

REPORT

Future Scenarios for Social and Affordable Housing

Prepared for

Housing New Zealand Corporation

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42764070

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Photo Acknowledgements – L-R, top to bottom

1. URS Corporation
2. <http://www.housebuying.eu/blog/wp-includes/images/Earthsong.jpg>
3. © Anastasiya Maksymenko. Image from BigStockPhoto.com
4. www.environment.fhwa.dot.gov/strmlng/newslett..
5. www.google.com.

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Section 1

Introducing Scenario Planning

1.1 Purpose of this document

This report forms the final deliverable for the Future Scenarios for Social and Affordable Housing project. It should be read alongside the earlier deliverables: Issues Paper and the Environment Scan which are included in the appendices.

The report presents the three future scenarios which aim to aid the investigation of the following questions:

- How will social and affordable housing change (needs, scale, delivery methods and effectiveness) over the next 20 years?
- What will it mean for the social housing providers in 20 years time, in the context of the next 40 years?
- What role and mandate will the Corporation have in the context of key assets management and climate change?

The scenario stories provide test environments that will be used to investigate Housing New Zealand Corporation (HNZC) strategic ideas and directions. They incorporate a variety of possible future challenges identified by the participants of the process, and try to reflect the tacit knowledge and expectations of possible futures held by leading housing specialists in New Zealand. These are not predictions and were not built for maximum likelihood. Rather, the scenarios challenge the strategies being investigated today. They are built to ask the unexpected “what if” questions.

The stories are told in a variety of ways to make them accessible to people that were not involved in the development process: histories, statistics, letters and blogs.

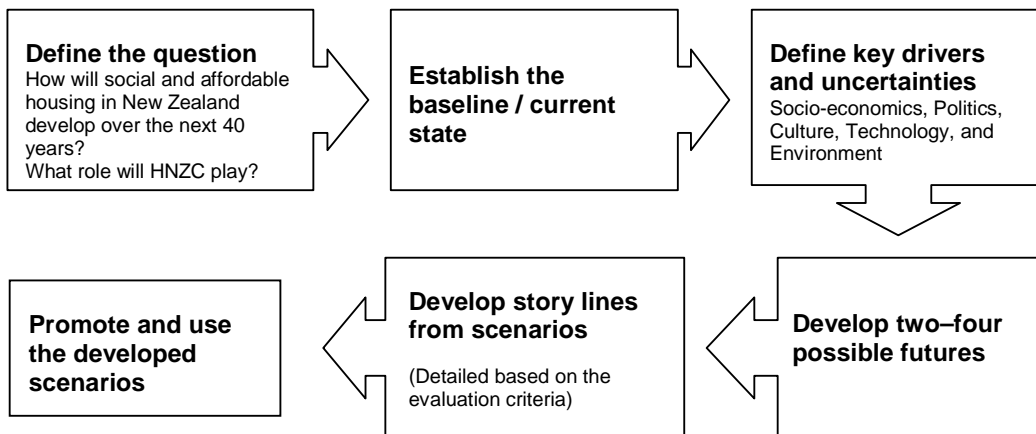
It is a common belief that serious information should appear in tables, graphs, numbers or at least sober scholarly language. But important questions about the future are usually too complex or imprecise for the conventional language of business and science.

Peter Schwartz, “The Art of the Long View”(1991)

1.2 Scenario development process

The project followed a standard scenario planning process as outlined in the **Figure 1-1**.

Figure 1-1 Scenario Planning Process



Section 1

Introducing Scenario Planning

The following steps were undertaken:

- The key question guiding the development of the scenarios was defined by the HNZC project team during the initial scoping of the project.
- Establishing the baseline and current state was achieved through a wide literature review which is documented in the Environment Scan.
- Key driving forces were defined through a series of interviews with experts from HNZC, academia, local authorities, community and the private development sector. The conclusions are documented in the Issues Paper.
- An Experts Group was assembled including members of the HNZC Executive Team, local authority and community housing providers and a representative from Te Puni Kōkiri. They participated in a workshop which reviewed the driving forces and selected those posing the most challenges to the future of social housing to predetermine the direction of the scenarios. The resulting scenarios were the following:

Scenario 1:

- Intensification - Unsuccessful urban infill
- Prevalent housing composition - single parents, unrelated adults, friends living together
- Housing aspirations - village living, access to nature and amenities
- Community cohesiveness - gated communities and ghettos

Scenario 2:

- Building industry capacity - Shortage of building professionals, lack of skills
- Prevalent households composition - single parents, single adults, friends living together
- Community cohesiveness - integrated mixed communities and positive community identity

Scenario 3:

- Intensification - successful
- Community cohesiveness - Integrated mixed communities and positive community identity
- Prevalent housing composition - extended family, whanau, kaupapa groups
- Sector Experts and members of the Internal Reference Group participated in two workshops which developed the details of the three scenarios. They answered the following questions:
 - What led to this situation (political, economic, social and environmental forces)?
 - What is its effect in relation to social and affordable housing?
 - What key events and people drove this story?
 - What will be early indicators of the scenario?
 - What would be the most emblematic name for the scenario?
- HNZC and URS project teams used the information generated in the workshops to develop detailed scenarios, completed additional research and tested the scenarios to ensure that they are plausible, internally consistent, relevant, credible and challenging. The results are presented in this report.
- HNZC distributed this report to all participants of the process and their feedback has been integrated into this document.

Section 1

Introducing Scenario Planning

- HNZC will use this report to assist in the strategic planning process.

Section 2

Understanding the starting point and driving forces

2.1 Historic perspective

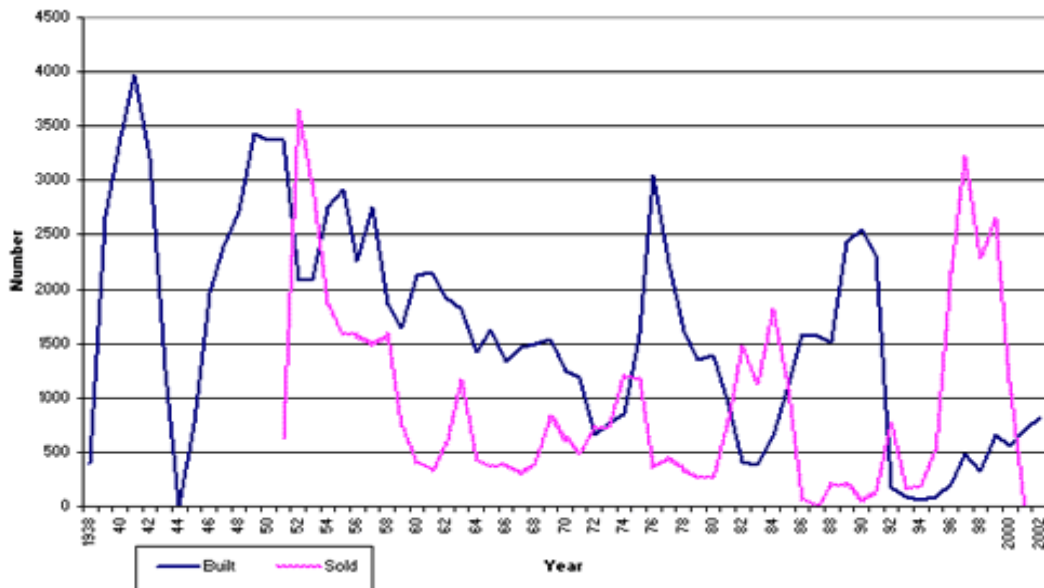
The purpose of social housing in New Zealand originally focused on housing for low income workers unable to purchase on the open market. Social housing was also originally to protect low income workers from inner-city slums and unscrupulous landlords. Exceptionally, Christchurch City Council provided housing for the elderly from the 1920s. With the cradle-to-grave social focus of the Labour Government in the 1930s and 1940s, state housing was provided for low income families who were unable to purchase on the open market.

Over the last seventy years, government involvement and intervention has been a key determinant of the structure of New Zealand's housing market.

The issue of access to affordable housing, however this is defined, is not new. As noted above the purpose of social housing originally focused on housing for low-income workers unable to purchase on the open market. However, the remit of social housing, as opposed to strictly affordable housing, changed over time to include people with special housing needs who were otherwise unable to access the open housing market. In the mid 1980s people with mental health challenges and other disabilities who had been living in institutions were mainstreamed. This put pressure on state housing and those able to access social housing services have gradually reduced to the most disadvantaged in society.

Discussion surrounding access to affordable housing has increased since the start of the current housing boom in the early 2000s. The inability for first home buyers, in particular, to access the housing market is a global issue, influenced by a complex arrangement of factors. The changes in policies about the role of state housing in the market are reflected in the number of state houses being built and sold (see Figure 2-1 and 2-2)

