

Building on our housing progress

- **Five-point plan to maintain construction momentum during COVID-19, through a Residential Development Response Fund, delivering over 18,000 public houses, support for first home buyers, progressing the Construction Sector Accord, and removing barriers to building homes**
- **Strengthening public and transitional housing to maintain our progress tackling homelessness through the economic impacts of the global COVID-19 pandemic**
- **Government-led progressive homeownership scheme**
- **Partnering with Māori through MAIHI to support the implementation of the Homelessness Action Plan, repairing and maintaining homes, building papakainga and establishing the Iwi Māori pathway for progressive home ownership**
- **Supporting energy efficiency, including through a new mandatory energy efficiency certificate to support homeowners to reduce costs**
- **Regulating property managers to protect landlords and tenants**

Labour is committed to ensuring that every New Zealander has a safe, warm, dry home to call their own whether they rent or own. Secure, healthy and affordable housing is at the heart of the wellbeing of New Zealand families. It will take many years of sustained and continued focus to make that a reality for every New Zealand family.

In 2017, Labour was elected to take action on New Zealand's housing crisis. The [Housing Stocktake](#) we commissioned immediately after taking office set out the state of housing we inherited. Homeownership was at a 60-year low. House prices increased by 30% across New Zealand between 2012 and 2017, with greater increases of 65% in Auckland and 45% in Waikato. Even after accounting for growth in the community housing sector the number of public houses was down over 1,500.

Over the last three years we have started to tackle the housing crisis. We prioritised tackling homelessness and starting work to end our reliance on motels. We began our Homelessness Action Plan, stopped National's state house sell-off and funded over 18,000 public and transitional homes by 2024. We stopped the sale of existing homes to foreign speculators, closed tax loopholes and extended the bright line test to disincentivise housing speculation. We made life better for renters with our Residential Tenancies Act reforms and are helping prevent the hospitalisation of children through the Healthy Homes Guarantee.

In Government we have supported new housing and removed barriers to building affordable homes. We started a large scale build programme to boost the number of public, affordable and market homes, legislated a streamlined approach to planning these developments through the Urban Development Act, and removed planning barriers to the construction of affordable homes through the National Policy Statement on Urban Development.

While KiwiBuild has not meet our expectations, we have refocussed it to provide a pathway for first home buyers, with 602 homes built and 927 under construction in August 2020. We have reprioritised funding to support residential construction during the economic impacts of COVID-19 and to support families into their own homes through progressive home ownership.

Labour remains determined to keep making progress on housing. We know there is a lot more to do and it will take time to roll out.

New challenges will continue to emerge. No one could have anticipated that the global COVID-19 pandemic would have such a profound effect on our economy and the wellbeing of New Zealanders. COVID-19 also risks exacerbating our existing housing crisis. The boom-bust cycle of New Zealand's residential construction industry over the last few decades has contributed to the housing shortfall, reducing construction sector productivity and skills training over successive downward cycles.

One of the leading causes of our housing shortage is the lack of residential construction in the wake of the Global Financial Crisis. Between 2008 and 2011 residential construction activity halved as developers struggled to get financing and many opted to build fewer larger homes at higher price points.

These effects can be long lasting. The then-National Government took a hands-off approach, leaving the market to respond. The level of new dwelling consents in Auckland took over a decade to recover and only recently exceeded levels reached in 2005. We still haven't recovered from the drop off in the construction of affordable homes. During this time population growth outstripped the number of new homes and the housing shortfall widened.

That's why Labour will cushion the impact of COVID-19 on the residential construction sector to avoid a repeat of the Global Financial Crisis. Our five-point plan to focus on increasing the supply of new housing during the economic impact of COVID-19, together with Labour's Economic Plan and initiatives like the Wage Subsidy and Small Business Loan Scheme, will support New Zealand construction companies to keep building and mitigate the worst impacts of COVID-19.

The economic impact of the COVID-19 pandemic has highlighted and exacerbated existing inequalities, and demonstrated the importance of our social safety net. Treasury's Pre-Election Economic and Fiscal Update (PREFU) forecasts unemployment to rise, wages to grow more slowly, and increasing pressure on already stretched family budgets. As family circumstances change, the government needs to take steps to support families to stay in, or gain, adequate housing.

