

# Queenstown Lakes Homes Strategy

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## Te Rautaki Kāiaka o Queenstown Lakes

2021-2031

A strategic approach to the Queenstown  
Lakes District's local housing challenge.



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## Introduction | Whakatakika

Housing is one of the biggest challenges our community faces. The root causes of housing unaffordability are complex; key challenges in housing in the district centre on housing supply, housing choice, housing availability, and quality. Some of these drivers are common across Aotearoa New Zealand, others are unique to the district.

Housing is at the heart of building secure, connected and caring communities, creating jobs and a diverse economy. It is also fundamental to sustainable and responsive urban planning and development.

Queenstown Lakes District Council (QLDC) has been actively addressing affordable housing for many years, but now, as the housing challenge continues to grow, it is essential to expand the focus beyond affordability and supply and into sustainability and quality.

With this expanded outlook, we need to look more closely at the role and contributions of QLDC, Central Government, as well as industry and community housing providers. Our intent is to explore how we can better work together to invest in outcomes that will resolve the housing challenges being faced by our community.

The foundational aspect of the challenge is affordability. In the most basic sense, house prices are high because demand exceeds supply, but the housing challenge is much more complex than supply alone. Many are making significant trade-offs to live in the district – for many this means compromises on space, extra hours working, living in housing stress or opting for longer commutes to make it work. Constrained land availability and high infrastructure, development and building costs all contribute to high house prices. These combine to make it hard for people and their families to purchase a dwelling or secure long-term affordable rentals. Variable housing quality is also challenge. Locally low wage growth and limited investment in public and affordable housing further the housing pressures felt. Very high population growth over the last two decades has further exacerbated the challenges.

While most residents are likely to have experienced pressure related to poor housing choice, quality or affordability, the impact of these housing challenges is particularly felt by the most vulnerable, who have less opportunity and fewer options available.

We are not alone in this challenge. The government's Stocktake of New Zealand's Housing <sup>1</sup> found that housing throughout the country is not delivering the types of homes needed.

Housing sustainability and quality connects to climate change and decisions made now about our homes will impact our environment and community far into the future. Where homes are, their size, and how they are lived in and heated all

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*"I work hard, make above average money but feel I will never be able to own a home and worry that I will not be able to retire. . . it is such a sad outlook."*

*(2020 QLCHT Renter's Survey)*

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*20% of residents cannot cover expenses or have no disposable income – this equates to 1 in 5 people.*

*(2019 HNA)*

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*"Heating is a significant cost that we have to budget for. Unfortunately houses in Queenstown, even when built to code, are not well insulated for this climate."*

*(2019 QLDC Quality of Life Report)*

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<sup>1</sup><https://www.beehive.govt.nz/sites/default/files/2018-02/A%20Stocktake%20Of%20New%20Zealand's%20Housing.pdf>

impact the district's carbon footprint. Behaviour shift is needed in how to approach housing to effect positive and measurable changes, and this can be done locally as well as nationally.

Housing materials and supplies are expensive in New Zealand, and this has real impact on homes being built and the households who live in them. Influencing this is a national issue.

The housing challenge cannot solely be addressed through local action. Local government does not have a formal role in setting government policy, which impacts housing affordability, building quality, and enables change in the community housing or development sectors. Government response in providing housing supply, quality and affordability solutions that are flexible to the needs of the diverse communities across Aotearoa New Zealand are welcome.

The Queenstown Lakes Homes Strategy is an important building block, providing a clear vision and direction for new and sustainable housing, particularly more affordable housing, and what that will look like in the district over the next decade and beyond.

It proposes our role in influencing change through advocacy, partnership and local action. It seeks to build on a foundation of previous commitments, research and efforts in housing and focuses on improving the local housing system.

#### **Important actions underway**

The housing challenge is not a new issue for the district and there are a number of initiatives, programmes and innovative solutions already underway. QLDC wears many hats in housing, and is responsible for aspects of regulation and development, as well as advocacy and facilitation. Greater challenges of urban development such as connectivity, transport and infrastructure in the district and region are being addressed through the partnership-driven Queenstown Lakes Spatial Plan | Whaiora.

QLDC is a recognised leader in the local government sector in tackling housing affordability issues, but greater progress needs to be made. No other local government in NZ has approached the development and delivery of affordable housing using inclusionary zoning in the same way. This has not been an easy or perfect journey, but significant lessons have been learned along the way.



The key points of success for QLDC are:

- Collaboration with the QLCHT to help 220 households into affordable, secure warm homes through assisted rental and ownership programmes.
- Policy settings for new developments and Special Housing Areas (SHAs) have resulted in developers providing land to be developed for affordable housing in perpetuity.
- Donation of land from QLDC holdings at Arrowtown and commitment of funds from the proceeds of Lakeview in Queenstown, to the QLCHT for affordable housing.

