates up to \$6 in benefits for every \$1 invested, through lower power bills, reduced health costs, and less time away from work and school.<sup>10</sup> Housing security that enables families to put down roots in communities is likely to improve educational and employment outcomes. Empowering papakāinga housing will have flow-on benefits to whanau, hapū, and iwi. More affordable housing frees up families' budgets to spend at local businesses, and more compact urban form reduces commute times which both improves productivity and reduces fuel bills. The building involved in delivering the Green Party's housing plan will create jobs. We have not attempted to quantify these benefits.



Solar powered community housing in Germany. Credit: Arnold Plesse

### *Kāinga Ora costs (expanding the Crown build programme)*

Raising Kāinga Ora's borrowing limit to \$12 billion to enable it to clear the public housing waitlist in five years will mean an additional \$4.9 billion of borrowing. This borrowing is accounted for on Kāinga Ora's balance sheet, not as core Crown debt.

*Core Crown capital funding*

| Initiative   | Source                                      | Funding (\$millions) |
|--|---|----------------------|
| Community housing seed funding                                     | Reallocated from existing Kiwibuild funding | 250                  |
| Community housing underwrite drawdown*                             | Reallocated from existing Kiwibuild funding | 300                  |
| COVID-19 recovery home energy efficiency retrofit stimulus package | COVID-19 Response and Recovery Fund         | 375                  |
| <b>TOTAL</b>   |   | <b>925</b>           |

\*The underwrite drawdown would only be triggered if a community housing developer is unable to sell or rent enough of the homes they build. In that case, the Crown could take ownership of the homes and use them for state housing, creating an asset on the Government's books.

*New operational funding*

| Initiative                                   | 2021/22 (\$millions) | 2022/23 (\$millions) | 2023/24 (\$millions) |
|--|----------------------|----------------------|----------------------|
| Iwi-led homelessness initiatives             | 100                  | 100                  | 100                  |
| Extending Warmer Kiwi Homes                  | 150                  | 150                  | 150                  |
| Landlord register and Rental WOF enforcement | 6.5                  | 6.5                  | 6.5                  |
| \$50/year levy for rental property owners*   | (6.5)                | (6.5)                | (6.5)                |
| <b>TOTAL</b>                                 | <b>250</b>           | <b>250</b>           | <b>250</b>           |

\*Levy revenue assumes MBIE estimate of 130,000 private landlords.



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- <sup>2</sup> Andrew Barker, *Improving Well-Being Through Better Housing Policy In New Zealand*, 6 September 2019, OECD Working Paper [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=ECO/WKP\(2019\)34&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=ECO/WKP(2019)34&docLanguage=En).
- <sup>3</sup> Welfare Expert Advisory Group, *Whakamana Tāngata: Restoring Dignity to Social Security in New Zealand*, February 2019 <http://www.weag.govt.nz/assets/documents/WEAG-report/aed960c3ce/WEAG-Report.pdf> p.123.
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- <sup>5</sup> Data from the 2018 Census, processed by Parliamentary Library.
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- <sup>7</sup> Anglican Advocacy, *A Decade Overdue: The need for regulation of property management in New Zealand*, August 2018 [http://www.anglicanadvocacy.org.nz/wp-content/uploads/2018/08/AA\\_Property-Management-Report\\_WEBVIEW.pdf](http://www.anglicanadvocacy.org.nz/wp-content/uploads/2018/08/AA_Property-Management-Report_WEBVIEW.pdf); Real Estate Agents Institute of New Zealand, *Residential Property Management Industry Regulation – An Information Paper*, September 2019 [https://static1.squarespace.com/static/5ceefcf4b24e9f0001b744eb/t/5d8ad470def8834a610e2e91/1569379447645/RPM+Industry+Regulation+Information+Paper\\_FINAL.pdf](https://static1.squarespace.com/static/5ceefcf4b24e9f0001b744eb/t/5d8ad470def8834a610e2e91/1569379447645/RPM+Industry+Regulation+Information+Paper_FINAL.pdf).
- <sup>8</sup> Housing Rights (UK) *Landlord Licensing in the Private Rented Sector*, November 2016 <https://housingrights.org.uk/sites/default/files/policydocs/Policy%20Briefing%20Landlord%20Licensing%20in%20the%20PRS%20November%202016.pdf>.
- <sup>9</sup> This matches the target in the Green Building Council's Zero Carbon Roadmap, released in 2019 [https://www.nzgbc.org.nz/zerocarbon/Attachment?Action=Download&Attachment\\_id=2527](https://www.nzgbc.org.nz/zerocarbon/Attachment?Action=Download&Attachment_id=2527).
- <sup>10</sup> Motu Research, "Cost Benefit Analysis of the Warm Up New Zealand: Heat Smart Programme" June 2012 <https://motu.nz/our-work/urban-and-regional/housing/cost-benefit-analysis-of-the-warm-up-new-zealand-heat-smart-programme/>.

[www.greens.org.nz/  
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Authorised by James Shaw, Parliament Buildings, Wellington