The *Housing Stocktake Report* observed that public housing had declined steadily between 2008 and 2017 from 4.0% of the national housing stock in 2008 to 3.4% in 2017. Over the last three years we have made progress rebuilding our public and emergency housing safety net. Like we did in response to the last 1 in 100 year economic shock, Labour will continue to rebuild New Zealand's social safety net through our response to COVID-19.

Five-point plan to support new housing during economic uncertainty

- **Building on KiwiBuild to support construction momentum through the Residential Development Response Fund**
- **Delivering 18,000 new public and transitional houses by 2024**
- **Supporting first home buyers with First Home Grants, Loans and KiwiBuild**
- **Supporting the construction sector through the Construction Sector Accord, including easier procurement processes, fairer risk allocation, and investment in apprenticeships and trades training**
- **Removing the barriers to the construction of new housing**

Through the collective efforts of New Zealanders, we are well positioned to weather the impact of COVID-19. We know that leadership and having a plan will be vital to how well New Zealand navigates our economic recovery. If we act now to support our people, our businesses, and our communities, we will have the best chance at coming out of this crisis stronger. That's why Labour has a recovery plan focused on investing in our people, creating jobs, preparing for the future, supporting our small businesses and positioning New Zealand globally.

The economic impact of COVID-19 risks further exacerbating New Zealand's housing crisis. The residential construction sector is a significant generator of employment and economic activity. In 2019, around 10 per cent of New Zealand's workforce were employed in construction and construction-related services. At a time of such economic uncertainty, we must have levers available to support the continued supply of housing to avoid a repeat of the Global Financial Crisis, where residential construction activity halved.

The boom-bust cycle of New Zealand's residential construction industry over the last few decades has contributed to the housing shortfall and resulted in a loss of momentum, and investment in construction sector productivity and skills training. The construction sector has also seen a loss of workforce over successive downward cycles.

Officials from the Ministry of Housing and Urban Development have been undertaking extensive engagement with the residential construction sector in the wake of the COVID-19 crisis, to better understand emerging issues and provide the Government with the latest information to respond quickly. While we're seeing good activity on building sites across the country, and early indications are that the construction sector has a solid pipeline of work through to the end of 2020, there is uncertainty about the construction pipeline for next year and beyond. That's why it's important the Government gets ahead and provides the sector confidence to continue building the houses we desperately need.

Labour will work to cushion the blow of COVID-19 and avoid a repeat of the Global Financial Crisis through a five-point plan to support residential construction.

1. Labour will build on KiwiBuild to support construction momentum through the Residential Development Response Fund

To get ahead of a tightening of financing and a downturn in confidence, in Government we recently announced a \$350 million Residential Construction Response Fund. The Fund builds on the KiwiBuild model that we established in our first term but has a broader scope. The Response Fund will be primarily focused on supporting construction sector activity, capacity and capability due to the sector's critical economic role. It will also focus on

increasing housing supply and advancing the Government's broader housing objectives, such as ensuring more affordable housing supply.

House builders and developers will be able to apply for support through the fund in the coming months. Underwriting dwelling sales will be the main support mechanism provided via the fund, enabling developers to unlock financing that is becoming harder and harder to secure under the current economic conditions. Applicants will need to demonstrate a proven track record and developments will need to be well advanced to receive support and there will be assessments of every proposal against set criteria.

Officials anticipate that the fund could support the construction of up to 4,000 additional properties and create or maintain around 15,000 jobs over three years. This will help sustain our construction sector through these uncertain economic times and avoid the worst fall-out that could result from taking a hands-off approach, like we saw following the Global Financial Crisis.

At a time of such economic uncertainty, we simply must have levers available to support the continued supply of housing to avoid a repeat of the Global Financial Crisis. A combination of this Fund and a continuation of KiwiBuild will be vital levers to ensure this, while providing New Zealanders with more opportunities for home ownership.

2. Labour will deliver 18,000 additional public and transitional houses by 2024

During the Global Financial Crisis the then-National government wound down the state house construction pipeline, further exacerbating the reduction in construction activity. They then proceeded to slash state housing with more than 6,000 state houses being sold between 2009 and 2017. Furthermore between 2012 to 2017 the Government extracted \$305 million in dividends while only providing \$4 million in additional capital. Public housing had declined steadily between 2008 and 2017 from 4.0% of the national housing stock in 2008 to 3.4% in 2017.

Labour recognises the importance of public housing and that's why upon taking office we took steps to reverse National's approach, including the immediate halt to the wholesale sell-off of state houses, and began ramping up construction across New Zealand to deliver the largest build programme in a generation.

