‘House-it going’?
A people-centred approach to housing for Auckland

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Defining ‘Choice’

“Choice, in a moral sense, relates to notions of autonomy, liberty and responsibility...put simply, to have a choice, or to choose, suggests that we are able to select from alternatives, even if the alternative is an either/or between two less than perfect solutions. It further implies that we are able to make a preference and thus distinguish between entities”.

(King, P, 2003, p 36. A Social philosophy of Housing)

Lack of choice

“Consumer choice however, is a two-way process. Suppliers also have a choice over the sector of the market place at which they aim, and exercise this choice by price and specification...For the market to work, both sides must be price-takers and not price-setters. If the party to a transaction can determine the price at which exchange takes place, they will bring rewards in short term, but in the longer term will not support a sustainable pattern of exchange”.

(Lusk, P.,1997, P 70. Tenant's choice and tenant management . Housing, Community and Conflict – Understanding Resident 'Involvement'.)
What are my family’s housing (spatial) needs? What are the options within the housing stock? Where is the housing located? Am I able to afford it ‘right now’?

Affordability = ‘Current’ financial capacity to pay for housing
TRENDS IN TENURE & HOUSING TYPE

Changing demographics

2000s - 2010s

- Growth in economy
- Greater diversity
- Greater mix of complex households

Effects on housing

- 53% growth in NZ house prices
- High rent, studies indicate living conditions have worsened
- Home ownership rates are declining in Auckland
- First home buyers are struggling to enter the property markets

Tenure type

- "35.4% of Aucklanders rent"
- "81.4% of renters are in the private market"
- "63.3% of renters are one-family households"
- "most renters are low income earners"
- "Intermediate renters are growing in number" - NZPC 2012
- "Home ownership is lowest for those in their 30s and 40s"
- "Households with mortgages are in high income bands"
- "Gap between renting and home ownership is widening"

Housing type

Standalone houses appear to be the most popular dwelling type in Auckland @ 74.7%

Rise in Construction of apartments in CBD

Multifamily residential dwellings is a missing option!

Information source: Goodyear & Fabian, 2014; Statistics NZ 2013, Census 2013, Google images

Image source: https://www.marketeconomics.co.nz
SPECTRUM OF ALTERNATIVE PROCUREMENT MODELS (International studies)

**SEF**
Shared Equity Financing
No promise of Stewardship
Only lowers initial affordability

**LCHO**
Low Cost home ownership
Varying degrees of steward involvement and affordability concepts

**SEHO**
Shared Equity Home Ownership
Long term Stewardship
And
Permanent Affordability

**SAILENT FEATURES**
- Low resale restrictions – market rate value
- Developer and Owner as the only parties
- High risk exposure for buyer
- Second mortgage an issue in Auckland

**SAILENT FEATURES**
- Controlled resale clauses
- Good collaboration
- Medium risk exposure for buyer
- Good risk distribution

**SAILENT FEATURES**
- Highly Controlled resale, governance clauses
- Excellent cross collaboration efforts
- Community welfare and optimum utilisation of community investment is priority
- Distributed risk and rewards for all parties

Source: Adapted from Pinnegar et al., 2009
GAP IN THE HOUSING CONTINUUM

PUBLIC SECTOR

PRIVATE SECTOR

THIRD SECTOR


Image source: Presenter

Information source: http://www.makinghomeshappen.co.nz/the-housing-continuum/
INTRODUCING CHOICE IN THE HOUSING MARKET

PRIVATE MARKET

UNAFFORDABLE MORTGAGE

PRIVATE MARKET

INTERMEDIATE RENTERS – NO ASSISTANCE

RENTERS /HO – WITH ACCOMODATION SUPPLEMENT

RENTERS – WITH IRRS

STATE RENTERS PAYING MARKET RATE – NO ASSISTANCE

FULL RENTAL ASSISTANCE FOR LOW INCOME FAMILIES

TEMPORARY SHELTERS

EMERGENCY HOUSING

SOCIAL HOUSING

INDEPENDANT OWNERSHIP (CONVENTIONAL MORTGAGES)

UNITS
TOWNHOUSES

REST HOMES
HIGH RISE APARTMENTS
STANDALONE DWELLINGS

HOME OWNERSHIP

PRIVATE MARKET

RENTAL

Image source: Presenter
INTRODUCING CHOICE IN THE HOUSING MARKET

PRIVATE MARKET

UNAFFORDABLE MORTGAGE

INDEPENDANT OWNERSHIP
(CONVENTIONAL MORTGAGES)

UNITS
TOWNHOUSES

REST HOMES
HIGH RISE APARTMENTS
STANDALONE DWELLINGS

ASSISTED OWNERSHIP
(ALTERNATIVE PROCUREMENT MODELS)