Figure 2-1 Number of State Houses Built and Sold 1938-2002

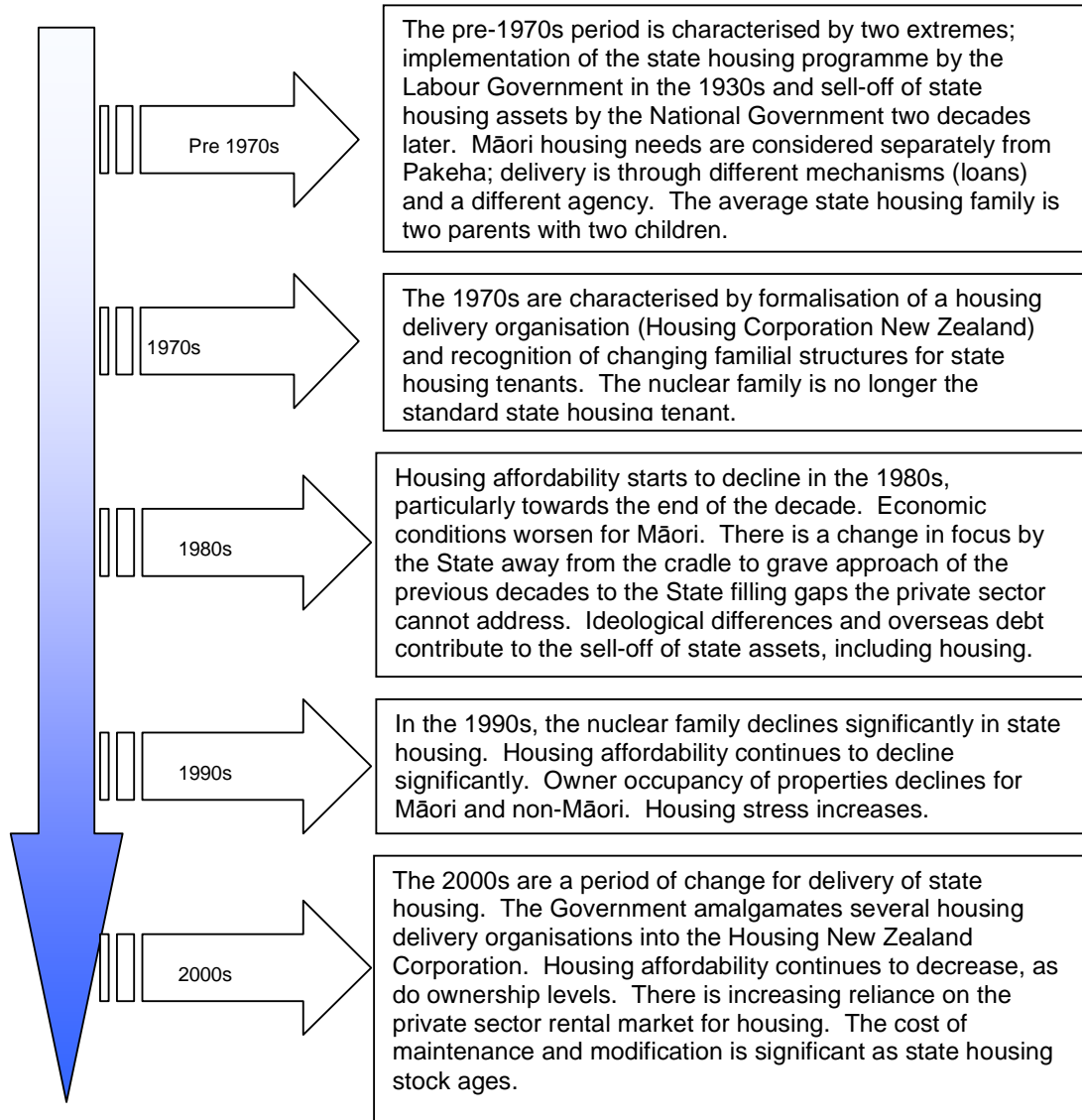


Source: 'Construction and sale of state houses, 1938-2002', URL: <http://www.nzhistory.net.nz/media/photo/construction-and-sale-of-state-houses-1938-2002>, (Ministry for Culture and Heritage), updated 21-Mar-2007

Section 2

Understanding the starting point and driving forces

Figure 2-2 Historic perspective



2.2 Current state

A number of issues crystallised in 2007. The state housing portfolio is aging, with demand for housing not necessarily matching the location. Demand is highest in Auckland where most migrants are settling and where there is the highest rate of population increase. There is a significant lack of affordable rural housing and some rural state housing is in poor condition. Housing affordability continues to make headlines across the country and there are a growing number of people in the 20-30s age cohort who, unless circumstances change significantly, may never purchase a house.

Social and affordable housing is delivered by three main groups in New Zealand, listed below from highest to lowest in terms of supply:

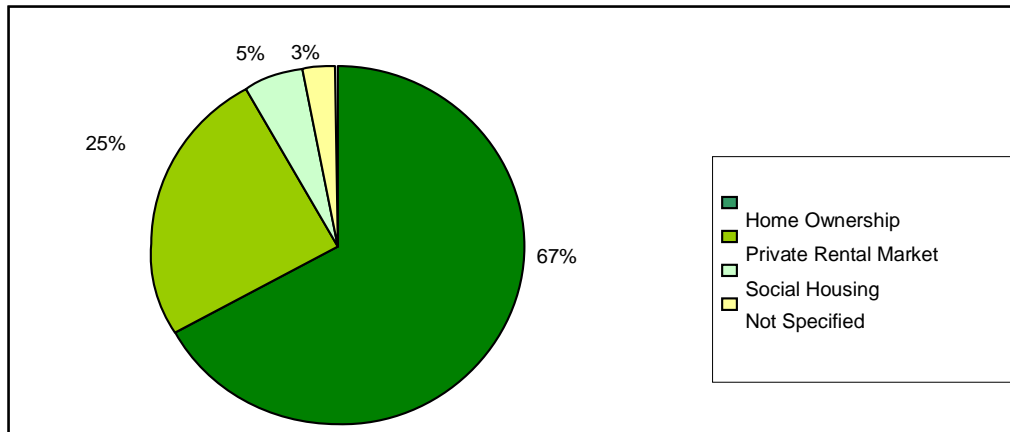
Section 2

Understanding the starting point and driving forces

- Housing New Zealand Corporation (~66,500 – November 2007)
- Local authorities (~14,000)
- Community housing organisations (2,100-6,713¹)

Figure 2-3 identifies the percentage composition of New Zealand’s housing market. Local authorities generally provide housing for elderly residents, with some providing social and affordable housing for disabled residents. Community housing organisations tend to be targeted in the housing they supply, be it related to a particular need such as disabled accommodation, people with mental health issues who require housing support or Māori or Pacific Island residents. Habitat for Humanity is an example of a community housing organisation, providing housing for people unable to purchase on the open market, and operating through donations and ‘sweat equity’ whereby the ultimate occupier pays for their new house in part through the exchange of labour. The community housing sector is limited in the amount of housing they can provide because of access to finance and assets. Social housing constitutes between five and eight percent of the housing market (see Figure 2-3).

Figure 2-3 The New Zealand Housing Sector



Source: Statistics New Zealand Census 2006 Household and Dwelling Survey Results

NB. Statistics New Zealand’s website states that comparing census data with HNZC data indicates that there was an undercount of approximately 25 percent in 2006, and approximately 15 percent in 2001. It is not possible to give exact figures, as the HNZC data relates to a different time period and could include dwellings that were unoccupied at the time of the census. The undercount is largely due to respondent error in filling out the tenure related questions and a high non-response rate for these households. This comment applies throughout the Environmental Scan, wherever references are made to statistics sourced from Statistics New Zealand, in relation to numbers of state houses in New Zealand.²

¹ This figure varies depending on the source

² Statistics New Zealand - <http://www.stats.govt.nz/census/2006-census-information-about-data/information-by-variable/sector-of-landlord.htm>

Section 2

Understanding the starting point and driving forces

2.3 Driving forces

Figure 2-4 includes the key driving forces identified during the interviews with the scenario planning participants. The driving forces identified during the interviews were divided into 3 groups:

Tier one drivers – drivers that could be considered as social and affordable housing outcomes (or what we want to know about social housing in the future)

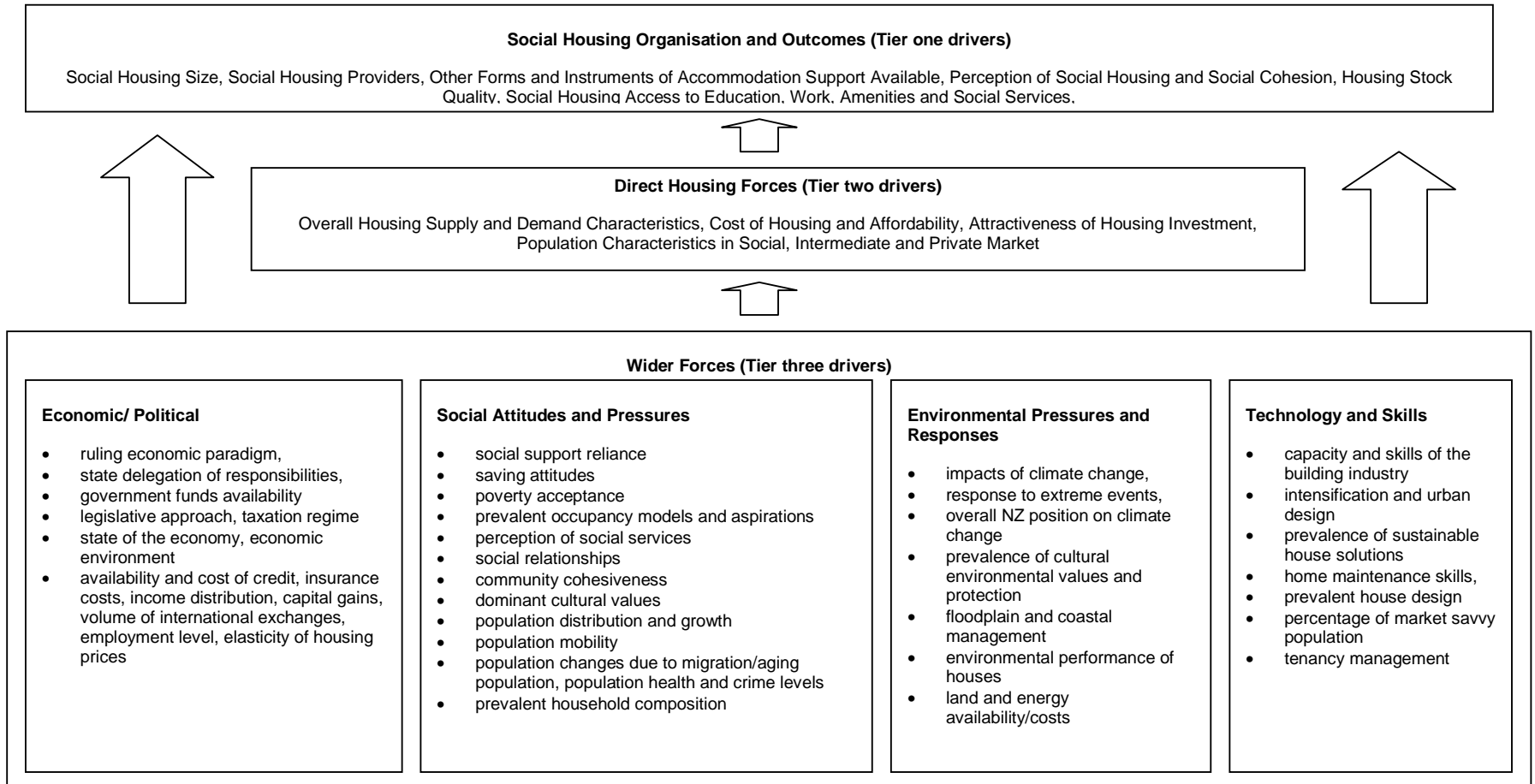
Tier two drivers – drivers directly related to the housing market

Tier three drivers – wider drivers that look beyond the immediate housing market.

