



*Proud providers of rental homes*

Submission on the

**“Housing and Urban Development –  
Government Policy Statement on Housing”**

**July 2021**

Sharon Cullwick

NZPIF Executive Office

[Sharon.cullwick@nzpif.org.nz](mailto:Sharon.cullwick@nzpif.org.nz)

Phone 027 777 0178

# **New Zealand Property Investors' Federation<sup>1</sup>**

This New Zealand Property Investors' Federation Inc (NZPIF) welcomes the opportunity to provide feedback on Housing and Urban Development – Government Policy Statement on Housing.

Established in 1983, the Federation has eighteen affiliated local associations throughout New Zealand. It is the national body representing the interests of over 7,000 property investors on all matters affecting rental housing.

Our philosophy is to be an industry advocate, which means we take a balanced role in considering the rental industry as a whole, including the requirements, rights, and responsibilities of both tenants and rental property owners.

## **Industry Background**

There are approximately 290,000 landlords in New Zealand. There are no corporate or institutional residential landlords.

There are approximately 603,500 residential rental properties, housing over 1,500,000 tenants<sup>1</sup>, with a national median price of \$820,000<sup>2</sup>.

Private landlords are the largest providers of rental accommodation in New Zealand. 87% of tenants rent from a private landlord or trust.

Most property investors (57%) have been engaged in the business for 10 or more years<sup>3</sup>, which dispels the myth that people are investing in property to make a “quick buck”. Instead, property investors are using their rental income business as a mechanism for saving for retirement and are professional and committed long-term service/accommodation providers.

There were 22,521<sup>3</sup> people on the Public Housing Register in December 2020.

---

<sup>1</sup> Statistics NZ – Housing in NZ 2020

<sup>2</sup> REINZ Monthly Property Report May 2021 REINZ. <sup>3</sup>

ANZ NZPIF Annual Survey 2006

<sup>3</sup> Public Housing Quarterly Report, December 2020

The rental property industry paid tax on net rental income of \$1,444,000,000 in the 2016 financial year<sup>1</sup>

---

---

Additional Notes:

27,000 people in emergency housing – the Government needs to provide houses for these people

- These are people that private landlords now are not prepared to take the risk in housing them as we no longer have the opportunity to remove them in 90 days due to Residential Tenancy Act changes.
- They require to be housed by the state or other Community Housing Providers
- Special care should be taken to not group these people together but spread them out within the community. – proof has shown that crime, and other things increase when they are grouped together.
- Solution – provide Government housing for these people

1,500,000 to 1,700,000 tenants

- These are housed by private landlords.
- Information from HUD shows that only about 25% have the ability and means to buy their own house
- Please do not make it harder on these people by constantly increasing costs on landlords.
- The goal is to get as many of these people as possible (that want to) into their own houses.
- Has any research been completed to find out how many want to buy their own house but can't afford to do this?
- Look at other ways of getting them into homeownership – rent to buy, long-term lease agreements when they never buy but can treat the property as their own. Follow the German model (the whole policy, not just the parts that you want to include)

---

<sup>1</sup> IRD Data, April 2018



# Housing and Urban Development in Aotearoa

Help us shape thriving communities for the future.

Te Kāwanatanga o Aotearoa  
New Zealand Government



## Government Policy Statement on Housing and Urban Development Survey

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) is leading the development of the Government Policy Statement on Housing and Urban Development (GPS-HUD).

The GPS-HUD will communicate the long-term vision and change needed in housing and urban development in Aotearoa New Zealand. It will take a multi-decade outlook, with outcomes for people, communities, the economy, and our built and natural environments at its centre.

It will set out how Government and others will work together to make this happen, and shape future government policy, investment, and programmes of work.

We are proposing a vision, outcomes, focus areas, actions, and ways of working to shape housing and urban development over the next 30 years.

Your thoughts are important to us—we would like to hear your feedback to shape a better housing and urban future for Aotearoa New Zealand.