There are a number of pathways to success in this strategy, but based upon the progress outlined above, a critical step will be to build upon affordable housing policies implemented over the last decade.

QLDC also has a small share of housing, including nine pensioner units along with some residential properties on land owned for strategic purposes.

### Inclusionary zoning

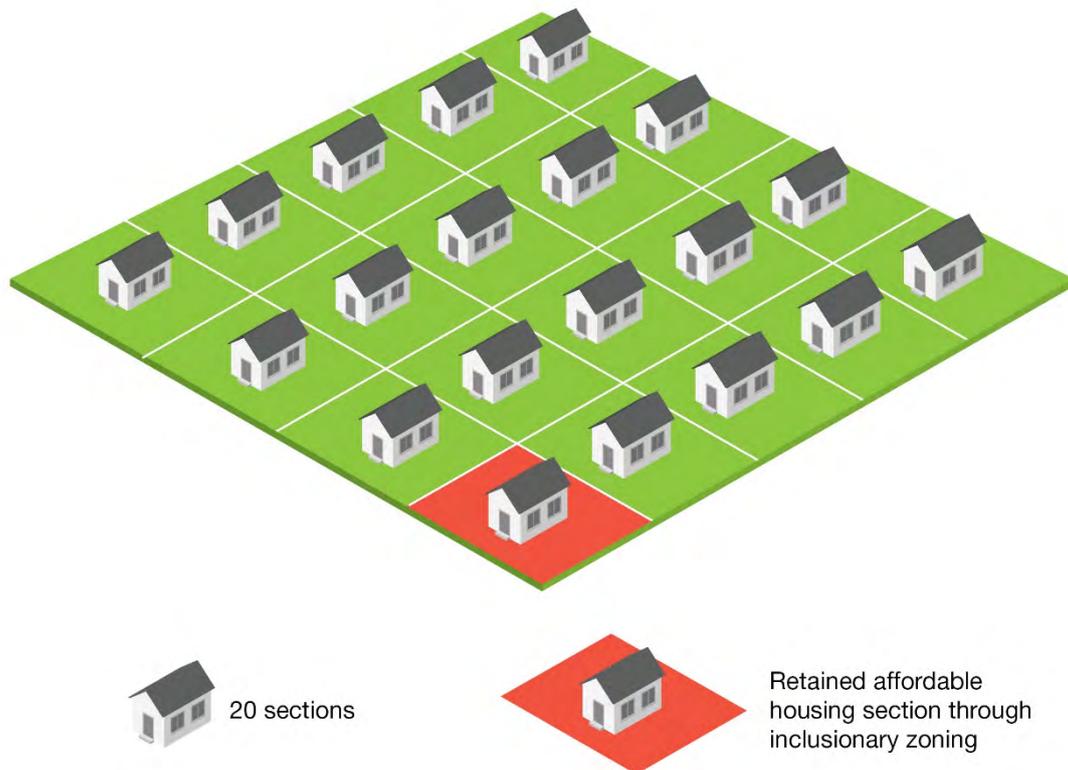
One action that QLDC is proposing is changes to the District Plan which will require qualifying developments to contribute towards permanently affordable housing. The intent is that housing created will remain affordable relative to median incomes, forever. This is a planning method called inclusionary zoning.

Inclusionary zoning is applied in different ways, depending on the local conditions such as land and development costs, and what is allowed through legislation. It is used successfully around the world in other high value real estate markets and is common in parts of the United States and the United Kingdom.

Locally, inclusionary zoning has been tested by Council and the Queenstown Lakes Community Housing Trust, and through this work QLDC has found a delivery model which works well and retains the housing created as a community asset (see case study later in this document). Now, QLDC is looking to implement inclusionary zoning permanently into the district's planning rules. This is a key action for this strategy, and is built on the strength of the relationship and proven delivery methods between the QLCHT and QLDC.

### Inclusionary zoning example

An example of inclusionary zoning could be a greenfields development of 20 sections contributing one section to Council and the Community Housing Trust as affordable housing.



### How to read this strategy

The Homes Strategy is structured as follows:

- **Part One** – describes how we developed the strategy.
- **Part Two** – explores the key local challenges we’re seeking to address.
- **Part Three** – is the action plan and includes proposed outcomes, actions and timelines to help address the challenges
- **Appendices** - includes definitions of key terms, as well as sources for further information.

# Part 1: Building the Strategy

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## Te whakaahu i te rautaki



# Part 1: Building the Strategy | Te whakaahu i te rautaki

## How we got here

Since the early 2000s Council has undertaken a number of steps to address housing challenges. The strategic actions and policies outlined in this strategy are built upon the foundations of the first QLDC housing strategy<sup>2</sup> and the Mayoral Taskforce Report on housing affordability<sup>3</sup>, and also take into account current data, context and considerable targeted and public engagement.