Continuing our state house construction programme is one way we will maintain new housing during the global COVID-19 pandemic. Between 1 November 2017 and 31 August 2020, we increased the number of public housing places by 5,670 of which 4,342 have been new builds. There are another 2,659 currently under construction across New Zealand.

Labour will deliver an additional 8,000 additional public and transitional houses, bringing the total number of houses in the public housing build programme to over 18,000 homes by 2024. This investment will not only create jobs and provide a stable pipeline a residential construction, but will provide much-needed homes for New Zealand families. We estimate that the construction of new Kainga Ora houses will result in a \$5 billion stimulus, helping provide builders, plumbers, electricians and other contractors with a steady stream of work over the coming years.

3. Labour will continue to support first home buyers with First Home Grants, Loans, progressive home ownership and KiwiBuild

Supporting New Zealanders into their first home will also support residential construction and increase home ownership.

In Government, Labour boosted First Home Grants and changed First Home Loans to make them easier to access and incentivised the purchase of new build homes to stimulate the construction of affordable housing. We reduced the deposit required for First Home Loans to 5%, and changed policy settings on First Home Grants so that family and friends can each use their \$10,000 First Home Grant and their KiwiSaver funds to buy their first home together.

Labour is committed to offering more pathways for people to buy their first home. Progressive Home Ownership products, such as shared equity and rent to own, are already proving their worth with a number of community housing providers making them available. These products are also focussed on incentivising the construction of new housing.

Last year, we began rolling out a \$400 million Progressive Home Ownership Scheme. The first stage involves partnering with existing providers to boost their successful programmes that are already underway. The first two providers announced in July are the Housing Foundation in Auckland and Queenstown Lakes Community Housing Trust who, in partnership with the Government, will support 100 low to medium income families into home ownership. Negotiations with more providers are ongoing.

The second stage will focus on extending our partnerships to Iwi and Māori organisations, while the third stage will be the launch of a Progressive Home Ownership scheme directly administered by Government. Our Government-run scheme will see Kainga Ora offer shared ownership support for households with an annual income of under \$130,000. The Fund will help up to 4,000 families and will prioritise locations with severe housing affordability, households unable to otherwise buy, and Māori, Pacific people, and families with children.

By November this year, we expect to see the first group of families in their own homes via the partnerships with existing providers and the Government-run scheme to be established soon after.

KiwiBuild provides us another tool to support the construction of more affordable housing during COVID-19. KiwiBuild supports the development of affordable housing through assisting developers to obtain finance through an underwrite, through our large-scale projects, through the Land for Housing programme, or in the large scale housing projects being undertaken by Kāinga Ora. While KiwiBuild took longer than we anticipated to get up and running, we are now seeing some encouraging trends.

We anticipate this will continue as more builders opt to join the KiwiBuild programme in these uncertain economic times and more first home buyers seek out more affordable options. As well as the 927 KiwiBuild homes currently under construction, we're continuing to see future developments enter the pipeline, with 12 new underwrite agreements for more KiwiBuild homes signed with developers since February 2020, with eight of these in the last three months alone. This is a good sign that we're continuing to see strong demand for the programme from the sector in the midst of the current economic uncertainty.

4. Labour will support industry stability through the Construction Sector Accord

The Construction Sector Accord is our first Industry Transformation Plan (ITP) and a prime example of how government and industry can partner to transform key industries across New Zealand to be more productive and resilient. The Government and industry have since agreed a three-year plan containing 21 programmes across six major work streams to increase productivity, raise workforce capability, improve resilience, and restore confidence, pride and reputation.