Section 2

Understanding the starting point and driving forces

Figure 2-4 Driving forces



Section 3

The three scenarios

3.1 Introduction

During the process of scenario planning the project team discussed a multitude of stories that could play out in relation to social and affordable housing in New Zealand. The project team chose to investigate three of them in detail – those that, apart from being internally consistent, plausible and relevant, also in the team’s opinion posed the most intriguing challenges. They are not necessarily the most likely scenarios, but the team believed they offered the best testing environments for the development of a long-term strategy for HNZZC.

3.2 The starting point - 2008

All of the stories start at the same point - in 2008. The New Zealand population has expanded past 4 million. We live in decreasing size households but our homes grow bigger. There are 100,000 additional homes which include empty homes, second homes and the ‘float’ of houses being bought and sold. It takes six salaries or more to buy a house and then a fifth of our expenses go towards maintenance and mortgage costs. While most of us still own our houses, they are not performing well – many of us put up with cold and damp. Social housing is dominated by Housing New Zealand with approximately 66,500 dwellings in November 2007.

Population and housing characteristics	
Population size	4,228,300
Average household size	2.7 (decreasing)
No of dwellings	1,637,982
No of dwellings built per annum	26,000
% of dwellings that are separate houses	81.2%
Average dwelling size	180 m ²
Home tenure	
% of population in different forms of tenure	ownership - 67% private rental - 25% social housing - 5%
Housing quality	
% of houses heated below WHO recommended minimum temperatures	30%
% of houses with mould problem	45%
% of population with overcrowding problem	10%
Housing costs and affordability	
Average housing-related costs for owner-occupier households	22% of overall household expenditure
Average housing-related costs for renting households	28% of overall household expenditure
House price as a multiplier of an average salary	6

Section 3

The three scenarios

Social housing provision	
No of houses owned or managed by social housing providers	HNZC - 66,500 (at November 2007) LA – 14,000, Community - 4,000 ³
Unmet social housing needs	9,955 (No of people on waiting list)
No of people receiving accommodation assistance	245,400 (Accommodation Supplement)

3.3 Common threads

The scenarios we have constructed have some commonalities. In all of them climate change and rising energy prices pose a serious challenge and serious costs for society. Regulation levels rise in response.

The society is more diverse with increased numbers of Asian and Pacific ethnicities, but regardless of skin colour and background the lifestyles are quite similar. Technology plays an increased role in our houses and speeds up our communication.

Expectations of house performance	Increasing
Population diversity	Increasing leading to multicultural homogeneity (increasing populations from Asia and Pacifica, Kiwis returning from overseas)
Climate change impacts	Strong leading to costly up-grades to existing housing stock and infrastructure
Energy costs	Increasing
Land management controls	Becoming more strict
Water management	Water charges introduced and regulations becoming stricter
IT in housing	Increasing presence. More home working.
Speed of communication	Faster

3.4 Key differences

At the same time the scenarios diverge significantly in certain aspects. Some of the key differences relate to composition of the typical New Zealand household, success of urban infill, cohesiveness of society and capability in the building sector. The table below highlights the key differences between our three stories.

	Road to Nowhere	Eco-nomics	Stake in the Ground
Economic and political situation	Underinvestment in infrastructure, including public transport. Change from mix of market and welfare economy to solely market economy by 2045. Government decentralises social services including housing. Oil and food prices increase	Economy softening initially. Measures put in place to strengthen, which are embedded by 2040s. Re-emphasis on collective good. Less portable wealth as no longer based on property – community/environment valued. Housing has a greater use value	Economy softening initially and strengthening by 2040s. Development of NZ and Australia Union. Settlement of Treaty claims. Land ownership restricted to NZ citizens and transferable only to relatives or kaupapa tribes. Land owners given tangata whenua

³ 2,100-6,731 depending on source

Section 3

The three scenarios

	Road to Nowhere	Eco-nomics	Stake in the Ground
	<p>significant over time, particularly between 2012 and 2025.</p> <p>Increased regulation, including around food and water prices.</p> <p>Gangs are represented in parliament.</p> <p>Housing no longer a viable investment option.</p> <p>Limited importing of goods up to 2025, especially of cars and other consumables.</p>	<p>than exchange value.</p> <p>Development of carbon market and natural resource accounting – costs are fully internalised.</p> <p>Eventual wealth injection from returning diaspora reinvigorates the economy.</p> <p>Strong central response to economic slowdown.</p> <p>Advanced service sector.</p>	<p>status.</p> <p>Home stake ownership – multiple home ownership.</p>
Social attitudes and pressures	<p>Household composition dominated by single parents, unrelated adults, friends living together.</p> <p>Communities are largely separated into gated communities and ghettos.</p> <p>Social relationships are very divided. Communities created along ethnic/economic/other grounds with limited mixing.</p> <p>Continued feeling of lack of security.</p> <p>Poverty is endemic but stratified.</p> <p>Decreasing availability of social services.</p> <p>Fertility decreases generally, but there is a mini echo-boom originating in 2000.</p>	<p>Household composition: single parents, unrelated adults, friends living together.</p> <p>Integrated mixed communities and positive community identity.</p> <p>Housing is heart of integrated community – Paumanawa Hāuora.</p> <p>Successful integration of returning Kiwi diaspora and climate change migrants.</p> <p>Concentration of population in main centres – limited population elsewhere.</p>	<p>Household composition: extended families, social groups (iwi and kaupapa tribes based on shared values) living in either one household or close together.</p> <p>Integrated mixed communities and positive community identity.</p> <p>European, Asian, Māori and Pacifica cultures all playing strong part, with an overarching kiwi identity under the Kotahitanga flag.</p> <p>Social services provided at community level – successfully focused on prevention. Lower crime levels and better health.</p> <p>Communal use of some housing related facilities.</p>
Environmental pressures and responses	<p>Widespread flooding and sea level rise in population centres forces people into cities.</p> <p>Emergency responses decentralised. Defences fail because of lack of investment.</p> <p>Sustainability is only rhetoric.</p> <p>Increasing elderly population very vulnerable to effects of climate change.</p>	<p>Resource intensiveness flattens out – most resources are renewable or highly reusable.</p> <p>Localised energy generation – community level.</p> <p>High specification housing performance. Flexible housing responds to climate change.</p> <p>Water use tightly controlled.</p>	<p>Land owners playing role of kaitiaki.</p> <p>Improvements to housing energy and water efficiency due to improved DIY and home guardianship.</p> <p>Relocation from flood zones (to be managed as conservation land).</p> <p>Soft engineering adaptation.</p> <p>More sustainable lifestyles.</p> <p>GHG emissions reduction.</p> <p>Conservation estate is protected from development.</p>
Technology and skills	<p>Mix of unsuccessful and successful urban infill. Housing and buildings deteriorate.</p>	<p>Use value of housing results in reprioritisation of housing.</p> <p>Shortage of building</p>	<p>Strong development in urban centres, renaissance of small towns and rural communities.</p>

Section 3

The three scenarios

	Road to Nowhere	Eco-nomics	Stake in the Ground
	<p>Public transport severely affected by climate change. Over time public transport only operates in main centres.</p> <p>Limited, poor, regulation of intensification.</p> <p>State housing divestment programme is high-jacked by gangs. By 2040s gangs are community focused.</p> <p>Communities in marginal areas affected by flooding and sea level rise.</p>	<p>professionals, lack of skills filled by migrants during 2020s.</p> <p>Building skills improved by migrants and sustainability focus.</p> <p>Houses used for energy generation – improved housing quality and durability.</p> <p>Public transport invigorated.</p> <p>Housing is a net energy producer.</p>	<p>Increased densities.</p> <p>Strong popularisation of public transport and improved neighbourhood connectivity.</p> <p>Neighbourhood Kaitiaki Plans.</p> <p>Focus on house re-build and extensions.</p> <p>Community based building services and DIY culture resulting in efficient maintenance.</p> <p>Multistorey houses (4 floors) and town houses prevalent.</p> <p>Family managed rentals.</p>
Direct housing forces	<p>Sporadic new housing supply.</p> <p>Initial decrease in housing affordability. Affordability increases, although not substantially.</p> <p>Very limited housing investment.</p> <p>Infill housing quality poor and mass produced.</p>	<p>State has a role in building/land for all New Zealanders.</p> <p>Inclusionary zoning for all housing requirements.</p> <p>Variety of shelter options and means of accessing.</p> <p>No investment value for housing.</p> <p>More parity between social, private, rental and home ownership.</p>	<p>Initial affordability crises, but well matched supply and demand due to adaptable stock by 2040s.</p> <p>Housing expenditure rising initially and then falling.</p> <p>Housing not perceived in terms of financial investment.</p> <p>Housing market participants are either: tangata whenua (land owners) – NZ citizens, majority of population; or stake owners (renters and investors or people own a stake in one location but live in another).</p>
Social housing organisation and outcomes	<p>No new social housing. Legacy social housing located in ghettos with high renting and management costs and high vacancy levels.</p> <p>No instruments of accommodation support.</p> <p>Limited housing provided by communities – while not many, they are relatively good quality.</p>	<p>Legacy tenants in community housing form very small proportion of population.</p> <p>No social housing in traditional sense. Social housing is normalised. Described as community housing.</p>	<p>No social housing in traditional sense – houses with high levels of non-tenancy stakes are an affordable option instead.</p> <p>Non-tenancy stakes owned by individuals in the community, local authorities, state and private enterprises.</p> <p>Housing support provided in form of programmes to support purchase of a stake, reduced stake prices for good tenants and loan arrangements.</p>

Section 3

The three scenarios

The following chapter tells the future stories, building in challenges that we considered most interesting or important, and creating robust test environments for our business ideas today.