Key research activities undertaken include:

- Examining policy tools and best practice assessment of housing policy nationally and internationally
- Commissioning of the Housing Needs Assessment which demonstrated the need based on statistical data in the community in terms of housing
- Economic analysis on the long and short term impacts of policy.

These background documents are available at [letstalk.qldc.govt.nz](http://letstalk.qldc.govt.nz).

## Collaboration and consultation

In February and March 2019, QLDC engaged with the community through the 'My Place' facilitated workshops to hear perspectives on housing in the district. These workshops provided an opportunity for Councillors and staff to hear first-hand how local people feel about the housing challenge and its impacts on their whanau and communities.

The key messages from the 'My Place' workshops highlighted the need for QLDC to play an active leadership role despite it not being a direct provider of housing itself. The workshops highlighted a lack of robust local evidence and the importance of relationships with Central Government, Kāi Tahu, developers, non-government organisations and the wider community.

In August and September 2021, we consulted on the draft strategy, and feedback received showed significant community support for the Outcomes and Actions.

## Guiding principles

QLDC will seek to deliver positive change to the local housing system using the following guiding principles:

- **Play a key leadership role** to enable innovative housing solutions across the housing continuum without being a direct provider of housing;

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<sup>2</sup> Housing our People in our Environment (HOPE) Strategy, 2005

<sup>3</sup> October 2017 report

- Base housing strategy, policy, and planning decisions and interventions on **robust and regularly updated evidence** in line with national guidance;
- Continue to **build on existing partnerships** with the Queenstown Lakes Community Housing Trust, Central Government, Kāi Tahu, developers and other Non-Government Organisations (NGOs); and
- Contribute to creating **inclusive, diverse and resilient communities**

## Alignment with other QLDC strategies

### Vision Beyond 2050

#### He Wāhi Tūhāhā. He Āmua Whakaohoho.

The Homes Strategy responds directly to the statements articulated in ‘Vision Beyond 2050’.

#### **Opportunities for All**

#### **Zero Carbon Communities**

#### **Thriving People**

#### **Disaster Defying Resilience**

The following secondary statements are most relevant to the Homes Strategy:

- Everyone can find a healthy home in a place they choose to be
- Ours is a place that works hard and thinks big, where workers and entrepreneurs flourish and inequality is reduced
- Our homes and buildings take the best ideas from the world, but use sustainable, locally-sourced materials.

The Homes Strategy is also guided by the principles of the Treaty of Waitangi and the Māori values of kaitiakitaka and manaakitaka<sup>4</sup>.

### **Queenstown Lakes Spatial Plan – Grow Well | Whaiora**

Housing, transport, infrastructure, and resilience are all interconnected levers which the Queenstown Lakes Spatial Plan considers at a regional scale. The Queenstown Lakes Homes Strategy is aligned with and sits below the Spatial Plan, seeking to further define outcomes in relation to housing supply and how it is used.

Two of the key outcomes of the Spatial Plan are particularly relevant and have been accounted for in the strategic actions for this strategy:

- Consolidated growth and more housing choice
- Well-designed neighbourhoods that provide for everyday needs.

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<sup>44</sup> Kāi Tahu dialect for kaitiakitanga (guardianship) and manaakitanga (hospitality).

## Climate Action Plan

### Te Mahere Āhurangi o ngā tau 2019-2022

The QLDC Climate Action Plan traverses a broad range of topics and challenges in striving for the district to achieve zero waste and zero carbon goals. The third outcome of the plan relates to the housing challenge, seeking to ensure that “built environment and infrastructure is climate responsive”. There are a number of actions that seek to improve resilience and reduce the carbon footprint of our residential homes, which will be echoed in the Homes Strategy.

## Ten Year Plan

### He Mahere Kahurutaka

QLDC’s Ten Year Plan 2021 - 2031 seeks to achieve a comprehensive range of community outcomes with which the Homes Strategy is aligned.

## Broader Alignment

This strategy aligns with other statutory documents in addition to those detailed above, including the Operative and Proposed District Plans. It is also informed by non-statutory documents such as the QLDC Quality of Life Survey.

## The role of QLDC, government, iwi, developers and partners

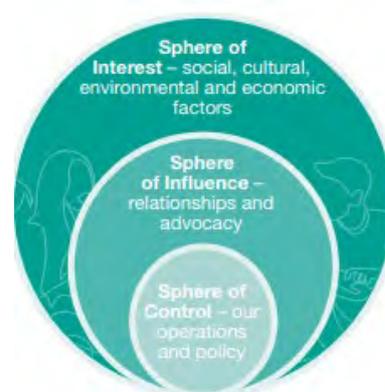
It is important to acknowledge that the changes signalled through this strategy will require a collaborative approach, and working with the entire network of housing actors in the district to achieve better community outcomes is critical to the success of this strategy. There are many complex factors which determine the cost, quality and supply of housing, many of which are beyond the scope of local government. A broad network of actors all have a part to play to effect change, and a big part of the change that’s needed will fall to those who develop and deliver housing in the region.