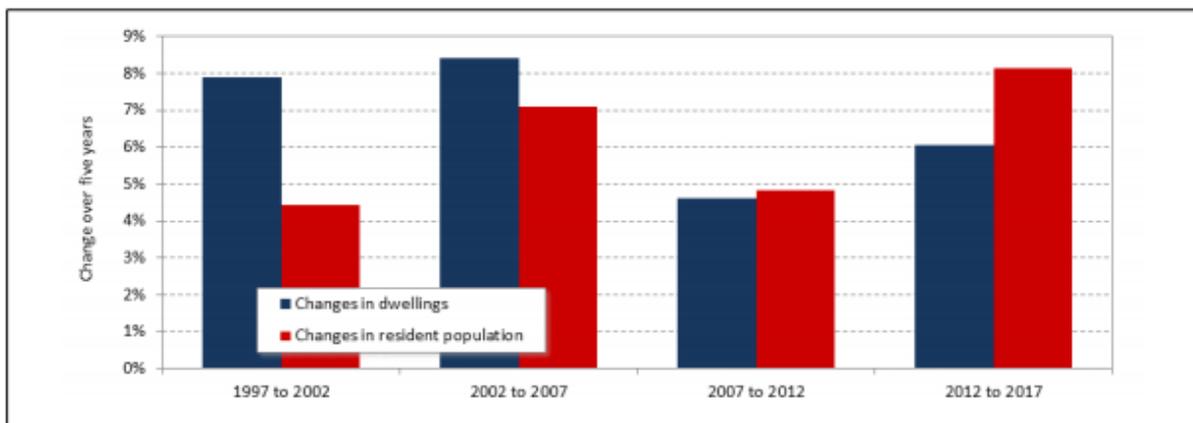
Almost 1,000 people and businesses have signed up to the Accord, with representation from central and local government, residential, civil and vertical construction, unions, health and safety organisations, and law firms. So far we have updated procurement rules, reduced the prevalence of special conditions in contracts, started publishing a forward pipeline of projects, and produced a full set of guidance for operating construction sites under COVID restrictions.

The Accord is also working to increase diversity in the construction workforce. Currently women only make up 18 percent of the construction-related workforce, so the Accord is focussed on increasing the participation of women in construction through supporting existing industry initiatives like Women in Trades and ensuring the sector has a workplace culture that welcomes diversity.

Labour will continue to work with industry to implement the Construction Sector Transformation Plan. The Construction Sector Transformation Plan is available [here](#).

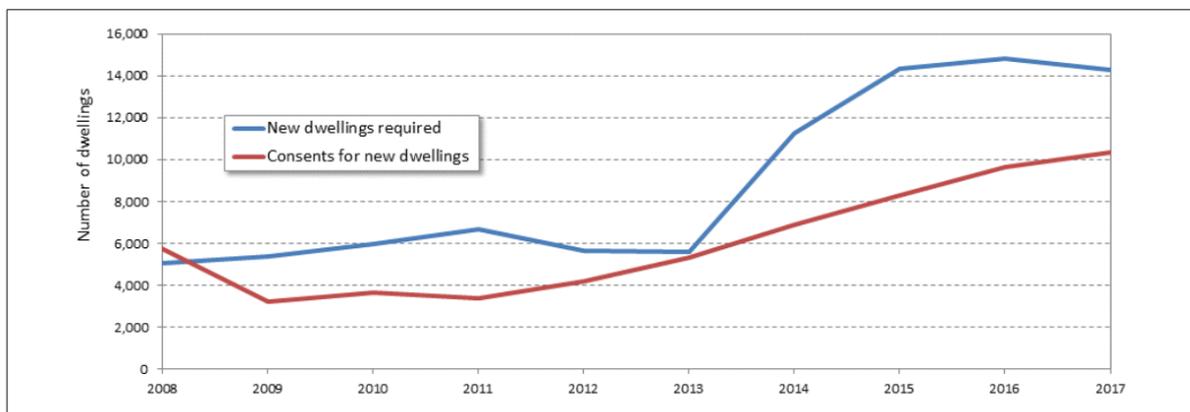
5. Labour will remove barriers to residential construction

The *Housing Stocktake* observed that between 2012 and 2017 population estimated growth outstripped estimated housing stock growth by 2.1%.



Source: *Housing Stocktake Report*, page 20.

Similarly, for the past decade, Auckland has accounted for just under 30% of consents for new dwellings yet has received 47% of the country's population growth.



Source: *Housing Stocktake Report*, page 23.

The impact of the Global Financial Crisis accounts for some of this. However, planning constraints and a lack of investment in infrastructure have made it harder for people to build the homes we need. These constraints drive up the cost of land and constrain the construction of housing.

- ***Removing planning barriers to new housing***

Labour will continue to focus on removing constraints to the availability of land for housing through removing and reducing unnecessary and costly planning constraints. Labour will repeal and replace the Resource Management Act 1991 to reduce cost and complexity while supporting environmental outcomes.

Labour will monitor the implementation of the National Policy Statement on Urban Development and its incorporation into local plans to ensure we maximize development capacity and housing choice. We will build on this progress to examine other potential barriers to affordable housing, such as minimum lot sizes, height to boundary rules, and the use of covenants on property titles.