MULTIFAMILY HOUSING MODEL

HOME OWNERSHIP

RENTAL

PRIVATE MARKET

SOCIAL HOUSING

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TEMPORARY SHELTERS

EMERGENCY HOUSING

Image source: Presenter
AFFORDABLE FAMILY HOUSING MODEL

ICD
INTERGENERATIONAL COMMUNITY DEVELOPMENTS
(Auckland Housing market)

Organisational
Cross sector collaboration

Financial
Alternative Procurement Model

Physical
Multifamily housing model
Waimahia Inlet Development

South Auckland

$120 million
295 unit

30%
70%

Market Rate
Subsidised rental
Affordable Rental
Affordable Equity

The Structure
Consortia - TMCHL

The Architects
JASMAX & Paul Brown Architects

The Builders
Reidy McKenzie Builders
Goodwin Building Services
Goldsmith Construction

The Beneficiaries
150 families from 13 local iwis

The Developer
Tamaki Collective

The Procurement models

Shared Ownership – U.K
(Staircase into full ownership)

Low or no interest on this share

Interest free loan for the entire duration. Return loan upon resale
Silent second mortgage

OR

Interest free for 5/10 years then minimal interest.

Return the loan upon resale plus share in profit

Shared Equity – U.K
(Full ownership from start)

Home owner: 75% owner

Conventional mortgage

Deposits

Lender: 25% Co-owner

Home owner: 100% owner

Conventional mortgage

Deposit

Loan from lender

Home owner: 100% owner

New Build HomeBuy
Open Market HomeBuy

Silent second mortgage

Source: http://www.makinghomeshappen.co.nz/activities/

"We believe that families should be involved in building their neighborhoods, and that quality housing shouldn’t be reserved for the wealthy" - (NZHF, 2016)

"Inclusive & engagement"

"Building trust & mutuality"

"Ongoing stewardship roles"

"People-friendly design"

"Housing Outcomes"

- Innovative structure & approach
- Healthy resilient community
- Instructive role model for the future

"Successful operating model"

- Based on the needs of the people.
- Tenure mix resulting in socially mixed community

"High quality housing outcomes"

- Brand new, affordable, warm & cosy

"Enhanced resident participation"

- Opportunity of lifetime
- Real community
- Secure place for children
- Cohesive and supportive network of relationships

A "strong collaboration"
People & Processes in a People Centered Approach – What Works?

Who: Cross sector collaboration

- Government, Local council
- Private organisations - Developers, Builders, Banks, private money lenders,
- NGOs, Community housing organisations, Trusts, Social service organisations, Health and welfare institutes, Individuals - visionaries, philanthropists

How: offers tenure ‘&’ housing choices

- Provides flexibility in options
- Recognise existing needs and financial capacity.
- Optimum resource utilisation

What: creative solutions to housing needs

- Each party benefits through either – resources, $, community participation, skill exchange, affordable and safe housing, inclusiveness, sense of security and overall community development.

Common vision

Co-operation

Commitment

Care

Communication

Co-Ordination

Procurement models

Housing stock (Needs) | Procurement models (Flexible Financial capacity)
--- | ---
A | X
B | Y
C | Z

Resultant: AX, AY, AY, BZ, ….
Is Waimahia the only way to approach an ICD?

What if we want to replicate Waimahia for other areas within Auckland?
### PHASE 2
Multiple case studies

#### Examples of subsidised home ownership multiple family housing - USA

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>PLACE</th>
<th>LAND</th>
<th>YEAR</th>
<th>COLLABORATION</th>
<th>INITIATOR</th>
<th>ARCHITECTS</th>
<th>HOUSING MODEL</th>
<th>EQUITY MODEL</th>
<th>COMMUNITY FAC</th>
<th>END USER</th>
</tr>
</thead>
<tbody>
<tr>
<td>City's Edge Condominium</td>
<td>Illinois, Vermont</td>
<td>Multi-family rental units with neighborhood facilities</td>
<td>2016</td>
<td>Private/Mixed</td>
<td>City</td>
<td>160 Condominiums</td>
<td>300 sq ft.</td>
<td>Rare, low-income</td>
<td>Vermont Community Development Corporation</td>
<td>50% of MHA income</td>
</tr>
<tr>
<td>Northgate Arts</td>
<td>Decatur, Illinois</td>
<td>Low-income housing subsidy for artists</td>
<td>2018</td>
<td>Local artists association</td>
<td>Northgate Arts</td>
<td>250 artists</td>
<td>300 sq ft.</td>
<td>Rare, low-income</td>
<td>Northgate Arts</td>
<td>50% of MHA income</td>
</tr>
<tr>
<td>Blanca Vista</td>
<td>B. Henderson, Colorado</td>
<td>Middle-class family housing</td>
<td>2017</td>
<td>Local community trust</td>
<td>Blanca Vista</td>
<td>14 Bedroom units</td>
<td>600 sq ft.</td>
<td>Rare, low-income</td>
<td>Blanca Vista</td>
<td>50% of MHA income</td>
</tr>
<tr>
<td>Tuscan Trigo</td>
<td>Los Angeles, California</td>
<td>High-density housing for seniors</td>
<td>2019</td>
<td>Private developer</td>
<td>Tuscan Trigo</td>
<td>500 units</td>
<td>800 sq ft.</td>
<td>Rare, low-income</td>
<td>Tuscan Trigo</td>
<td>50% of MHA income</td>
</tr>
</tbody>
</table>