## QLDC

This strategy sets out QLDC’s work programme for housing over three different spheres: **interest**, **influence** and **control**.

QLDC’s main influence is through controls on housing in planning, consenting and enforcement duties under the Resource Management Act and Building Act, and our responsibility for providing certain infrastructure under the Local Government Act. QLDC also has roles in housing through strategic partnering and advocacy.

The management of social and public housing is a function that local government is not necessarily well suited to undertake, however QLDC currently has a small amount of residential housing which is owned for strategic investment reasons, as well as nine pensioner units. In addition, QLDC has a small amount of housing which was historically owned for other reasons (such as the Lakeview camping



ground), which has evolved into being used as low cost rentals.<sup>5</sup> Around Aotearoa some councils are finding it often makes sense to pass 'council flats' to established Community Housing Providers for the best opportunity to support the homes and households<sup>6</sup>.

## Kāi Tahu

The Queenstown Lakes District is part of Kāi Tahu iwi, which straddles both the Murihiku and Ōtākou Rūnaka. Council works closely with Aukaha Ltd and Te Ao Marama Inc. as representatives of Kāi Tahu rūnaka with interests in this district.

Kāi Tahu representatives are key partners in the Spatial Plan to which this document responds directly. QLDC consulted with staff from consultancies working on behalf of mana whenua to develop this strategy.

There is opportunity through this strategy for greater collaboration and partnership with Kāi Tahu to further refine the approach to housing and for improved housing outcomes for Māori in the district.

From a commercial perspective, Kāi Tahu has a housing presence in central Queenstown through a Ngāi Tahu Properties development, Te Pā Tāhuna, which will offer medium density development and approximately 119 Kiwibuild properties, in addition to a variety of other housing types.

## Community Housing Providers

Community Housing Providers (CHPs) are specialised, non-profit housing providers who focus on non-market housing solutions for communities. They are regulated by Central Government and are key providers of social rental and affordable rental housing throughout the country. Typically, CHPs receive financial assistance from Kāinga Ora to enable them to offer affordable rents to qualifying households. In our district, the main CHP is the Queenstown Lakes Community Housing Trust, with whom QLDC has a robust and long-standing relationship in affordable housing delivery. See the information pop out following for more information on the QLCHT, and the appendix for examples of their developments.

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<sup>5</sup> 31 homes in May 2021

<sup>6</sup> For example, Christchurch City Council transferred 2,300 housing units to the Otautahi Community Housing Trust in 2016.

**A collaborative partnership shows potential – Community Housing Provider (CHP) Snapshot**

In 2007, the QLDC-initiated the formation of the Queenstown Lakes Community Housing Trust (QLCHT), an independent, not-for-profit, Community Housing Provider. Their mission is to provide safe, warm and secure homes for committed residents to the district. To date, 220 households have been helped into warm, secure homes.



A cornerstone of this work today is the **Secure Home Programme**, a programme collaboratively developed by the QLDC and the QLCHT which provides households the benefit of home ownership at an affordable price through a leasehold model.

The QLCHT is building on the success of this collaborative model and today are partnering with the Ministry of Housing and Urban Development.

<https://www.hud.govt.nz/residential-housing/progressive-home-ownership/>



**Leasehold example:**

The household purchases the leasehold property, which is set at the cost of house construction.

The household has a 100 year lease set well below market rates, which only ever increases with annual inflation.

House price is \$650,000  
 Family buys house at cost to construct (\$350,000)  
 Family provides a minimum of 5% deposit (\$17,500)  
 Family takes out a mortgage for rest of house cost (\$332,500)  
 Provider owns the land and the household pays a ground rent that is set at 1.5% of the land value.



Family pays weekly mortgage payments and rates, insurance and ground rent.

The household has guaranteed security of tenure and affordability for 100 years. When the family decides to leave the home, it sells the house back to the provider at original purchase price plus inflation.

Find out more information at <https://www.hud.govt.nz/residential-housing/progressive-home-ownership>

## Central Government

Central Government plays a fundamental role across many facets of housing. It controls some of the key settings that influence housing supply and demand, such as immigration policy, finance and banking regulation, urban planning and tenancy legislation, and regulating the construction sector. Identifying and creating opportunities for strategic alignment and partnerships with Central Government will maximise the housing outcomes that can be achieved in the district.

