

Housing Affordability, Urban Change and the Complex Logics of Special Housing Areas

Introduction

In common with 'big cities around the world, Auckland has experienced considerable population growth and ongoing housing affordability issues.

Faced with a set of 'wicked' (complex) problems around urban sustainability and resilience, economic change and housing affordability, there are strong political pressures to opt for simple policy solutions. In this political environment the complex dynamics of house price formation have been reduced to a simple demand for greater housing supply. Following the introduction of the Housing Accords and Special Housing Areas Act (2013) and the signing of the Auckland Accord, 154 Special Housing Areas (SHAs) were announced in Auckland

These SHAs have resulted in over 37,000 new consented dwellings/sections and have a potential total dwelling yield of over 60,000.

This production of new housing in the SHAs has a distinct geography, with a clear suburban 'greenfield' focus, that has profound implications for the future development of the metropolitan region.

In addition, the policy formation processes surrounding the introduction of SHAs point to significant ongoing political tensions between central and local government. The manner in which these tensions are resolved have significant implications for local democracy.

Auckland's SHAs (2013-16)- the numbers

154	Special Housing Areas announced
37,358	Net dwellings and sections consented
62,535	Potential dwelling yield over next 15yrs
But only	
1,673	Dwellings were completed in the SHAs

Brownfield Development



Onehunga, George Terrace SHA

Brownfield development involves redevelopment of existing urban spaces. The sites tend to be small and the resultant developments are usually characterised by medium to high residential density. These developments use existing urban infrastructure more intensely.

Versus

Greenfield Development



Huapai Triangle SHA near Kumeu

Greenfield developments involve land sub-division and house building on previously undeveloped sites. These developments are suitable for large scale housing production and consist of a mix of house types. When built on the urban periphery they require the development of new infrastructure.

SHAs are everywhere but will have their biggest impact on the urban periphery

The biggest impact of SHAs will be in greenfield areas. Greenfield developments will account for 68% (42,763) of the total future yield of dwellings. Brownfield sites represent the largest number of SHAs (118), but only account for 32% (19,722) of the total housing yield.

Overall, the Housing Accord has resulted in the zoning of 1,660 hectares of residential land in Auckland's urban periphery.

Planning consents are only the first step

Consenting new housing represents only one step in the complex development process that results in new housing development. A variety of agents and institutions (including landowners, house builders, finance and banking agents) need to be assembled in order to create new housing. These institutional arrangements can take considerable time to negotiate and it is not unusual for developments to fail.

SHAs include large scale Urban Developments

Table 1. The largest Special Housing Areas by residential dwelling yield¹

No.	SHA	Tranche	Type	Potential Yield
1	Flat Bush Strategic Area	3	Greenfield	4467
2	Redhills (Fred Taylor Drive) - Stage 1, Whenuapai	4	Greenfield	3392 - 4207
3	Scott Point, Sunderland Precinct, Hobsonville and surrounds	2	Greenfield	2592+
4	Hingaia	2	Greenfield	2500+
5	Argent Lane, Wainui	9	Greenfield	2403
6	Huapai Triangle, Kumeu	1	Greenfield	2000
7	Northern Tāmaki	2	Brownfield	1800
8	Takanini Strategic Area	3	Brownfield	1770
9	New Lynn Strategic Area	3	Brownfield	1588
10=	Whenuapai Village, Whenuapai	3	Greenfield	1500
10=	Walmsley Road, Mangere	3	Brownfield	1500

SHAs involve Creating New Communities: Hobsonville



Are new house prices in the SHAs really affordable?

Sample of house Prices- Hobsonville March 2017

Address	Super Lot	Type	Beds	Bath	Car	House Total (m ²)	Section Size (m ²)	List Price	Completion Date Expected
Bomb Point Drive (Lot 28)	CA11	S2	4	3	2	226	405	\$1,450,000	Mid 2017
Bomb Point Drive (Lot 29)	CA11	S2	4	3	2	226	291	\$1,450,000	Mid 2017
Bomb Point Drive (Lot 31,32)	CA11-N	S2	4	3	2	226	262	\$1,399,000	Late 2017
Spotted Dove Road (Lot 36)	CA11-N	S2	4	3	2	245	340	\$1,500,000 Under Contract	Late 2017
Spotted Dove Road (Lot 42)	CA11-N	S2	4	2.5	2	182	215	\$1,249,000	Late 2017
Sacred Kingfisher Road (Lot 40)	AF14-N	D2	4	3	2	226	296	\$1,299,000	Late 2017
Sacred Kingfisher Road (Lot 42)	AF14-N	S2	3	2	1	112	146	\$875,000	Late 2017
Grey Warbler Drive (Lot 53)	AF14-N	T2	3	2	1	115	180	\$849,000	Late 2017
Grey Warbler Drive (Lot 54)	AF14-N	T2	3	2	1	115	180	\$839,000	Late 2017
Grey Warbler Drive (Lot 56)	AF14-N	T2	4	2	1	179	203	\$979,000 Under Contract	Late 2017
Grey Warbler Drive (Lot 57)	AF14-N	T2	4	2.5	2	179	179	\$959,000 Under Contract	Late 2017
Grey Warbler Drive (Lot 58)	AF14-N	T2	4	2.5	2	182	194	\$979,000	Late 2017
Grey Warbler Drive (Lot 60)	AF14-N	T2	4	2.5	2	182	194	\$979,000	Late 2017
Grey Warbler Drive (Lot 66)	AF15-N	S2	3	3	1	145	208	\$949,000 Under Contract	Late 2017

Key Takeaway- New housing supply is a necessary, but not sufficient, condition for the creation of affordable housing.

Concluding Comments

Attention needs to be given to the market logics and practices that drive profitable housing production and that sustain the production of expensive housing.

As part of **National Science Challenge 11: Building Better Homes, Towns and Cities**, my research examines the market practices and behaviours of landowners, developers, housebuilders, financiers and prospective homeowners.

Further Reading:

MURPHY L. (2014) 'Houston we've got a problem': The political construction of a housing affordability metric in New Zealand, *Housing Studies*, 29 (7), 893-909.
MURPHY, L. (2016) The politics of land supply and affordable housing: Auckland's Housing Accord and Special Housing Areas. *Urban Studies*, 53(12) 2530-2547