Just like with the past, when it comes to the future, we do not hold a perfect set of information about what is going to happen. What follows are stories told by experts, some critical statistics, some snippets from influential blogs and correspondence between friends who grew up together in Palmerston North. The friends met at their athletics club:

- Greg the social housing enthusiast – he grew up in Hokowhitu, a middle-class suburb in Palmerston North. His parents had overseas students boarding with them – Li was one of those students.
- Tanu living in his virtual “second life” and always going for the lowest cost accommodation to sustain his existence in the “first life” – Tanu lives in social housing in Roslyn, a suburb adjoining Hokowhitu.
- Mary the change agent living in Europe – Mary also lived in Hokowhitu. She went to the same high school as Greg.
- Li a driven property investor and developer – Li boarded with Greg’s parents whilst he went to school in Palmerston North.

In 2008 they are 21 and about to move in separate directions.

Section 4

Telling the stories

4.1 Road to Nowhere

4.1.1 The story

Government attitudes in 2012 are characterised by a widespread attitude that 'she'll be right'. Action is not required to change things because everything will work out in the end. Needless to say, this attitude causes significant problems in the next 20-40 years.

As part of the era of complacency, there is endemic under-investment, particularly in relation to public transport, although there is a brief flirtation with building additional motorways.

An environmental crisis related to widespread flooding occurs which diverts policy makers attention during the period in which something could have been done to 'turn the ship'.

Land prices drop and land developers restrict supply, because of the huge number of mortgagee sales. Cheap land prices do not last however; over the next 10 years prices increase such that land becomes very difficult to access. Developers continue to maintain large land-banks, partially as security in uncertain economic times. This continues to restrict housing supply. Oil prices increase significantly as do general costs such as food, energy and water. Some prices increase sharply over a very short period of time, putting considerable stress on New Zealanders. Increased food and water scarcity are also contributors to stress. Increasingly the voting majority is poor.

Increasing climate change events and the effects of these events on infrastructure require costly upgrades. However, there is no chance of recovering from under-investment over the last two decades and infrastructure continues to decline.

Increasing costs of basic goods, oil and land mean that people start putting off having children; it becomes too expensive. However, an echo-boom at the start of the century causes shortages in housing stock as those children start to look at house purchases. Demographic changes generally, including significantly increased numbers of elderly New Zealanders, has a profound effect on housing supply and moreover the type of housing required.

Combined with a restricted land supply, there are real issues with where and how to provide housing. This leads to attempts to intensify in existing urban areas through infill housing. The lack of government action around neighbourhoods and places, however, leads to generally unsuccessful intensification. Furthermore, infrastructure still assumes low density development. By the time policy decisions are made to intensify in a coordinated manner, many commentators consider the opportunity has passed.

By 2025 economic conditions cause widespread social unrest, including increased crime. Private security firms patrol those communities that can afford it. There is a significant gap between the rich and poor, exacerbated by divisions in communities along the lines of gated communities and ghettos. Those with the money to do so retreat from urban living into self-contained gated areas, many of which attempt to replicate the ideals of village living, such as access to nature and amenities. There is ethnic fragmentation, facilitated by economic conditions and social breakdown.

Attempts to intensify continue, although some of the drivers have changed. Fewer imports of cars, for example, and lack of effective public transport, pushes larger numbers of people into the urban areas to be close to where they work; this leads to over-crowding in some parts. For those in the outer suburbs, it is not unheard of to have 2-3 hour journeys to work. Despite the delayed government decision to intensify, public policy is weak and generally seen as doing more harm than good.

What new housing is built is generally of low quality. A lack of good quality design capacity around 2012, combined with a lack of skilled labourers in the decades to follow, causes the building industry to focus on mass building to make money. Only those communities able to afford high quality housing are able to control the quality of intensification.

The complacent attitude in 2012 affects social housing as well. By 2025 a social housing divestment programme, whilst well-intentioned and aimed at getting occupants on the housing ladder, means that

Section 4

Telling the stories

what social housing stock remains is ghettoised and controlled by the gangs. This only serves to emphasise the gap between rich and poor. There is residual social housing provided by central and local government but there is little desire to maintain or manage this housing effectively. There are high vacancies, maintenance and tenant costs. A residual population of poor people made homeless by the divestment of social housing repopulate substandard and damaged houses that remain on floodplains.

By 2045 a lot of coastal and river plain locations were destroyed by flooding. The majority of the population has been relocated and created inland grass root communities often under leadership of ex-gang leaders. Those communities operate as local democracies with only slight support and influence from the local government.

The government of the day attempts to provide public assistance; ultimately this is ineffective and politicians withdraw. Gangs looking to expand their influence and take advantage of economic and social unrest fill the void left by a centralised government. By 2045 the gangs become a positive community grassroots force. Some of them are elected to the national parliament to represent the communities.

The majority of work is undertaken on a remote basis, using IT infrastructure. Biofuels and other environmental technologies are at the core of community survival. India is a key employer for remote workers. People make a substantial investment in IT in their homes to enable them to participate in remote working.

By 2045 New Zealand’s population is in decline, as is marriage and de facto relationships. There are more single parents, childless adults and friends living together. There is increased migration to New Zealand because of climate change but this does not reverse the downward population trend.

4.1.2 Road to Nowhere – 2012

Endemic under-investment, particularly in public transport, combined with a complacent attitude by government, leads to the start of significant problems in the economy. Household size continues to decrease and improvements continue to be made in housing quality. There is a temporary drop in the cost of buying housing, although other housing related expenses continue to trend upwards.

Population and housing characteristics	
Population size	4,500,000
Average household size	2.6
No. of dwellings	1,750,000
No. of dwellings built per annum	22,600
% of dwellings that are separate houses	80%
Average dwelling size	170 m ²
Home tenure	
% of population in different forms of tenure	ownership - 65% private rental - 28% social housing - 7%
Housing quality	
% of houses heated below WHO recommended minimum temperatures	32%
% of houses with mould problem	41%
% of population with overcrowding problem	12%
Housing costs and affordability	
Average housing-related costs for owner-occupier households	40% of overall household expenditure

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Telling the stories

Average housing-related costs for renting households	35% of overall household expenditure
House price as a multiplier of an average salary	4.0
Social housing provision	
No. of houses owned or managed by social housing providers	HNZC - 60,000 LA – 2,000 Community – 18,000
Unmet social housing needs	15,000 (No. of people on waiting list)
No. of people receiving accommodation assistance	150,000 (Accommodation Supplement) 25,000 (Shared Equity) 100,000 (Kiwisaver house deposit assistance)

From: Greg/Palmerston North
 To: Tanu/Palmerston North
 Date: 04.5.2012

Unbloodybelievable. Our government has no clue! They are sitting around on their backsides whilst we go to hell in a handbasket. I'm so frustrated. Tanu, you need to get out of virtual reality and back into the real world. How are your parents coping with the cost of food and water? Mine aren't too happy about it. I'm even thinking of moving back home to give them a hand.

Have you seen the proposals for a motorway from Palmy to Wellington? What do we need that for? We need public transport that actually works so we stop relying on our cars so much. Petrol hit \$5/litre last month. Who can actually afford to run a vehicle anymore?

Li's been working for a developer in Auckland - he left Palmy after Massey chasing the property dream. The developers have been banking land left, right and centre. It's almost impossible to find a house to buy even if you had the money. I don't know what Li's thinking - property development is dying. At this rate he'll have to return home to Shanghai.

I was on my way to see Mary last week before she heads off overseas. The road up to Taupo got washed out though - massive storm came through. Its not even winter yet. So much for protection from the worst climate change events. Doesn't look like the road will be fixed anytime soon either.

Right, I'm off to a march about social housing. The government can't just abandon us when the economy's so bad. Tanu, you should be there with me. This affects you more than me - it's your home we're talking about here.

Greg

- youarewhereyoulive/nztopblogs.nz.blog**
 Top ten tips to cope with rising prices – we're not kidding around here
- 1) Live in one room
 - 2) Create a commune with your neighbours – keep chickens and other livestock
 - 3) Forget about having children – they're too expensive
 - 4) Live in a tent
 - 5) Start drinking rainwater – just make sure you boil it first!
 - 6) Have a bath once a week – if it was good enough for the Elizabethans, its good enough for us

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- 7) Burn books – you won't have time to read them anyway and you need the fuel
- 8) Start a squatter settlement – developers have plenty of land, they're just not sharing
- 9) Start trading favours – no money required
- 10) Get out those walking shoes – you can't afford the gym or the car

Read on at [You Are Where You Live >>>](#)

4.1.3 Road to Nowhere – 2025

Developing new supplies of housing is problematic. Increasing numbers of elderly New Zealander's and the echo-boom from the start of the century require very different solutions. The government decides to intensify, but offers little practical support to implement successfully. Society is divided between rich and poor. Ghettos and gate communities prevail. Crime levels increase. Gangs take over large areas of social housing through the housing divestment programme. Housing quality deteriorates again, as does housing affordability.

Population and housing characteristics	
Population size	5,050,000
Average household size	2.5
No. of dwellings	2,000,000
No. of dwellings built per annum	19,000
% of dwellings that are separate houses	78%
Average dwelling size	165 m ²
Home tenure	
% of population in different forms of tenure	ownership - 60% private rental – 32.5% social housing – 7.5%
Housing quality	
% of houses heated below WHO recommended minimum temperatures	40%
% of houses with mould problem	45%
% of population with overcrowding problem	10%
Housing costs and affordability	
Average housing-related costs for owner-occupier households	40% of overall household expenditure
Average housing-related costs for renting households	40% of overall household expenditure
House price as a multiplier of an average salary	6.0
Social housing provision	
No. of houses owned or managed by social housing providers	State - 15,000 LA – 1,000 Community – 14,000
Unmet social housing needs	50,000

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<p>No of people receiving accommodation assistance</p>	<p>10,000 (accommodation assistance no longer exists. Legacy assistance only. Kiwisaver and shared equity housing programmes disbanded because they are uneconomic)</p>
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From: Greg/Palmerston North
 To: Mary/Bristol
 Date: 15/01/2025

Mary - you need to come home. All that work you're doing in the UK supporting the development of resilient communities needs to be done in NZ as well. Come home before it's too late. Perhaps you haven't heard the latest?