Most of the key agencies relevant to actions in this strategy, and their role in housing is described in brief below:

### Ministry of Housing and Urban Development and Kāinga Ora

The Ministry of Housing and Urban Development (MHUD) along with Kāinga Ora, represent the policy and delivery arms for the government in urban planning, housing development, delivery and public housing. MHUD is responsible for leadership in the housing and urban system, advising the government on strategic direction, policy advice, and monitoring the system including Kāinga Ora, purchasing public housing places and regulatory oversight. MHUD is a partner in the Spatial Plan.

**Kāinga Ora** is the government's primary housing and urban development delivery arm, focused on providing and maintaining public housing for those most in need and initiating or undertaking urban development, as well as broader influences in other government housing activities such as KiwiBuild.

### Ministry for the Environment

The Ministry for the Environment (MfE) is the primary advisor to the government on the environment, and amongst other roles, is primarily responsible for the Resource Management Act (RMA) which is the main piece of legislation used to manage development in New Zealand. Our local planning document, the District Plan, is developed by QLDC under the direction of the RMA. The RMA is likely to undergo significant change over the next few years, and this will likely lead to future changes to the District Plan. MfE is the lead agency undertaking this evaluation of New Zealand's approach to environmental management and how we use and develop houses and our land.

### Ministry of Business Innovation and Employment

The Ministry of Business, Innovation and Employment (MBIE) has a large portfolio of responsibility which broadly focuses on making New Zealand more productive. Their role ranges from policy and advice to regulation and delivery on a variety of matters, some of which have direct influence on the housing system and how it is delivered in the district. MBIE's subsidiaries are in charge of the national building system (including the Building Act), and this oversight extends from regulation to policy guidance and advocacy. MBIE is also responsible for regulating Community Housing Providers and as well as the government's guidance on tenancy services.

### Ministry for Social Development

The Ministry for Social Development (MSD) is the government's main social support delivery arm, and seeks to help people be successful in their lives. MSD provides a variety of community services targeting people who need assistance finding work, accessing government funds for superannuation, student loans, and social housing assistance, and provides funds to community service providers. There is an MSD office in Frankton where people can seek assistance and support such as the Accommodation Supplement.

## Private sector/developers

This sector includes landowners, developers and builders, investors, and landlords, and is responsible for the development, construction, and management of a range of housing forms and tenures, including ownership and rental. The private sector is regulated by both QLDC and Central Government, but is responsible for nearly all the housing created in the district. The private sector's strength in housing means that it is a key player in ensuring there is a range of housing choice developed in the district in the future.

## Measures of success

Positive community outcomes in housing will be the best measure of success of this strategy. The Action Plan details specific and measurable points against which progress can be tracked.

To ensure the Homes Strategy and Action Plan stay on track, we will provide regular updates to QLDC's Planning and Strategy Committee to identify areas for further action and investment.

QLDC will engage with the community on a regular basis to ask if they feel enough is being done in tackling the housing challenge by including questions in the Quality of Life Survey.

## Financial implications

Many of these actions are ongoing, and others are important to commence and will be supported through existing operational budgets. Additional resources and budget to deliver the actions outlined in this strategy will be sought through QLDC's next Ten Year Plan process.

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*Shyla first discovered the Queenstown Lakes Community Housing Trust at an information night held in the Rydges Hotel. She then heard from a fellow staff member at work about a number of houses coming available, and got in contact with QLCHT. The rest you could say is history.*

*Since then, the QLCHT helped Shyla's family obtain one of life's milestones – owning their own home. As a result, Shyla has been able to support her wider whanau with emergency accommodation, and then to use the equity from their home to start a landscaping business. It's been running for three years now.*

*“By having our own home, we've been able to not only help our extended whanau with the stability and security of having somewhere affordable to stay in Queenstown, but also to build our very own business.”*

*Shyla: A Queenstown Lakes Community Housing Trust story*

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# Part 2: Understanding the Challenge

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## Māramataka o te wero



## Part 2: Understanding the Challenge | Māramataka o te wero

### The challenge

Over the last two decades the Queenstown Lakes District has become one of the most expensive places in New Zealand to buy or rent a home. This is at the heart of our challenge and has a range of social, economic and environmental impacts which can be explored across four key themes – housing affordability, choice, quality and government assistance. Each part of the challenge is discussed below.

### Theme 1: Affordability

It is well understood that affordability is relative – what one person or household can afford is different to their neighbour's. The most simple measure for housing affordability is based upon the household's income before tax. As a rule of thumb, spending 30 - 35% of a household's pre-tax income on housing (rent or mortgage) is considered affordable. Beyond this threshold, households end up compromising space, food, healthcare, or other necessities in order to pay for their homes. This is known as "housing stress". Households on lower than average incomes are more vulnerable to housing stress.