### Instructions

We recommend that you read the discussion document before you complete the survey:

<https://haveyoursay.hud.govt.nz/read-the-gps-hud/>

There are 15 sections in this survey, with two to three questions about different topics. You can choose to provide feedback on only one or two, or all sections.

## The future we want to see

To improve housing and urban development outcomes for all New Zealanders, we need a shared vision across the system, to guide the actions of everyone who contributes.

*Our vision is that everyone in Aotearoa New Zealand lives in a healthy, safe, secure, and affordable home that meets their needs, within a thriving, inclusive and sustainable community.*

See Section 2 of the discussion document.

1. Do you agree with this vision statement?
---

# Housing and Urban Development in Aotearoa

Help us shape thriving communities for the future.

Te Kāwanatanga o Aotearoa  
New Zealand Government

Te Tūāpapa Kura Kāinga  
Ministry of Housing and Urban Development

No – you have not defined an ‘affordable’ home. Even Kiwibuild cannot supply an affordable home so how do you judge what is affordable? It’s a very ambiguous target. You need to go back further and define an affordable home e.g. 5-6 times average yearly income or something similar, and then work out how this will be achieved. (It’s currently 12 in some areas) I agree with the other parts of this sentence.

2. Is there anything you would like to tell us about the reason for your choice?

Kiwibuild can’t achieve ‘affordable’ housing, so how do you expect to do this? Especially with the lack of tradespeople, supplies, and substantial delays to lead-times due to overseas suppliers affected by Covid.

the here should also be a discussion about who else is required to collaborate with this policy. You have mentioned Kainga Ora, Community and Social Sector, most Community Housing Providers rent houses from private landlords. If you choose not to include are setting 1,500,000 people in about 530,000 houses. This completely ignored in this document.

## Outcomes

We are setting four aspirational outcomes we are proposing the housing and urban development system works towards, to help us achieve our vision.

See Section 2 of the discussion document.

## Thriving communities

*Everyone is living in homes and communities that meet their employment, education, social and cultural wellbeing needs and aspirations — places that are affordable, connected, environmentally sustainable, safe, and inclusive.*

This means that we expect to see:

- a place-based approach to developing communities, making decisions with Iwi and Māori as partners and with local communities
- considered and well-designed homes and communities, that connect people to jobs, schools, services, amenities, sports and leisure activities, and are orientated around public transport and active transport networks

# Housing and Urban Development in Aotearoa

Help us shape thriving communities for the future.

- reduced emissions because of our urban design, public transport and active transport networks, and improved building processes and materials
- resolutions to systemic barriers to building on whenua Māori and building papakāinga, such as funding and financing when building on multiply owned Māori land
- communities growing well within environmental limits, restoring ecosystem health, and actively preparing for, and adapting to, the impacts of a changing climate
- sustainable, resilient and low-emissions infrastructure due to proactive planning and investment.

3. Do you agree this is an important outcome to be working towards?

Unsure - Again, the word 'affordable' is used. How is this defined?

4. Is there anything you would like to tell us about the reason for your choice?

## Wellbeing through housing

*All New Zealanders own or rent a home that is affordable, healthy, accessible, secure, and which meets their needs and aspirations.*

This means we expect to see:

- the application of Te Tiriti o Waitangi and its principles by the Crown in housing policy and implementation
- that homelessness is rare, brief, and non-recurring
- affordable homes are built and available to rent and buy in locations that are well connected to jobs, services, and each other
- a greater variety of types of homes being built to meet people's needs more homes that are designed and built to be accessible regardless of ability, illness or age
- improved quality of existing housing and more homes built with efficient designs that improve health, energy and climate outcomes

# Housing and Urban Development in Aotearoa

Help us shape thriving communities for the future.

Te Kāwanatanga o Aotearoa  
New Zealand Government

Te Tūāpapa Kura Kāinga  
Ministry of Housing and Urban Development

- people living in the homes and communities of their choice.