### FUNDING SOURCES
- 50% of MHA income
- 50% from state or local sources
- 10% from developer

### ELIGIBILITY CRITERIA
- Income restrictions
- Age requirements

### HALLMARK FEATURES
- Artistic community
- Affordable housing
- Community involvement
- Environmental sustainability

- Case-study: Organizational understanding of people, place, community development, economic development, management of the property, management of the community.
STEWARDSHIP ROLES

LONG TERM INVOLVEMENT

Reduced Stewardship

Old Town Commons, USA, 8.5 acres
South Meadow dev, Burlington, USA, 14.7 acres
Emerald Vista, California USA, 24 acres
Clapham Housing, Lambeth, UK, 150 acres

Not for-profit developer

St Mary’s dev, Oldham, UK 5.4 acres
St Clements, USA 4.57 acres
Buena Vista, USA

Not for-profit & for-profit partnership

Yarmouth Way, USA 1.62 acres

For-profit developer

Lennard road, London UK, 0.45 acres
City edge condominiums, Burlington, USA
Moylan House, USA 16 acres
North prospect, London UK

Mild May, Islington, London, UK

For-profit developer

Analysis - Partnerships
ASSET ACCUMULATION

Relaxed Affordability

PERMANENT AFFORDABILITY (PA)

At least 25% of the total dwellings allow EB

50-75% of the total dwellings favour PA

EQITY BUILDING OPPORTUNITIES (EB)

100% of the dwellings promote EB

Analysis – Procurement models
ICD overseas (Greenfield or brownfield)

### Themes – non design & design categories

#### Design based themes (physical component)

<table>
<thead>
<tr>
<th>Housing projects</th>
<th>Scale of development</th>
<th>Stage of architect’s engagement</th>
<th>Housing type</th>
<th>Design agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1, P2, P3</td>
<td>&lt; 1 acre</td>
<td>S1: Project initiation</td>
<td>Total number of dwellings</td>
<td>1. Targeted users: Aged, disabled friendly, families,</td>
</tr>
<tr>
<td>P1, P2, P3</td>
<td>1-5 acres</td>
<td>S2: Post user recruitment</td>
<td>Variation in size</td>
<td>2. Mixed income housing, first home buyers</td>
</tr>
<tr>
<td>P1, P2, P3</td>
<td>5-10 acres</td>
<td>S3: Independent design input</td>
<td>(1,2,3 bedroom)</td>
<td>3. Sustainable housing - solar passive, prefab, recyclable materials</td>
</tr>
<tr>
<td>P1, P2, P3</td>
<td>10-20 acres</td>
<td></td>
<td>Number of storey</td>
<td>4. Sustainable development – water management, soil erosion, site intensification</td>
</tr>
<tr>
<td>P1, P2, P3</td>
<td>20-40 acres</td>
<td></td>
<td>(single, up to 3 levels or multi storeyed)</td>
<td></td>
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</tbody>
</table>

#### Non design based themes (agents & APM model)

<table>
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<tr>
<th>Housing agents</th>
<th>Housing agenda</th>
<th>End user participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>For profit led/Not for profit led or collaboration</td>
<td>Preserving community equity, Promoting home ownership or balancing both</td>
<td>L1: Extensive, L2: Pre design stage, L3: None/ minimal</td>
</tr>
</tbody>
</table>

### Findings

#### Collaborative endeavors

What is the composition of most cohesive partnership type?

#### Tenure choices

What makes a particular combination of APM financially most viable?

#### Housing outcomes

How diverse are the housing types?

#### End user participation

How vital is end user participation?
<table>
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<tr>
<th>Collaborative endeavors</th>
<th>ICD - Overseas (Greenfield or Brownfield)</th>
<th>Waimahia, Auckland (Greenfield)</th>
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<tbody>
<tr>
<td></td>
<td>Not for profit led consortium of third sector agents</td>
<td>Affordable equity, Affordable rental</td>
</tr>
<tr>
<td>Tenure choices</td>
<td>Multifamily, 2,3,4 bedroom common areas</td>
<td>Extensive, from stage 1</td>
</tr>
<tr>
<td>Housing Outcomes</td>
<td></td>
<td></td>
</tr>
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<td>End user participation</td>
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