In the Queenstown Lakes District, over 83% of our first-home buyer households and 37% of renters spend more than 30% of their income on housing costs<sup>7</sup>. These are at levels far higher than most comparable parts of the country, and can result in a series of trade-offs for households including working longer hours, crowding, or people leaving the district seeking a more affordable home elsewhere. In a 2020 survey, 26% of respondents reported needing to move due to unaffordable rent.<sup>8</sup> This presents a significant risk for the district in the 'hollowing out' of communities, where families and key workers cannot afford to live here. Chronic housing stress has significant household and community impacts.

The number of households in the district earning under \$70,000 per annum has fallen noticeably between the 2013 and 2018 Census, while households earning in the higher brackets has grown<sup>9</sup>. This is in contrast to most other parts of the country. What this data could be showing is that lower wage households are either crowding together, or choosing to leave the district.

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### Uncertainty and COVID-19

*The economic consequences of COVID-19 on our community have been significant and the ongoing effects on the community and housing are uncertain. Despite the pandemic, the structural challenges for housing in the district remain and by 2028 forecasts predict a return to the level of growth anticipated pre-pandemic. This strategy has been prepared on that basis, reflecting on the data available, the forecasts in current usage and our learnings from recent experience. COVID-19 has presented the opportunity to pause and reflect on the way the district works, but has made the housing challenge no less urgent.*

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*64% of residents reported direct impacts in their household due to COVID-19. This includes reduction in pay and job loss.*  
*(QLDC 2020 Quality of Life Survey)*

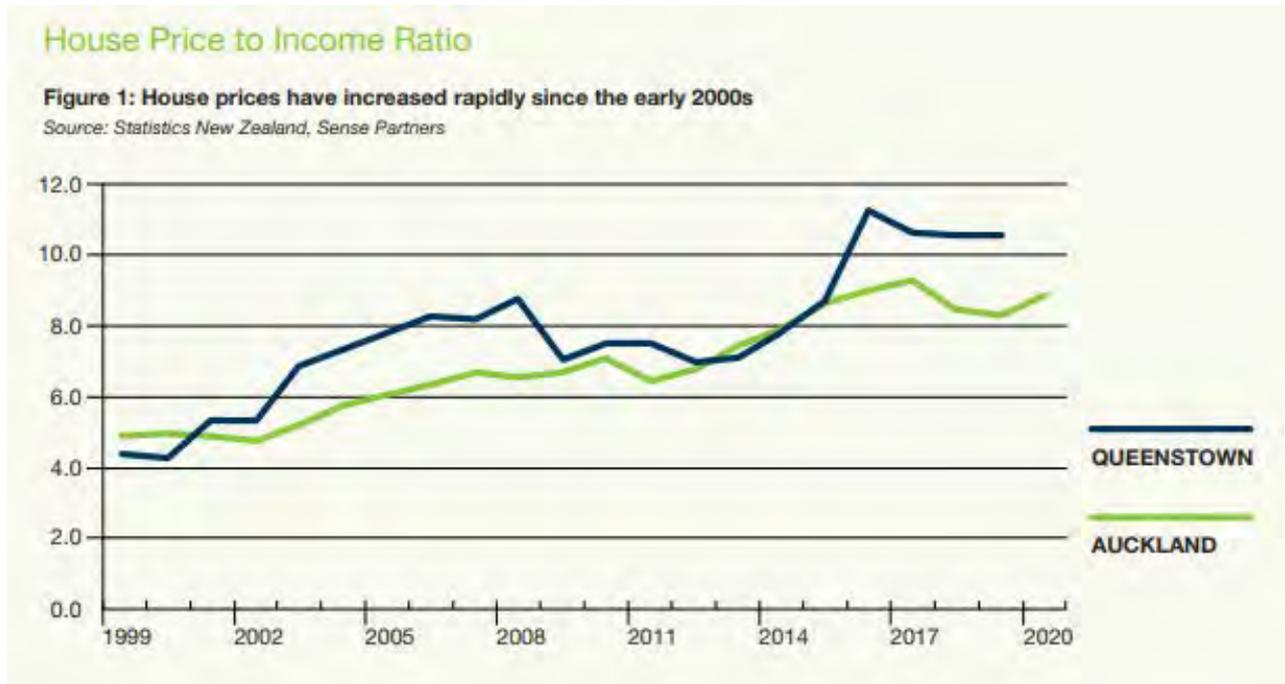
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<sup>7</sup> These Housing Affordability Measure (HAM) figures are updated periodically by MHUD and Stats NZ. These are the September 2018 figure and were sourced in May 2021 from <https://huddashboards.shinyapps.io/urban-development/#>

<sup>8</sup> Page 13: <https://www.qldc.govt.nz/media/kl4ozu41/quality-of-life-2020-final.pdf>

<sup>9</sup> Stats NZ census data

This must be addressed in tandem with economic and urban development initiatives that focus on increasing the median wage in the district. However, housing is a considerable part of the affordability challenge and is the focus for this particular strategy.