Crime has shot through the roof. Ma and Pa were burgled three times last month and Pa was robbed in broad daylight on Fitzherbert Street. Even though they can't really afford it, they've contributed towards a private security firm to patrol the streets in Hokowhitu. Its like a little mini-utopia. They can ignore everything that's happening around them. They're not far off building a gate around the suburb. Tanu's stuck in Roslyn - its turned into a warzone.

The government tried to sell off the social housing to the tenants, to give them an asset. Tanu's parent bought their house only to have to sell it to the gangs. They basically employed standover tactics to get them to sign the house over. I don't know what they're going to do. At least they get to stay in the house - for now. Roslyn's turning into a ghetto and Tanu doesn't even notice. He's so wrapped up in his computer - the world could come to an end and he wouldn't notice. The gangs have as many houses as the state now.

I've heard of some people taking over some of the abandoned houses up Taupo way. I can't imagine the living conditions.

Palmy's getting pretty crowded as people move in from the outlying areas. Too far to walk to work now that the public transport's collapsed. I've heard it can take 2 hours to get to work in Wellington, and that's on a good day.

Don't know if you've heard from Li. His property development company's hanging on by its teeth. He managed to get a contract from the government for one of the intensification projects. The problem is we just don't have the skills required to do it successfully. I think he's about five years into the project and it looks like a mess. That's the problem with mass building. I feel really sorry for him.

I'm getting pretty tired of the daily grind. Being an activist doesn't get me anywhere. I might have to swallow my pride and start working for Tanu. I hear he's got a pretty good thing going with remote working for an Indian company. He might be oblivious to the real world but he's switched on about the virtual world.

Think I could make it in Bristol? Just say the word.

Greg

youarewhereyoulive/nztopblogs.nz.blog

Are you in a ghetto or a gated community? Does it matter? Some commentators consider the ghettos should be abandoned to their fate – left to survive if they can. This blogger considers that to be a reckless suggestion. Surely the government will step in soon to start addressing some of the fundamental issues we are experiencing. Our society certainly can't stay as it currently is.

Read on at You Are Where You Live >>>>

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4.1.4 Road to Nowhere – 2045

New Zealand’s population has peaked at 6.2 million in the late 2030s and is now in decline. Migration from climate change refugees does little to change the trend. Gangs start to exert a positive influence on communities. Social housing as previously understood no longer exists, other than as an unwanted legacy. There is no clear idea of the need for housing.

Population and housing characteristics	
Population size	5,600,000
Average household size	2.3
No. of dwellings	2,300,000
No. of dwellings built per annum	15,200
% of dwellings that are separate houses	70%
Average dwelling size	140m ²
Home tenure	
% of population in different forms of tenure	ownership – 58% private rental – 51.5% community housing – 0.5%
Housing quality	
% of houses heated below WHO recommended minimum temperatures	35%
% of houses with mould problem	35%
% of population with overcrowding problem	9%
Housing costs and affordability	
Average housing-related costs for owner-occupier households	35% of overall household expenditure
Average housing-related costs for renting households	30% of overall household expenditure
House price as a multiplier of an average salary	4.0
Social housing provision	
No. of houses owned or managed by social housing providers	State – 5,000 (legacy tenants) Community – 15,000 (minority, at grassroots level)
Unmet social housing needs	No new social housing. Only unwanted legacy housing remains.
No of people receiving accommodation assistance	No accommodation assistance available from central government.

From: Li/Auckland

To: Tanu/Palmerston North

Date: 12.12.2042

Merry Christmas Tanu. I thought I might make it down to Palmy to see you and Greg but there’s no chance. I just can’t find a way of getting down there. Infrastructure’s still pretty bad through the central North Island.

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I hear that Greg is still really upset at Mary. He was so hopeful she would move back to NZ. Not going to happen now, that's for sure. Who would have thought that we'd all be single with no children. How are you and Greg finding it being house buddies?

Thanks for helping me get in with that Indian company. My property developments were going downhill fast. I got out just in time I think. I've managed to upgrade the house so I'm pretty up-to-date with my IT infrastructure. I've got a couple of remote working contracts on the go. My community's is upgrading its environmental technology. We're looking at moving to a third generation bio-fuel, providing we can find something affordable.

I hear you managed to get your parents into one of the communities providing social housing. Can't imagine (and probably don't want to know) how you swung that. Greg's work with the ghettos shows how dire the situation can be for some people.

Who are you voting for this year? Not good form to discuss politics I know but I'm really interested. Believe it or not but I'm seriously thinking about one of the gangs - not that we refer to them like that anymore. A couple of gang chapters have really turned things around up here and actually started to make some positive changes. A couple of members are even standing for the local parliaments. I hear more are thinking about standing as well. I might even stand myself! Haha.

Are you still trying to get your relatives here? I seem to remember they moved from Kiribati when it got inundated - did they make it to Australia?

Hey, there's a call coming in from India. Later

Li

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4.2 Eco-nomics

4.2.1 The story

Prices continue to rise significantly between 2008 and 2015; people have to choose between their house, food or petrol. New Zealanders can't buy locally produced food because it is too expensive – costs are driven by a solely export-led economy. NZ ends up importing sub-standard food from other nations whilst selling the best food overseas. The housing market generally declines – people are trapped in their houses because of negative equity. Lack of disposable income forces a reduction in housing investment, including house maintenance.

Around 2012 challenging financial markets create a desire to 'turn the ship' away from the current direction towards a more locally and environmentally sustainable focused economy. The focus shifts to proactive change management to prepare New Zealand for the new economic paradigm. New Zealand is starting to embody the 1990s principle of 'think globally – act locally'. As links to global markets start to disintegrate, wealth becomes less portable and less tied up in housing. An alternative wealth model starts to emerge; housing has a use value only – not an exchange value. Wealth begins to be measured not only in terms of dollars but also in terms of environmental sustainability, reciprocal exchange and community cohesion. This is the start of a 'virtuous cycle' of improvement. The economic downturn sparks a redesign of the economic system in New Zealand.

Between 2012 and 2020 large-scale climatic events overseas culminate in a returning Kiwi diaspora bringing home wealth, new ideas and experiences. As part of this renaissance a charismatic leader (Eco-Douglas) emerges who aims to drive New Zealand forward towards a locally focused economy based on highly sustainable principles. Not everybody supports or likes this person. Hindsight shows, however, the pain was necessary. Eco-Douglas is proactive and far-sighted. Her cohorts successfully lead NZ along a more eco-nomic future with a new economic paradigm placing high value on environment and social capital.

The increasing frequency of climatic events in the 2020s starts to effect port functioning, leading to closures and reduced operational capacity. This reinforces issues around the breakdown of global markets. By the time operational capacity is up and running again, New Zealand has embraced an alternative economic paradigm, which focuses heavily on the environment. New Zealand no longer exports or imports significant amounts of material. Anything that is imported must be certified as environmentally sustainable.

Eco-Douglas is key in establishing a new carbon market, which leads to the integration of natural resource accounting/carbon accounting beyond 2025. All production costs are internalised and this has significant implications for the cost of carbon-intensive materials.

There is a real gap in building skills, which came through from 2012. Eco-Douglas starts to look at incentive structures for innovation and New Zealand's success attracts economic and climate change migrants from other parts of the world. This includes an influx of migrants with building skills to shore up the lack of skills in New Zealand. In addition to skills, the migrants bring new housing typologies, which influence the community housing model starting to emerge. Eco-Douglas reinforces the use value of housing – by 2025 this is embedded in the new economy and over time the use value exceeds the exchange value. The new economy addresses the regulatory and legal aspects of property rights, risk and cost of capital.

There is a global challenge associated with the increased number of refugees from climate change. There were issues with xenophobia and resistance to change. The influx of highly skilled singles from a variety of countries dramatically changes the ethnic make-up of New Zealand. There is wide-spread uncertainty about religion and the role of marriage. Eventually this leads to increased numbers of single parents and un-related adults as communities are based on reciprocal exchange rather than strict familial rights and obligations. Eventually society reaches equilibrium however, based on shared experiences and values. Communities are integrated, with positive community identity. This is helped by focusing on the use value of housing and new ideas about measuring and distributing wealth. A focus on the value of

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communities reinforces the benefits. Housing is seen as the heart of integrated communities – Pumanawa Hāuora.

By 2045 the economic structure emerging in New Zealand is highly focused on the service sector. New Zealand maintains links to the global market but on its own terms. We import highly skilled singles who view New Zealand as a highly attractive economy placing value on their skills. Many of the immigrants come from countries without a track record of migration to New Zealand. Eco-Douglas incentivises a southwards internal migration to shift the population away from the Auckland/Hamilton/Bay of Plenty population centres. Regional housing agencies work with the community sector to provide housing strategies for all New Zealanders.

The shift to a use value only for housing leads to a re-prioritisation of house renovation, including a focus on energy generation. The carbon market and improvements in technology enable energy generation from housing. Over a period of 10 years or so, from 2012, design flexibility starts to emerge; housing quality and durability improves. A new definition of housing emerges, linked to its use value – this is embedded by 2045. A good house is defined by its flexibility/adaptability of space; ability to generate energy (solar/wind), role in food and fuel production and role in providing high-tech working space. Existing houses are retro-fitted with new technologies where possible, including enhanced IT. Housing designs are tailored for climatic change, both in terms of design and location. Smart meters are installed, empowering house occupants to make informed decisions about their housing and how they occupy and use it.

Selling carbon credits pours additional investment into the community housing sector. Housing provision focuses on inclusionary zoning for housing types and tenures – truly mixed communities. Ultimately housing is a net generator of energy. The state has a role in land and building housing for all citizens, similar to the health service. Profit from the sale of energy generated from housing is reinvested into more housing, managed by the community sector.