5. Do you agree this is an important outcome to be working towards?

Unsure – what are the details of Te Tiriti o Waitangi, which will be included in this? The Treaty itself does not state anything about housing.

Again the mention of affordable housing – what is affordable?

- People living in the homes and communities of their choice. How do you expect to do this? I would love to live on the beachfront as well as hundreds of other people – there isn't enough beach front for everyone! Even if you built more affordable housing in certain areas they wouldn't be affordable for very long as demand will increase the prices.

6. Is there anything you would like to tell us about the reason for your choice?

As above

## Partnering for Māori housing and urban solutions

*Māori are determining their housing needs and aspirations, supporting whānau prosperity and inter-generational wellbeing, and deciding the means to achieve those aspirations.*

This means we expect to see:

- iwi and Māori are supported by the Crown as Te Tiriti o Waitangi partners to lead innovative housing solutions
- iwi and Māori building autonomy and generating intergenerational health, wealth and wellbeing and sustainable futures through housing
- Government and other decision makers are proactive and responsive, enabling bespoke housing and urban solutions for iwi and Māori including solutions for remote and rural communities
- Māori living in quality homes that meet their needs
- an increase in Māori home ownership



# Housing and Urban Development in Aotearoa

Help us shape thriving communities for the future.

- Māori are developing housing and urban solutions on iwi and Māori owned whenua (including urban and rural whenua Māori and Māori Freehold title) without systemic barriers. For example, funding and financing on multiply-owned Māori land
- kaupapa Māori driven approaches and responses, services, and places for Māori.

7. Do you agree this is an important outcome to be working towards?

No – why are you separating out one race. We as a nation allow people from all ethnic backgrounds to enter our country. What about them? Surely, if there is a need for help it should be given to anyone who needs it. Are immigrants just here to contribute financially and not have any say in urban solutions? The title should be general and not specifically for one race of people.

8. Is there anything you would like to tell us about the reason for your choice?

## An adaptive and responsive system

*The housing and urban development system is integrated, self-adjusting, and responsive to emerging challenges and opportunities. The system is able to meet the needs of New Zealanders and provide for constant growth and change.*

This means we expect to see:

- partnerships and collaboration across the system that meets the needs of communities
- a system that works together to review, respond, and adapt to underlying demand for housing and urban development, and to emerging challenges and opportunities
- regulatory and institutional settings that support and facilitate urban change, and public funding and investment settings that maintain stability in construction pipelines and economic cycles
- central and local government putting processes in place to enable joined-up planning and investment
- a better understanding of how the system works, with decisions based on evidence and insights
- increased productivity, capacity and capability to deliver homes and communities that meet people's needs.

# Housing and Urban Development in Aotearoa

Help us shape thriving communities for the future.

Te Kāwanatanga o Aotearoa  
New Zealand Government

Te Tūāpapa Kura Kāinga  
Ministry of Housing and Urban Development

9. Do you agree this is an important outcome to be working towards?

Yes, this sounds balanced but it seems to focus on central and local Government. Again, the private sector is missing in the description.

10. Is there anything you would like to tell us about the reason for your choice?

In a lot of these comments, it is mentioned to join in partnership. Many individuals have the finances to help increase housing numbers however it would seem that everything is to be done with a government agency.

11. Are there any other outcomes that you think would help us achieve our vision?

Work with the private sector to achieve goals. The government alone can't achieve everything. It doesn't have the money or the resources to do it.

## Six focus areas

*We are proposing six areas to focus collective action by everyone in the housing and urban development system. It will require concerted and ongoing action across all of them to achieve the vision and outcomes.*

See Section 2 of the discussion document.

### Ensure that more affordable homes are being built

*We need to free up more land, deliver the infrastructure and drive action to build enough homes to support everybody's wellbeing and make homes more affordable.*

*We need to create a housing and urban land market that credibly responds to population growth and changing housing preferences, that is competitive and affordable for renters and homeowners, and is well planned and well regulated.*

# Housing and Urban Development in Aotearoa

Help us shape thriving communities for the future.