- ***Investing in infrastructure to enable housing***

Across our work in Government Labour has sought to integrate planning and investment in urban development, infrastructure and transport so that it is coordinated, plans for long-term growth, and supports the construction of more affordable housing.

We have formed collaborative partnerships with local government, iwi, businesses, and communities to plan ahead and invest in the infrastructure our neighbourhoods need to thrive. Through our Spatial Planning Partnerships we have worked to identify the areas where housing is needed, the infrastructure required to support it, and the areas that require special protection. We have used this work to ensure this Government's record infrastructure spend has been targeted to enable more housing to be built.

- Labour integrated transport and housing planning into one joined up plan for the first time. Our Government Policy Statement on Land Transport, the Auckland Transport Alignment Project and Let's Get Wellington Moving are designed to provide the infrastructure needed for new housing.
- Through The New Zealand Upgrade Programme we prioritised \$6.8b of new transport investment in places like Auckland's southern growth corridor, Bay of Plenty, and Lower Hutt.
- Our response to COVID-19 invested in \$710 million in three waters infrastructure across New Zealand. This infrastructure will not only improve the quality of drinking water for existing residents but will help councils install new pipes for clean supply for new houses across the country.
- We also invested over \$250 million through the response to COVID-19 in our Auckland large-scale projects, such as Unitec and Mt Roskill, to maintain momentum despite Auckland Council's budget cuts, and \$50 million to support new housing in Rotorua.
- We passed the Infrastructure Funding and Financing Act 2020 to enable the private sector to finance infrastructure that enables housing, and minimise Council funding barriers.

Labour will continue to work with local government to prioritise the provision of infrastructure for housing.

- **Reforming the Building Act to reduce burdens on builders and councils**

Labour will finish passing legislation to make high-quality, large-scale modern methods of construction, like prefab housing, a reality by untangling the current red-tape. These changes will speed up the house building process by slashing the likely number of building inspections in half and requiring only a single building consent, while maintaining high standards through factory certification.

The legislative changes will also introduce minimum requirements for information about building products to ensure manufacturers, suppliers, builders, and councils have the information they need and prevent costly delays to construction.

However, there's more work that needs to be done. Labour, with the Construction Sector Accord, will make improvements across the building consent system. This includes looking at the model of 69 separate consenting authorities, considering how we can improve consenting productivity at each building consent authority, and using of technology and digital platforms.

We will also continue investigating whether the current risk, insurance, and liability settings in the residential building and construction sector are fit for purpose, or whether changes need to be made that rebalance who is accountable for what when things go wrong.

New Zealand's current liability settings, and lack of a robust building guarantee insurance market, means that local councils are often the ones who find themselves picking up the entire tab when something goes wrong. This leads to risk-averse councils slowing down the consenting process and forces ratepayers to become *defacto* building insurers.

Labour in Government will report back on the outcomes of this work in 2021 and will set out the next actions to address the risk, insurance, and liability settings in residential construction to ensure more high-quality houses are built more quickly.

- **Building supplies market study**

The *Housing Stocktake* noted that the average construction cost of an 'average house' – rather than apartment – has risen 28% over the past five years and by 180% over the past 20 years. Labour has announced that we will initiate a market study into the cost of building supplies in 2021. You can read more in our market studies fact sheet.

Implementing our Homelessness Action Plan

- **Continue to implement the Homelessness Action Plan, including ending the reliance on motels**
- **Deliver over 18,000 public and transitional houses by 2024**
- **Support Māori housing with the continued roll out of MAIHI**

Labour is committed to ending homelessness. Severe pressure in New Zealand's housing market has built up after years of housing shortages being ignored by the previous National Government. This has meant an increasing reliance on shorter-term solutions such as motel accommodation.

During COVID-19 we housed our chronically homeless – something many of us thought wouldn't be possible in such a short space of time. Now Labour will work to keep it that way.

It will take time and a solid plan to transform the system to the point where homelessness is rare, brief and non-recurring. That's why in our first term, we developed our Homelessness Action Plan.

Our plan is about increasing supply providing people with the right support to help them toward stable and safe housing. The Action Plan sets out both the short term actions already well underway, and longer-term actions that Labour will continue to implement. The longer term actions include developing further earlier intervention and prevention measures, providing more options for affordable housing, such as via KiwiBuild and our Progressive Home Ownership scheme, exploring new options to enable more affordable rentals such as via build-to-rent developments, continuing the roll-out of Housing First, and continuing to work closely with and grow the capability and capacity of Iwi, Māori Pasifika, community housing, and other providers.