4.2.2 Eco-nomics – 2012

Challenging financial markets and increased food, oil and housing prices have a significant on the economy. New Zealand’s export focus has negative effects for its citizens. There are moves towards a more locally based economy and a reassessment of the value of housing. Household sizes are starting to decrease and there is limited new building each year. The quality of housing starts to decline as maintenance becomes less affordable.

Population and housing characteristics	
Population size	4,500,000
Average household size	2.7
No. of dwellings	1,700,000
No. of dwellings built per annum	15,000
% of dwellings that are separate houses	80%
Average dwelling size	170 m ²
Home tenure	
% of population in different forms of tenure	ownership - 65% private rental - 29% social housing - 6%
Housing quality	
% of houses heated below WHO recommended minimum temperatures	35%
% of houses with mould problem	45%

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% of population with overcrowding problem	15%
Housing costs and affordability	
Average housing-related costs for owner-occupier households	55% of overall household expenditure
Average housing-related costs for renting households	45% of overall household expenditure
House price as a multiplier of an average salary	5.5
Social housing provision	
No. of houses owned or managed by social housing providers	HNZC - 72,000 LA - 4,500 Community - 13,500
Unmet social housing needs	15,000 (No of people on waiting list)
No of people receiving accommodation assistance	195,000 (Accommodation Supplement)

From: Greg/Palmerston North
 To: Mary/France
 Date: 21.2.2010
 Hey
 Happy birthday Mary. Long time no speak. What's happening in sunny(?) France? You must be so glad you're away from the mess we're in right now in NZ. My parents haven't stopped arguing for months. I'm sick of it. They can't decide what's more important - food, the house, or driving the car. Everything's so expensive and they can't get over the fact they're in negative equity. My middle-class parents in their comfortable life are now part of the 'lower socio-economic class'. Gives them a whole new appreciation for what my friends are going through, that's for sure.
 Ironically houses got cheaper - I still don't have any money through. I can't leave cause I haven't got anywhere to go! And who wants to live in Auckland anyway - as if it was any better.
 What's almost worse is that NZ is still viewed as the 'bread basket of the world'. Nobody overseas seems to understand that we're having to import crappy food because we're sending all the good stuff out of the country. Whose stupid idea was that!
 Did I tell you I'm doing some building work? Not very well though. Our house is starting to fall down - no money for maintenance - and Dad just threw some tools at me. Apparently I need to earn my keep. Honestly, can't they see I've got bigger fish to fry.
 The one ray of hope is actually coming from government - would you believe it. All those fat cat politicians are finally realising they need to front up and do something. We'll see whether something actually happens tho'. I'm not confident.
 Aargh - sorry about my rant. I just need to get things off my chest. Hope I didn't bring you down on your special day? I didn't even know if I could get online today. We've been having brownouts regularly, and even a couple of blackouts. So glad its summer and warm otherwise I'd be struggling to write this.
 So, when you coming home babe? The old gang misses you. You need to bring some of your fancy friends back home to shore up the defences. Someone needs to keep us from sinking into the dark ages.
 Li is still convinced that property matters. Too many lectures from real estate gurus at Massey I think - turned his brain to housing mush. I don't know when he last spoke to his parents. I think Shanghai is starting to get affected by sea level rise. Hope they're OK.
 I haven't seen Tanu for ages. Don't know if he's even still in Palmy. Lots of people moved to Auckland thinking it would be easier in a bigger city when the prices

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rose. Stupid. My parents are struggling - people in social housing are even worse.
 Man, I need some good news.
 Greg xx

youarewhereyoulive/nztopblogs.nz.blog

We are at a critical time in New Zealand’s history. If we do not take action now, it will be too late. This is not just rhetoric – this is reality. Why do we insist on looking at property as an economic panacea? Surely it is obvious that housing has a much greater role than just to create wealth. We do ourselves a disservice when we do not recognise this.

We need to start looking at different ways to value housing and the environment. Why should we not value sustainability and community as well as financial wealth? The current economic conditions require a rethinking of our entire situation. Our energy system is failing and we are vulnerable to climate change. We need to refocus on creating resilient communities, not just lining our pockets with temporary gains from housing.

Read on at You Are Where You Live >>>

4.2.3 Eco-nomics – 2025

The use value of housing becomes established and housing prices decline as a result. New Zealand experiences climate change events, although not as severely as other parts of the world. The carbon market is established, as is New Zealand’s ‘think global, act local’ approach to the economy. Sustainability features strongly. A variety of housing typologies and tenure options start to develop. The government starts to take a role in housing for all citizens.

Population and housing characteristics	
Population size	5,300,000
Average household size	2.6
No. of dwellings	2,011,000
No. of dwellings built per annum	23,000
% of dwellings that are separate houses	72%
Average dwellings size	140 m ²
Home tenure	
% of population in different forms of tenure	ownership - 55% private rental - 38% social housing - 7%
Housing quality	
% of houses heated below WHO recommended minimum temperatures	23%
% of houses with mould problem	21%
% of population with overcrowding problem	8%
Housing costs and affordability	
Average housing-related costs for owner-occupier households	43% of overall household expenditure

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Average housing-related costs for renting households	39% of overall household expenditure
House price as a multiplier of an average salary	3
Social housing provision	
No. of houses owned or managed by social housing providers	HNZC – 10,000 (residual housing) LA – 2,000 (residual housing) Regional housing agencies – housing pathways for all New Zealanders
Unmet social housing needs	5,000 (no housing pathway)
No of people receiving accommodation assistance	50,000

From: Mary/Wellington
 To: Greg/Palmerston North, Tanu/Virtuocity, Li/Auckland
 Date: 06.08.2020

Wassup homies! See, I still got the lingo - hehe. Mmm, should really be saying Bonjour given I've spent so long in France. Who knew a two year OE would turn into 10 years on the other side of the world. Time flies when you're having fun.

Man its weird to be back home. I never thought I'd be fleeing Europe because of climate change. NZ is so lucky to have avoided most of the problems. Well, not lucky I suppose. The ports are still not functioning that well. You must be noticing that, Li? I hope your parents made it out from Shanghai before the waters finally covered it up? No wonder you went into property in NZ. I hadn't realised your parents had a construction company in Shanghai. They need to start teaching us Kiwis how to maintain our houses again.

What do you think about 'Eco-Douglas'? That's what the blogs are calling her anyway. Who would've thought an antique reference to Rogernomics from forty years ago would rear its head again. Eco-Douglas is actually an NZer I knew in France. Greg, do you remember those conversations we were having a while ago about how bad NZ was. Well, I was talking about it with some NZ mates and it kind of got them riled up. By the time the waters starting rising we all decided to come home. We might not have made it otherwise. I can't believe she's moving so quickly though. Not everyone I speak with is that happy about it, especially that whole deal around internalising all the costs and going all sustainable. I'll have to introduce you all to her - she's got some good ideas. And she's pretty good looking!!!

Hey Li, have you been involved in this carbon market thing? I hear there's talk of tying energy generation to housing. Housing will finally have more value than as an investment. My parents aren't too happy about it though - they're struggling with the rate of change right now. Lots of older people are I guess.

How's Virtuocity going, Tanu? I've been hearing good things about it 'on the wires'. Will be good for all this home working everyone's talking about. Smart homes here we come.

Anyway, I'd best fly. I've got some policy to write about the value of housing.

Au revoir
 Mary

youarewhereyoulive/nztopblogs.nz.blog

Is anyone else feeling slightly uncomfortable with all these immigrants telling us how to build and maintain our own houses? Honestly, what about the Kiwi DIY spirit. They can all go and live in Auckland for all I care. I don't want them around my neck of the woods. We're under enough pressure at the moment with all the change the

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government is driving through. Sustainability, energy generation from houses, and I can't sell my house – apparently the use value is insufficient. It's all too much.

Another thing I've had enough of – people saying marriage and religion don't have a place anymore in NZ. Who do you think is going to maintain our social values if single people start having babies? The family unit is the backbone of New Zealand.

Read on at You Are Where You Live >>>>

4.2.4 Eco-nomics – 2045

Energy generation from communal housing areas is fully embedded. Excess energy is starting to reinvigorate the public transport system as well. Housing is the heart of a community, driven by its role in energy generation and the focus on use value. Housing retrofits and new buildings embrace sustainable solutions. Household size continues the downwards trend. The population grows primarily through climate change migrants. New Zealanders are less likely to have children. Housing pathways introduced for all New Zealanders.

Population and housing characteristics	
Population size	5,655,000
Average household size	2.3
No. of dwellings	2,500,000
No. of dwellings built per annum	25,000
% of dwellings that are separate houses	65%
Average dwelling size	120 m ²
Home tenure	
% of population in different forms of tenure	ownership - 45% private rental - 50% social housing - 5%
Housing quality	
% of houses heated below WHO recommended minimum temperatures	5%
% of houses with mould problem	5%
% of population with overcrowding problem	5%
Housing costs and affordability	
Average housing-related costs for owner-occupier households	15% of overall household expenditure
Average housing-related costs for renting households	15% of overall household expenditure
House price as a multiplier of an average salary	2
Social housing provision	
No. of houses owned or managed by social housing providers	Housing pathway – community/regional housing advisor/private investor Community – 5% Private – 13% (benevolent investors)
Unmet social housing needs	3,000 (no housing pathway)

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<p>No. of people receiving accommodation assistance</p>	<p>Everyone receives some sort of assistance, whether financial or advice related.</p>
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From: Li/Virtuocity
 To: Tanu/Virtuocity
 Date: 10.06.2045
 Subject: Old Guard

Hey there old man. How's life on the mainland treating you? This setup of housing facilitators is finally bearing fruit. The idea of housing as the heart of a community really appeals to my parents - quite retro. Yep, they're still around - just barely though. Hard to imagine the scale of change they've seen in their lifetime. They were pretty influential in helping set up those sustainability skills camps - learning how to retrofit housing and maintain properties. I think the network is still going, although not so relevant now.

Are you still running? I stopped a while ago - the knees couldn't take it anymore.