Te Kāwanatanga o Aotearoa  
New Zealand Government



We have proposed actions for the Government and others to take to ensure that more affordable homes are being built.

12. Do you agree this should be an area of focus for Government and the housing and urban development system?

Unsure - Again, the term affordable is mentioned. Although a house can be supplied by a Government Department at a cost this cost needs to be taken into account compared to a property provided by a private landlord.

13. What else should we consider when ensuring that more affordable houses are being built?

Sometimes it isn't about freeing up more land but allowing councils to change their planning restrictions and do more infill housing. This reduced the costs of infrastructure as the facilities are already there.

14. What actions do you think Government, yourself or others could take to ensure that more affordable houses are being built?

Stop making it harder for individuals to supply more houses. With the threat of more fiscal restraints to property investors they will not be willing to increase housing supply. If given incentives rather than threats, we have huge resources and could help build and supply more houses.

## Provide homes that meet people's needs

*We want to ensure every New Zealander has an affordable, safe, warm, dry, and accessible home to call their own, and which meets their needs and changing life circumstances – whether they are renters or owners.*

We have proposed actions for the Government and others to take to ensure that every New Zealander has an affordable, safe, warm, dry, and accessible home to call their own.

15. Do you agree this should be an area of focus for Government and the housing and urban development system?

Yes

# Housing and Urban Development in Aotearoa

Help us shape thriving communities for the future.

Te Kāwanatanga o Aotearoa  
New Zealand Government

Te Tūāpapa Kura Kāinga  
Ministry of Housing and Urban Development

16. What else should we consider when ensuring that every New Zealander has an affordable, safe, warm, dry, and accessible home to call their own?

Definition of affordable.

An increase in supply will help achieve this however you need to have all sectors of the market involved in this. Changing the ability to deduct interest as tax deductibility does not encourage property investors to build more homes. This action is counter productive as investors know the Government could change the rules overnight so they are cautious about any new projects they start.

17. What actions do you think Government, yourself or others could take to ensure that every New Zealander has an affordable, safe, warm, dry, and accessible home to call their own?

## Support resilient, sustainable, inclusive and prosperous communities

*We need our communities to be well equipped to meet long-term climate, social, environmental, cultural, and economic challenges and opportunities.*

We have proposed actions for the Government and others to take to support resilient, sustainable, inclusive and prosperous communities.

18. Do you agree this should be an area of focus for Government and the housing and urban development system?

Yes

19. What else should we consider when working to support resilient, sustainable, inclusive, and prosperous communities?

# Housing and Urban Development in Aotearoa

Help us shape thriving communities for the future.

Te Kāwanatanga o Aotearoa  
New Zealand Government



20. What actions do you think Government, yourself or others could take to support resilient, sustainable, inclusive and prosperous communities?



# Housing and Urban Development in Aotearoa

Help us shape thriving communities for the future.

Te Kāwanatanga o Aotearoa  
New Zealand Government



## Invest in Māori-driven housing and urban solutions

*The right to self-determine better housing and urban development solutions for iwi and Māori should be realised.*

We have proposed actions for the Government and others to take to enable iwi and Māori-driven housing and urban solutions.

21. Do you agree this should be an area of focus for Government and the housing and urban development system?

No, everyone no matter what race has the right to housing. Why focus on one race. There are many ethnic races in this country and one should not be put ahead of others. We have an immigration policy that accept everyone so why are they discriminated against then when it comes to housing.

22. What should we consider when enabling iwi and Māori-driven housing and urban solutions?

23. What actions do you think Government, yourself or others could take to enable iwi and Māori-driven housing and urban solutions?

## Prevent and reduce homelessness

*Homelessness is rare, brief and non-recurring because people have access to adequate housing, and to the support services that can work with people to resolve the health, financial, addiction and other social issues that place them at risk of becoming homeless.*

We have proposed actions for the Government and others to take to support resilient, sustainable, inclusive and prosperous communities.

24. Do you agree this should be an area of focus for Government and the housing and urban development system?

Yes.