The Queenstown Lakes District is consistently one of the most expensive places in the country to live in terms of housing affordability.<sup>10</sup>

<sup>10</sup> Data from Sense Partners and Stats NZ

## Theme 2: Choice (supply, availability and housing type)

Population projections forecast continued population growth<sup>11</sup> over the next few decades, and this will continue to alter how and where we live. This ongoing demand means that continuing to enable supply through both intensification and thoughtful expansion in areas with appropriate infrastructure and transport connections is essential. This is a focus being addressed by the ongoing spatial planning work.. As housing supply is increased and enabled through strategic planning, it is important to ensure that the types of houses being created are affordable and accessible for those that live and work here every day, particularly for those earning below median incomes.

Reporting which analyses the district's housing supply and capacity is produced every three years to meet government data requirements under the National Policy Statement for Urban Development. The 2017 housing assessment found that the Queenstown Lakes District has enough zoned capacity to meet population projections over the next 30 years, but that there is a shortfall of feasible capacity in the lower to medium band priced housing<sup>12</sup>. What this means for residents is that those looking for entry-level properties (to buy or rent) often struggle to find suitable homes. This can be due to both the price of properties, as well as their sizes – while some smaller and attached dwellings are being built, many new properties are large, high value homes.

Updated research on housing capacity (the Housing and Business Capacity Assessment 2021) is currently underway, but early results are showing that the shortfall of homes in the lower to medium band priced housing is likely to continue. These data indicators show that focussing solely on zoning to achieve housing supply will not achieve the affordability outcomes being sought in the near future.

As a holiday destination, the district has significant non-resident interest for second homes and investment properties. The 2018 Census found that approximately 28% of housing in the district was unoccupied. This means that a large portion of homes in the district are not being used at all.

The number of properties on home letting sites such as Airbnb is constantly shifting, but for one snapshot in time (October 2016 – February 2018) there was an estimated increase of 85% in activity for holiday rentals on the platform<sup>13</sup>. This represents a significant and sustained shift in how housing supply is being used in the district in a short period of time. Common sense and longer-term population growth forecasts show that this will not slow into the future. Increasing housing supply in isolation from consideration of other market factors will reinforce housing inequalities being seen and experienced in the Queenstown Lakes.

A continuum is a useful way to think about types of housing across different parts of the community. The figure below shows different ways to think about housing in terms of tenure.

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<sup>11</sup><https://www.qldc.govt.nz/community/population-and-demand>

<sup>12</sup><https://www.qldc.govt.nz/media/g1e15203/housing-capacity-assessment-2017.pdf>

<sup>13</sup><https://www.qldc.govt.nz/media/0k1b1udn/5c-att-c-inclusionary-zoning-issues-and-options-planning-for-affordable-housing.pdf>



Local and Central Government policies address different parts of the housing continuum. Government policy and investment settings have the greatest impact. Decisions in the housing market by individuals and building and development, guided by government policy, also impact the types of homes which are provided.

### Theme 3: Quality and sustainability

Warm, sustainable and well-built homes are critical as housing supply grows, density increases and a wider variety of homes are built in the district. Currently finding a home which is affordable and warm can be a challenge, particularly for people seeking homes in lower price brackets.

The World Health Organisation (WHO) identifies four critical elements for a healthy home – heat loss reduction, heating source, controlling moisture and providing ventilation<sup>14</sup>. The 2019 Quality of Life survey shows that 15% of the population cannot adequately heat their homes sometimes or all the time. Many residents use electricity for heat, a proportion of which use secondary (high everyday usage) heating devices. What this means is that high energy costs are a concern for many during the winter months.

Well-built, sustainable and warm homes also impact affordability. Homes that perform well have benefits that go beyond direct financial savings to health, wellbeing and energy savings. Damp, cold and draughty houses can contribute to poor health and lost productivity, and can directly impact on the social and economic wellbeing of the community. In contrast, high-performing homes promote health, economic efficiency, and the environmental wellbeing of communities. They can reduce demand for infrastructure and services and increase resilience.