I've got a meeting this afternoon to discuss some tweaks to the carbon accounting software. Have you got any updates available? Can we bring an expanded range of energy generation methods online? I'd quite like to look at expanding if we can. I think we need to look more closely at our smart meters as well. I've heard a couple of rumours that another company has come up with something pretty amazing. I'm meeting a space designer as well to look at some new designs. I'll post the results in Virtuocity for you.

The programmers in India are coming up with some pretty good stuff. The virtual space you designed has made life so much easier. I was talking with Mary and Greg the other day. They've moved to the mainland as well - to live in some sort of communal living place. Got offered incentives to head to Dunedin. It's obvious that pressure is starting to ease on the Waikato metropolis though - good news.

I actually used public transport last week! It must have been at least 30 years since it last functioned properly. We've started using energy from the community grid to power the transport system. Long overdue but these things move slowly. I think people are finally realising that all that pain Eco-Douglas and her cronies put us through was worth it. She needs to hand over the reins to some new blood though and bow out gracefully.

I heard the other day that a rouge ship tried to dock at Hamilton. They made it all the way up the Waikato with a load of coal before they got stopped!!! Who knows who would have bought it? I thought NZ's stance on sustainable certification of imports was pretty clear internationally.

Hey, there's a party in a couple of months at Mary and Greg's commune. Are you going? It would be good to see you in the flesh after so many years. They've been growing some pretty amazing crops using by-products from their community energy system.

Gotta go - someone's banging on the door.

See you soon I hope

Li

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4.3 Stake in the ground

4.3.1 The story

Climate change and increasing oil prices restructure the mechanisms of global trade. The number of international transactions between New Zealand and the global market reduces; consequently a stronger economic alliance with Australia is forged (based on the European Union model).

Comparatively cheaper energy and limited climate change impacts encourage increased migration to New Zealand. Some of the new arrivals are returning New Zealand citizens and skilled migrants from Europe and the US, but the majority come from Pacifica and Asia. Some of them have environmental refugees status.

Stronger links to Australia and increased immigration fuel fears around the loss of New Zealand identity. A number of community programmes are launched to promote New Zealand's unique traits, leading to popularisation of some Māori values and settlement of Treaty Claims. A movement develops to unify all Kiwis under a Kotahitanga flag. A proposal is launched to reflect Māori view and connection to land in general law. The proposal finds supporters from people working on housing affordability and concerned about land costs.

Between 2012 and 2025 a new system is worked out. Only New Zealand citizens in 2025 can own land in New Zealand; land cannot be sold – it is only passed down to relatives or registered kaupapa tribes (social groups based on interests or values). All land owners become tangata whenua and hold kaitiaki responsibility for their property and neighbourhood. Fifty percent of any house (land+house value) must be New Zealand owned. New citizens after 2025 can enter a waiting list to become tangata whenua. Priority is given to those contributing to their communities.

House tenure can only be purchased based on a shared equity model (stakes in the house owned by multiple identities – occupiers, land owners, banks, family trusts, not-for-profit organisations). Purchased stakes in a house can take different forms e.g. tenancy stakes (where the owner lives where he/she owns the stake) - rent to share, rent to buy, 100 per cent interest; or an investment stake (where the owner lives elsewhere). Multiple owned land and shared equity in houses becomes predominant. This enables people to be mobile and to participate in the housing market without a need to own land. New development takes place when land is advertised for use change by its multiple owners. This often leads to developments applying communal design with more effective mechanisms for the elderly and for child care.

The expected land ownership legislation stimulates a strong movement of New Zealand citizens from overseas back home and new, innovative people take on leadership. Key areas seeing improvements are:

- housing quality,
- community integration and public transport
- Treaty issues
- IT communication

Early stages of intensification are fuelled by new migrants from Asia and Europe who are used to living in denser environments, and as a result apartment living becomes more prevalent. A sudden swell of the population (to 6 million by 2025) generates an overwhelming demand and puts housing availability under pressure. Additional pressures come from the necessity for relocation of whole suburbs and towns away from flood plains, and rising energy costs (need to tap into infrastructure efficiencies of more dense housing: heating, transportation, community based energy generation and water management).

Owners of large houses (often retired couples) struggle with housing costs including energy and maintenance. Having their retirement savings locked into property and being unable to sell houses at expected prices often leads to multigenerational families and groups of friends moving in together. With

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additional influences from Pacifica and Māori cultures, the housing composition changes to extended families and kaupapa groups. Existing housing stock is not suited to this new household composition.

The initial response of lowering building and consenting standards to meet the demand for housing is quickly replaced with new ways of providing housing – New Zealand owned but often inspired by overseas models. The building industry moves towards more communal design, including more apartments with common amenities e.g. green spaces, shared facilities. Modular design as well as extensions and re-build of existing houses are encouraged as more resource efficient – preferential grants are available. Housing form tends to be intensive (at least 30 houses per hectare, up to 4 floors), often following papakainga principles. Neighbourhood development takes place around existing, but underdeveloped, centres such as Huntly, with good transport connections (development of Transit Cities). Large amount of infill development following community development principles takes place. Financial mechanisms are adapted to reflect these new trends: multiple-owned land financing schemes, better loans for apartments and for “green” development.

The above environmental, legislative and cultural forces require that communities increase the level of interaction with each other and over time enables positive resolution of many issues: community cohesiveness is improved and the intensification of the urban areas has positive outcomes. More dense living generates resource efficiencies. Suburb relocation from floodplain brings more people in the proximity of transport hubs. A feeling that New Zealand is “a haven away from more severe climate change issues” brings communities together developing new better models of societal interaction with positive ethnic identities and relationships. There is a strong sense of unity among different cultures, welcoming and celebrating cultural diversity.

In this environment, state provided social housing becomes unnecessary as social support (focused on prevention and early signs) is managed by community networks. Accommodation is available to people at very low cost, through shared equity housing which allows for individuals to be supported by their community and families. New instruments have developed e.g. programme to buy a stake, discounted stakes for good tenants, cost of mortgage spread across whole term of loan. Asset appreciation is linked to land usage rather than land ownership.

HNZC becomes a vehicle for implementing change, developing multiple solutions in a variety of partnerships and a channel for government funding in housing. The HNZC is the agency responsible for implementing the new paradigm and moving to a stake in ground reality. It is a facilitator and a broker.

4.3.2 Stake in the Ground – 2012

Increasing effects of climate change and rising fuel prices slow down the economy and reduce the amount of international exchange for New Zealand. A stronger alliance with Australia is proposed as part of the “economy rescue package”. Housing trends continue in the direction initiated in late 20th century with increasing dwelling size and falling ownership levels. The affordability issue is further aggravated by increasing population size. The community housing sector is increasing.

Population and housing characteristics	
Population size	4,500,000
Average household size	2.8
No of dwellings	1,700,000
No of dwellings built per annum	10,000
% of dwellings that are separate houses	80%
Average dwelling size	185 m ²
Home tenure	

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% of population in different forms of tenure	ownership - 55% private rental - 40% social housing - 5%
Housing quality	
% of houses heated below WHO recommended minimum temperatures	35%
% of houses with mould problem	45%
% of population with overcrowding problem	15%
Housing costs and affordability	
Average housing-related costs for owner-occupier households	28% of overall household expenditure
Average housing-related costs for renting households	35% of overall household expenditure
House price as a multiplier of an average salary	6.5
Social housing provision	
No of houses owned or managed by social housing providers	HNZC - 72,000, LA – 4,500, Community - 13,500
Unmet social housing needs	20,000 (No of people on waiting list)
No of people receiving accommodation assistance	350,000 (Accommodation Supplement)

From: Tanu/Palmerston North

To: Mary/Rotterdam

Date: 14.12.2012

So the Hokowhitu girl ended up in social housing. Is that what you get for going overseas? I can't believe that more than half of people live in housing estates there. Are they all migrants? Do you qualify because you are working for the housing authority?

A bit of a different life, no? What did you say you pay for electricity? I thought it was expensive here. Does it come packaged in gold leaf in Holland? Then again the houses sound much better than what we've got here. Our house is as cold as ever (global warming my a** - they say its getting warmer but with the winds and rains we've been getting it's not warmer in my bedroom). Still we are lucky. Palmy's got more and more people living on the streets. But hang on - we have just got broadband at home. It was a part of some green retrofit - they have put in all sorts of stuff - rain-tanks, solar hot water, and we've got a turbine in Roslyn. Montee's already got it tagged - awesome! Anyway the broadband is great. Youtube had a vid from the club you said smelled like Palmy. Guess what, it has an on-line twin. Meet you there on Saturday?

You asked about the others. Li is doing a course at Massey. Something about property. Your parents talked him into it - old people just don't get it, nobody's buying new houses anymore. But Li thinks he'll be making big money. Still after big house, big family and big mortgage :))) They keep arguing with Greg who is scared of the Aus NZ union, and hooked up with a group of radicals who are going to defend the NZ culture by getting the government to make us all into tangata whenua protecting NZ land. Yeah right... My ma has managed to get most of the family from Kiribati - lots of new tangatas:))) And they all are coming to Roslyn because you get some better deal if you don't settle in Auckland. Guess how many are moving into our house - "just for now"...

And Greg's parents took an Asian student to board with them. I guess Li was such a success story ... or they couldn't sell their massive guzzler mansion after Greg moved

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out :)))
Me, I am still the smart brown kid who is wasting his potential, and trust me it's
staying that way:))
Keep up the gaming skill - palmy techs moves :)))
T
    
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youarewhereyoulive/nztopblogs.nz.blog

I suggest that you look again at the proposal for the Australia and NZ Union. It does make sense in terms of the economic situation. And look again at what is being talked about at the fringes. If the land is purely in New Zealand hands and can't be sold, the cost of housing is reduced by half. While this idea originated from cultural groups concerned about NZ identity, I see its great potential in terms of solving the affordability problem. The key questions that need to be answered are:

1. How do we organise the ownership of the dwelling – could we use a shareholding model?
2. What provisions should be made for multiple ownership?
3. What rights and responsibilities are associated with land ownership – neighbourhood scale implications?
4. How does it affect the rental market?
5. How can new migrants access land ownership?