# Housing and Urban Development in Aotearoa

Help us shape thriving communities for the future.

Te Kāwanatanga o Aotearoa  
New Zealand Government

Te Tūāpapa Kura Kāinga  
Ministry of Housing and Urban Development

25. What else should we consider when working to prevent and reduce homelessness?

26. What actions do you think Government, yourself or others could take to prevent and reduce homelessness?

Re-establish housing's primary role as a home rather than a financial asset

*Reduce speculative investment in existing housing stock, making home ownership more accessible for first-home buyers, and supporting a more productive, resilient and inclusive economy.*

We have proposed actions for the Government and others to take to reduce speculative investment in existing housing stock, making home ownership more accessible for first-home buyers, and supporting a more productive, resilient and inclusive economy.

27. Do you agree this should be an area of focus for Government and the housing and urban development system?

Unsure – although property trader or flippers are speculative investors, they do play a vital role in improving the housing stock. They often take on projects which are then sold to first home buyers. Property speculators hire tradespeople and pay tax on any profits so are contributing to all areas of the economy.

28. What else should we consider when working to reduce speculative investment in existing housing stock, making home ownership more accessible for first-home buyers, and supporting a more productive, resilient and inclusive economy?

The Brightline has already been extended from 5 to 10 years to capture anyone who is supposedly a speculator.

The removal of the ability to expense the mortgage interest is another way which has reduced speculation in property.

29. What actions do you think Government, yourself or others could take to reduce speculative investment in existing housing stock, making home ownership more accessible for first-home

# Housing and Urban Development in Aotearoa

Help us shape thriving communities for the future.

Te Kāwanatanga o Aotearoa  
New Zealand Government



buyers, and supporting a more productive, resilient and inclusive economy?

First home buyers often do not have the skills, funds or know how on how to renovate a property property traders or flippers have a place in the industry by purchasing properties and improving the aging housing stock.

## Implementing the GPS

See Section 3 of the discussion document

30. Do you have any feedback on the proposed approach to implementing the GPS-HUD?

Please select your age bracket

14, 15-24, 25-34, 35-49, 50-65, 65+

Which region do you live in?

Northland, Auckland, Waikato, Bay of Plenty, Gisborne, Taranaki, Hawkes Bay, Whanganui – Manawatu, Wellington, Nelson – Tasman, Marlborough, West Coast, Canterbury, Otago, Southland



# Housing and Urban Development in Aotearoa

Help us shape thriving communities for the future.

Te Kāwanatanga o Aotearoa  
New Zealand Government



What is your Ethnicity?

## In conclusion

31. Is there anything else you'd like to tell us about what we are proposing to shape a better housing and urban future for Aotearoa New Zealand?

You already have an army of 290,000 property investors who can help to increase housing supply, however with recent Government changes such as increases in taxes, increases in costs, increase in the Bright Line, removal of interest deductibility, changes to the Residential Tenancies Act to name a few, many are hesitate to begin any new projects. This leaves the Government with a much bigger job. Never has this private sector been asked to help solve the housing issue. Instead, you are relying on Community Housing Providers and other Government agencies to solve the problem. These are inefficient and extremely costly for taxpayers.

## Privacy Statement

Providing this information is optional, you can choose not to enter age, location, ethnicity, and type of place you live in. We collect this information from you to ensure we hear from all types of New Zealanders during our consultation.

You have the right to ask for a copy of any personal information we hold about you, and to ask for it to be corrected if you think it is wrong.

If you'd like to ask for a copy of your information, or to have it corrected, please contact us at [hud\\_gps@hud.govt.nz](mailto:hud_gps@hud.govt.nz), 0800 646 483 or post addressed to Level 7, 7 Waterloo Quay, Pipitea, Wellington 6011.

*New Zealand European, Māori, Samoan, Cook Island Maori, Tongan, Niuean, Chinese, Indian, or other*

35. What type of area do you live in?

*Rural, suburban, city centre*