- **Labour will continue to implement the Homelessness Action Plan, including ending the reliance on motels**

Labour will also continue to focus on tackling homelessness through the framework established by the Action Plan. That framework identified four areas to prioritise:

- **Prevention:** Individuals, families and whanau receive the support they need so that homelessness stops happening in the first place.
- **Supply:** All New Zealanders have a place to call home and the use of motels for emergency housing is reduced.
- **Support:** Individuals, families and whanau experiencing homelessness move quickly into stable accommodation and access wider social support to address needs.
- **System Enablers:** The system supports and enables our vision and together we address homelessness

The initial work as part of the plan has been focused on both preventing people becoming homeless in the first place and reducing the reliance on motels for emergency accommodation by increasing the supply of transitional housing. We are:

- significantly expanded the Housing First programme, which received \$197 million through Budget 2019

- invested over \$70 million for programmes that will help prevent those at risk of losing their rentals becoming homeless and support people out of motels and into permanent accommodation
- invested over \$16 million in the Local Innovation and Partnership Fund to support the development and implementation of local initiatives that respond to and prevent homelessness

By rapidly scaling up transitional housing places, we will ensure people have stable, secure housing until additional permanent public houses become available. Continuing to accelerate the pipeline of additional transitional housing places alongside our public housing build programme will be the long-term solution to ending our reliance on motels for emergency housing.

- **Labour will deliver over 18,000 public and transitional houses by 2024**

Labour will continue to deliver more public and transitional houses. Our investments will take the number of public and transitional houses funded by Labour in Government to over 18,000 by 2024 and represents the largest public housing building programme in recent decades. These new homes will provide warm, dry, quality housing for thousands of New Zealand families, and provide work in the residential construction sector, create jobs, and reduce the housing shortage.

As part of our housing build programme, Labour will continue to boost the number of accessible public houses available. We will require at least 25% of new public housing to meet universal design standards, so people aren't excluded from public housing because of a disability or other accessibility related needs.

Following the election, we'll move quickly to implement a Public Housing Plan that will outline exactly where the latest 8,000 houses announced this year will be delivered, with a focus on areas with particular housing shortages.

- **Labour will strengthen Māori housing outcomes through collaborative partnerships, home-ownership models, and papakainga provision**

Partnering with our people, applying Māori principles and solutions and drawing on the strengths of all the players across the system will provide us with the best opportunity to deliver better housing opportunities for Māori.

Earlier this year, in Government we invested \$40 million towards delivering housing outcomes for Māori through the Te MAIHI o te Whare Māori – the Māori and Iwi Housing Innovation Framework for Action (MAIHI).

MAIHI is a kaupapa Māori approach that drives a system change to give effect and impact on Māori housing outcomes. The approach has been developed with Māori and iwi housing experts and sector leaders. MAIHI working to improve housing outcomes in partnership with Māori through the implementation the Homelessness Action Plan, supporting repairs and maintenance for low income households, building papakainga and establishing the Iwi Māori pathway for progressive home ownership.

The \$40 million announced earlier this year will be used to accelerate the supply of quality housing stock for whānau through supporting the delivery of more affordable housing options, as well as supporting iwi and Māori providers to strengthen their capability to work directly with whānau and support community based housing projects.

Labour will continue to build on the work we have already undertaken with iwi across the country to build more papakainga and to improve Māori homeownership rates.