Read on at You Are Where You Live >>>>

4.3.3 Stake in the Ground – 2025

The Australia New Zealand Union has been ratified. The Land Act has been passed by the Parliament and iwi adopted all New Zealand citizens giving them tangata whenua status. Kiwis redefined who they are as a nation. Climate change effects increase in severity with the most drastic impacts related to large scale flooding in coastal areas and on river plains. New Zealand's population swells with Kiwis returning from overseas and environmental refugees from Asia and Pacifica. Household size increases as families and friends move in together to reduce housing costs. Communities play an increasing role in the provision of social services.

Population and housing characteristics	
Population size	6,000,000
Average household size	4
No of dwellings	1,750,000
No of dwellings built per annum	1,000
% of dwellings that are separate houses	75%
Average dwelling size	200 m ²
Home tenure	

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% of population in different forms of tenure	Land owner (occupier or not) - 85% Land owner (occupier) - 55% House stake owner – 99% > 50% house stake owner (occupier) - 70% < 5% house stake owner (occupier) – 5%
Housing quality	
% of houses heated below WHO recommended minimum temperatures	30%
% of houses with mould problem	35%
% of population with overcrowding problem	10%
Housing costs and affordability	
Average housing-related costs for owner-occupier households	20% of overall household expenditure (land and house stake - occupier)
Average housing-related costs for renting households	10% of overall household expenditure (house stake - occupier)
House price as a multiplier of an average salary	1 (for 50% house stake)
Social housing provision	
No of houses owned or managed by social housing providers	Ownership of non tenancy stakes (35% of house stakes) Community – 25% State – 25% Local authority – 25% Private – 25%
Unmet social housing needs	1,000 (no of households without any housing stakes)
No of people receiving accommodation assistance	100,000 (households participating in stake purchase support programmes)

From: Li/Huntly

To: Greg/Wellington

Date: 23.05.2025

Hi,

I believe congratulations are in order. It was a hard road (over 10 years in the making) and I know that for most of it we have fiercely disagreed, but I can honestly say that the Land Act is a piece of legislation I can live with. It still allows the NZ entrepreneur spirit to continue. The projects we are working on in Huntly are the best example. We have already negotiated with the land owners the right to build the apartment blocks. The process of agreeing the vision, while long, I believe, added value and we will create a resilient community - good public transport, energy efficiency, good mix of uses. The gardens and a lot of other amenities are shared. We based it on the zero energy developments models from the UK. Like everywhere 35% has to go to flood plain relocations but we will be making good money on the rest. There is a huge interest from the Asian community and new European migrants. House stakes are really flexible - we are experimenting with tenancy stakes to rent or buy, and investment stakes which we are mostly advertising to banks. Mary might be buying

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in. She was a huge help and we used lots of masterplanning tools from Europe changing them to account for our stronger need for privacy, access to nature and sporting culture. She is riding on the wave of returning OEs buying land while they can.

So you will be relieved to hear that I am not moving to Australia even though I pledged to do it if you succeeded. I think New Zealand is still so much better - especially now when it looks like we are finally on the right path to a society where being different doesn't exclude you from the community. I was worried about your kotahitanga unity movement and all that tangata whenua business but I think in retrospect it cleared the waters: the hard words were said, claims settled, cultures appreciated and it's starting to feel like we all now have the same rights. When M•ori are not so in your face it's much easier to appreciate and adopt their customs. I actually like it - makes us different from Aussies:))) I know that you worked with Tanu's father on that a lot (are the MPs kaumatu•s on an official salary? - and no, it's not an IPA question). He would probably cringe at what I am saying. Maybe being tangata whenua is now less about who you are but more about what you do, but it must be easier to live tikanga M•ori now compared to 10 years ago.

Talking about Tanu, I wonder whether he's still got a physical body :))) The only way to talk to him these days is to make an appointment with one of his personalities in one or another virtual reality. Really sad how he doesn't talk to his parents - though I'm not really surprised they couldn't understand him. Do you understand him? I think my 7 year old might be on the same wave-length... But this kaupapa tribe he has set up sounds really interesting. They are all geeks like him, bought a couple of houses in the old neighbourhood and did all sorts of renovations and extensions. It sounds like the Land Act works for them too. I think some of the "tribesmen" have got the land rights and the rest contributed with house stakes and got some state stakes granted (Tanu still manages find a way to live in social housing). I think they also got some investment from the kiwi bank and used the money to build this massive hub with its own energy generation and infrastructure. One of the houses has been turned into a communal kitchen and gaming centre. That must be why he hasn't died of starvation yet. I wouldn't mind visiting the old grounds and checking on him. Maybe we should organise a reunion - a round of settlers in Tanu's gaming centre?

Be well

Li

youarewhereyoulive/nztopblogs.nz.blog

New Zealand has entered a new era. Are we now Australians as many have feared or does the ANZ Union allow us to remain true blue kiwis waving the kotahitanga flag? Are we still allowed to boo at Wallabies? What does the ratification of the ANZ Union really mean to you and me? And why did we say yes? Is the Land Act the stake in the ground that will allow us to hold on to who we are?

As a nation we started with wars and abuse, fighting for the right to be different and our scrap of the land. Then we went to court and kept arguing for another century. Are we now many people in one nation? Can we now follow our individual beliefs and customs but identify with each other because we have some things in common. I don't think we are there yet but it sure feels like the seeds have been sown.

The adoption ceremony where the iwi accepted all New Zealand citizens into their family was one of the most emotional times in my life. The end of arguments about tangata whenua status. We will miss them. But what does it mean - how will we all respond to our new kaitiakitanga responsibility. This big affair will remain an empty gesture if we don't take our responsibility seriously. The Land Act is just a beginning. How will we protect and grow our communities and environment? Here and now is the best time to do something about homelessness, crime, lack of skills and jobs. It is our land and we belong to this land. It's up to me and you to make it better.

Read on at You Are Where You Live >>>>

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4.3.4 Stake in the Ground – 2045

20 years of the Land Act have changed the New Zealand landscape. The society is at once more diverse and coherent. Communities can be based on family linkages, ethnicities, interests or values. Diversity is a source of innovation and valued as the kiwi trait. The way people live has changed towards more communal use of facilities (gardens, cars, heating systems, laundries, kitchens, entertainment rooms) enabling economies of scale and more sustainable lifestyles. The society spends less on social services as many problems are prevented at the community level. These savings and increased tax income from an 8 million population provide enough funds to maintain an efficient transport system and urban infrastructure. Accommodation is easily available through a flexible system of house stakes.

Population and housing characteristics	
Population size	8,000,000
Average household size	5
No of dwellings	1,750,000
No of dwellings built per annum	1,000
% of dwellings that are separate houses	75%
Average dwelling size	250 m ²
Home tenure	
% of population in different forms of tenure	Land owner (occupier or not) - 90% Land owner (occupier) - 45% House stake owner – 99% > 50% house stake owner (occupier) - 60% < 5% house stake owner (occupier) – 15%
Housing quality	
% of houses heated below WHO recommended minimum temperatures	15%
% of houses with mould problem	25%
% of population with overcrowding problem	5%
Housing costs and affordability	
Average housing-related costs for owner-occupier households	20% of overall household expenditure (land and house stake - occupier)
Average housing-related costs for renting households	8% of overall household expenditure (house stake - occupier)
House price as a multiplier of an average salary	0.5 (for 50% house stake)
Social housing provision	

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No of houses owned or managed by social housing providers	Ownership of non tenancy stakes (25% of house stakes) Community – 40% State – 10% Local authority – 10% Private – 40%
Unmet social housing needs	200 (no of households without any housing stakes)
No of people receiving accommodation assistance	150,000 (households participating in stake purchase support programmes)

From: Mary/Palmerston North

To: All my friends in New Zealand

Date: 23.08.2045

So the time has come for me to hand on the reigns. I have been leading the housing policy agency for close to twenty years now and there are plenty of candidates to take what we have done and lead it in a new exciting direction. Good luck dealing with land ownership waiting lists and releases of conservation land. I am going home – back to my land and my tribes. I am wanted there and I expect to have fun. Hopefully I will still be wanted when I start implementing some of my radical ideas!

So it is good bye and welcome back at the same time. I know I am so old-fashioned writing an e-mail instead of organising the digispace gathering. Tanu, I fear I disappointed you again, but I'm afraid it's too late to reform this one. Say what you want, I will enjoy so much more working with you in person. So dear fiends if you want to talk to me – do jump on the train. Especially you Wellingtonians - it only takes 30 minutes (in my youth it was how long it took to get to Petone!), and I am so much more attractive in the flesh than in digits.

Today I want to say thank you, and that I am proud of what we have achieved together. As you know I am talking about Kaitiaki Management Plans. We hoped twenty years ago that they would be a useful tool, but as with so many other pieces of legislation they so easily could have remained meaningless. Instead they encouraged formation of new community organisations taking responsibility for managing urban planning, crime and health prevention actions, environmental protection and more. Why didn't we see this earlier - when a difficult or sick person is our child we don't send them away, we help them and support them so that they don't become isolated and marginalised spiralling into poverty or crime. It's not only more human and more effective, but prevention is so much cheaper than dealing with the effects. The money that we have saved paid for the public transport and community facilities. Yes, I have no shame, but I am quite ready to take credit for that as well :)))

But I do give credit where it belongs too. All of us working at the central level would have achieved nothing if you, working at the community level, either as grass root activists or profit chasing entrepreneurs, hadn't pull your weight. Development of kaupapa tribes and integrating them alongside family and iwi structures as key land management identities is one of those initiatives. Progress made in modular and communal design and new construction management processes are to be thanked for the fact that our houses shelter us so effectively from the effects of climate change without aggravating it any further.

We all took responsibility and we can hold our heads high with little old New Zealand heralded around the world as a model sustainable society.

Fare well my friends, I am looking forward to the next stage of our lives.

Mary

Section 5

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Section 6

Limitations

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The methodology adopted and sources of information used by URS are outlined in this report. URS has made no independent verification of this information beyond the agreed scope of works and URS assumes no responsibility for any inaccuracies or omissions. No indications were found during our investigations that information contained in this report as provided to URS was false.

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Appendix A

Environment Scan

Appendix B

Issues Paper