Improving homes to reduce costs, improve health and reduce emissions

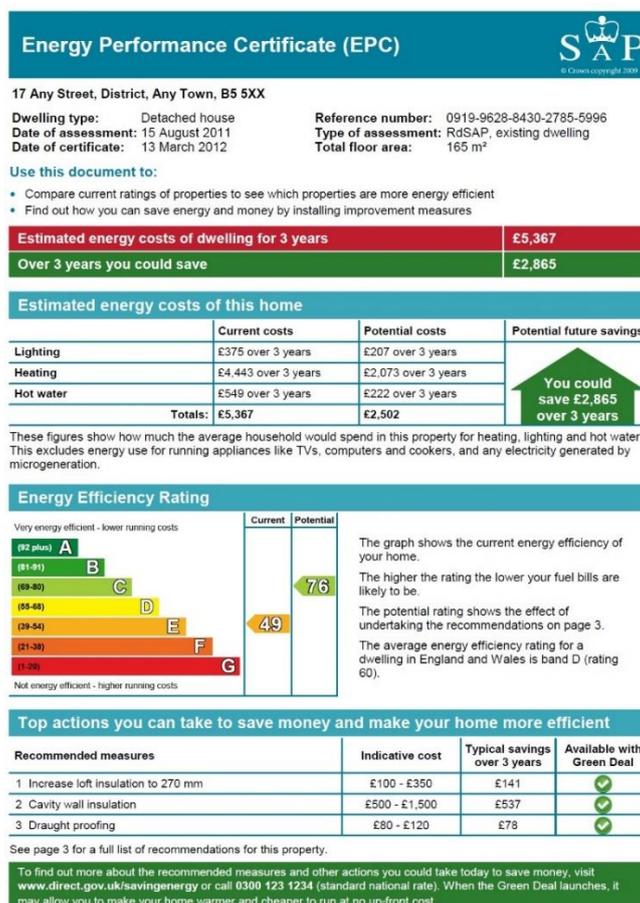
- Mandatory energy efficiency information to help homebuyers
- Require the public sector to build or lease energy efficient buildings
- Work towards GreenStar 5 or 6 for Government-funded construction projects
- Continue to implement the *Building for Climate Change* programme

Mandatory energy efficiency information to help homebuyers

The Prime Minister's Business Advisory Council noted that knowledge and transparency of the energy efficiency of houses at the time they are sold or tenanted is virtually non-existent and recommended the Government extend our successful appliance energy rating scheme to homes.

Labour agrees, and will help homebuyers know how energy efficient their prospective new home is by introducing an Energy Performance Certificate ratings scheme for residential buildings, based on a [similar model used in the United Kingdom since 2007](#). EECA will develop this programme working with local government, sustainability trusts, and real estate agents.

Empowering buyers with this information will allow them to make informed decisions about the lifetime running cost of a building, and will incentivise greener buildings that use less energy to heat, cool and ventilate.



An example Energy Performance Certificate, based on the United Kingdom's programme.

Homeowners will obtain this certificate when they choose to sell their home. Only those selling homes will be required to obtain and disclose the Energy Performance Certificate to prospective buyers through the usual open home process. Any homeowner or tenant will be able to voluntarily obtain the Energy Performance Certificate, should they choose to. The cost of the scheme will be funded by a fee, estimated to be around \$120. The final costs will depend on the scope of the programme, developed in consultation with real estate agents and technical advisors.

- **Government to lease and build more energy efficient buildings**

Buildings account for 20% of New Zealand's emissions, which are often locked in for decades by poor design and building practices. The government is a significant funder or new buildings and procurer of leased office space and therefore has an important role to play in driving better practices.

Labour will also continue building on Kainga Ora's commitment to meet build to HomeStar 6, by working towards requiring Government-funded construction projects to meet GreenStar 5 or 6 or equivalent

GreenStar is an internationally recognised system that rates the overall environmental impact of a new building or fit-out. The Green Building Council estimates that the additional cost of building to Green Star and HomeStar standards is around 1-2% of the cost of a building, a small increase that is recouped quickly through lower running costs, which are reduced by between 30-60%. Last year, the Ministry of Health started this by issuing guidance that "all new builds, fit-outs and renovations should use a certified sustainability rating system such as Green Star, which 'designs in' efficiencies and healthy buildings."

Labour will also ensure the core public service adheres to minimum energy efficiency standards for the office buildings it leases by requiring energy efficiency to be a key consideration during the procurement process. This policy will help drive the further expansion of NABERSNZ, the New Zealand adaptation of the National Australian Built Environment Rating system, which measures the energy efficiency of office buildings. In Australia, the measure has resulted in the reduction of millions of tonnes of CO2 emissions and an estimated \$1 billion in energy bills.

- **Labour will progress the Building for Climate Change programme to help get us to Carbon Zero by 2050.**

Labour in Government will continue to implement the Building for Climate Change programme and will work with industry to ensure the sector plays its part in achieving net Carbon Zero by 2050. This will include setting higher standards for new builds, and eventually looking at further improvements that can be made to existing buildings.

The Ministry of Business, Innovation and Employment is [currently consulting on proposals](#) to increase the operational efficiency of buildings, and to reduce the embodied carbon across the lifecycle of buildings as part of the Building for Climate Change programme. Submissions close on 11 October 2020.

Improving our housing market

- **Labour to back the calls of landlords, tenants, and property managers and introduce a mandatory Code of Conduct and licensing regime for property managers**

Property managers play a powerful role in the housing of over 600,000 New Zealanders, including 43% of all children and those vulnerable to housing insecurity. Property management is currently unregulated in New Zealand. According to the Real Estate Institute of New Zealand we are one of the few countries in the OECD that does not regulate property managers. In Australia, for example, property managers have to meet the same rules as real estate agents – including being licensed and meeting minimum qualification requirements.

Consumer NZ have noted that despite the fact property managers have the keys to a person's house, collect thousands in rent each week, and have access to personal financial information about tenants, there are no professional standards they have to meet.

The residential tenancies sector has said that a lack of controls means that tenants may feel reluctant to complain to, or about, their property manager for fear of losing their homes or jeopardising their ability to rent houses in the future. Property owners are also vulnerable to poor conduct by property managers, with some reporting to the Auckland District Law Society that they feel powerless to do anything, either through lack of money to pursue a claim or lack of legal avenues to recover losses.

Labour has heard the calls of the sector, including the Real Estate Institute of New Zealand, Consumer NZ, the Salvation Army, Property Council NZ, Habitat for Humanity, Renters United, Tenants Protection Association, and the Citizens Advice Bureau, for action to lift the standards of property management.

Introducing industry standards will protect both property owners and tenants, and will raise the standard of property management in New Zealand. Labour will work with industry to develop practical standards and consider the similarities and differences with the existing regulatory regime for real estate agents. A property manager will need to comply with a Code of Conduct, meet a good character test and follow a framework for tenants and their advocates to raise and resolve issues they may have with their property managers.

- **Labour will improve fair tenancy dispute resolution, including reviewing and enhancing the Tenancy Tribunal, Tenancy Services' Compliance and Investigations team, and advocacy services**

More Kiwis than ever are renting now and it's important that there are appropriate protections in place. The Government has modernised tenancy laws, banned letting fees, and established the Healthy Homes Standards.

However we know that some tenants and landlords are not in a position to request changes to their homes or enforce their tenancy agreements. Labour will review tenancy dispute resolution, including the Tenancy Tribunal, Tenancy Services' Compliance and Investigations and advocacy services to ensure they are well integrated, fit for purpose and provide a meaningful dispute resolution and enforcement mechanisms.

- **Labour will review and amend the Unit Titles Act 2010.**

The Unit Titles Act 2010 is the law governing building developments where multiple owners own a unit title and there is shared ownership of common areas, such as lifts, lobbies or driveways. More New Zealanders are choosing to live in apartments and townhouses with

the annual number of townhouses, flats, and units consented exceeding 10,000 for the first time in August 2020. In Auckland alone the number of multi-unit housing developments increased from just over 15% of new houses in 2010 to more than 40% in 2017.

The Unit Titles Act 2010 was developed at a time where apartment living was still relatively uncommon. Labour will conduct a review of the Unit Titles Act 2010, ensure it is fit for purpose, and legislate to modernise the Act. The review will focus on identifying more cost-effective ways of managing unit title complexes, enabling management systems that are proportional to the size of the complex, ensuring the planning and funding of maintenance projects is transparent and proportionate, and improving the disclosure regime to prospective buyers.

- **Labour will introduce an Earthquake-prone Building Remediation Service**

Remediating earthquake-prone residential and apartment buildings is an essential, but significant and complex undertaking. For many of these buildings the burden of this work has fallen on bodies corporate with no prior experience of vertical construction project management.

Labour will address this by providing professional project managers to qualifying residential bodies corporate to co-ordinate all aspects of the remediation. These professional project managers will be better able to control project costs and act as a single point of contact for the building owners from the beginning to the completion of the building remediation. The remediation service would manage all aspects of the earthquake strengthening, including engaging engineers and assessors, contracting construction firms, applying for necessary consents and permissions, and overseeing the completion of the project.

Affected apartment owners will still need to secure their own financial contribution towards the building strengthening, whether privately or through the Government's *Earthquake-prone Building Financial Assistance Scheme*. However, they would not be required to pay for the Building Remediation Service provided.

The Earthquake-prone Building Remediation Service is estimated to cost \$12 million over four years.