<sup>14</sup> <https://www.who.int/publications/i/item/9789241550376>

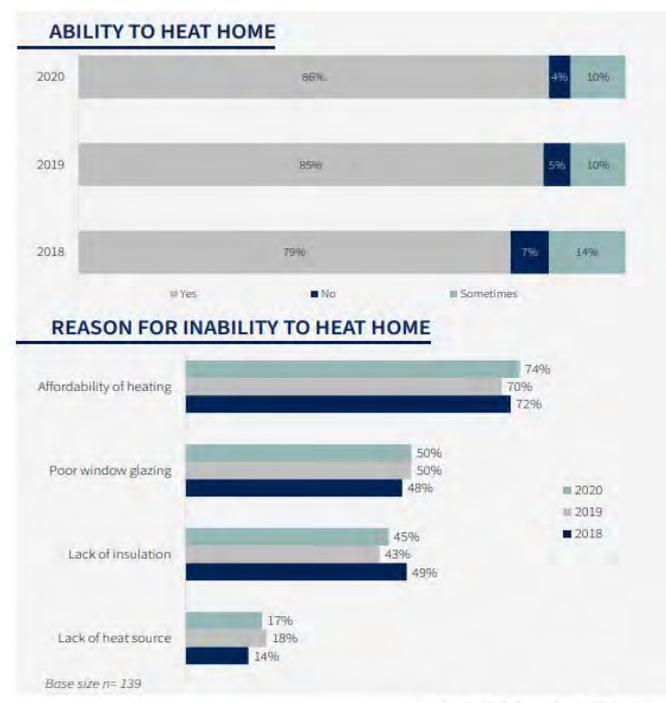
## Climate change

Healthy homes also support the climate and help to address the district’s carbon footprint. It is time to take a more holistic approach to housing which considers how new homes impact health, wellbeing, and the environment.

Designing and constructing homes to contribute to a low carbon future is important and action is needed to determine how we approach this. Emissions reductions targets set by government are essential to work towards, both for present and future generations<sup>15</sup>. Making better decisions locally about how we build and live in our homes is critical and the ways that homes are built and remodelled, and how they are heated are all areas in which both collective and direct individual action can make a difference.

Creating efficient, sustainably built homes to last makes environmental, health, and economic sense.

The ability for households to heat their homes is variable, and the biggest driver is affordability of heating.



<sup>15</sup> Climate Change Response (Zero Carbon) Amendment Act (“Zero Carbon Act”) passed by Parliament in 2019.

## Theme 4: Central Government assistance

Central Government influences most aspects of housing from policy and finance to construction, through to housing assistance. Some of the areas of influence are at a national level, such as interest rates and the building code, while others are refined more closely by region.

The government's Urban Growth Agenda core proposition is that well planned and managed urban growth should result in improved environmental, employment, transport and housing options for communities. The Spatial Plan is a partnership-based approach to responding to this call to action, and is an excellent base to build upon for future housing system change.

Other means of targeted housing intervention from the government includes home ownership initiatives such as KiwiBuild and first home grants. Supporting households into home ownership is critical, and connecting our residents to these programmes and ensuring they are fit for purpose for our local conditions will deliver tangible results into the future.

The government's investment in public housing is limited and hasn't kept pace with recent growth in population. One of the reasons is the criteria to qualify for public housing does not match the parts of the population most in need in the district. Anecdotally, over-employment is a greater indicator here of hardship, with people working multiple jobs to make ends meet. Our district's unique profile and demography does not align with the housing model deployed nationally. In the government's recent Public Housing Action Plan, which would benefit the most vulnerable in our area, the district did not qualify for new investment<sup>16</sup>.

Another outcome of the housing challenge which can be less apparent in the district is transiency and homelessness. Data is lacking on this sector of the population, but anecdotal evidence points towards hidden challenges for the most vulnerable. Current options for those needing immediate housing assistance is limited, and having a transitional housing option available which is not reliant on commercial accommodation is important.

Solutions that are targeted to our population, environment and need are urgently required.

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*Amy and Banjo believe affordable housing should be accessible for low to medium income earners and something that can be managed in addition to sustaining other essential needs like food and clothing, education, medical needs and keeping the bills paid.*

*They first heard about the Queenstown Lakes Community Housing Trust from a former colleague. After registering their interest, the QLCHT called to run through a few details and their housing journey built from there.*

*"Owning a house has given us the opportunity to have something tangible for the benefit of our entire family. The QLCHT helped provide the chance for us to own a home, while still meeting other living expenses and having a bit left over to save."*

*When it comes to the future, Amy and Banjo are looking forward to welcoming the right pet into the household, and perhaps heading overseas for a holiday once it's possible.*

*Amy and Banjo: A Queenstown Lakes Community Housing Trust story*

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<sup>16</sup> <https://www.hud.govt.nz/assets/Community-and-Public-Housing/Increasing-Public-Housing/Public-Housing-Plan/dd7ef6758d/Public-Housing-Plan-2018-2022.pdf>

# Part 3: Strategy in Action

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## Te whakatinana i te rautaki



## Part 3: Strategy in Action | Te whakatinana i te rautaki

### The outcomes

This strategy has four outcomes, designed to address the four key challenges of affordability, choice, quality and government assistance discussed in Part 2 of this strategy. Each outcome is supported by a range of actions, some of which are already underway. Inherent within this plan is the need for a collaborative approach in order to make the changes needed.

### Outcomes



The housing system is complex, and the outcomes sought through this strategy are bold. However, some of these end outcomes have a natural tension, for example constructing sustainable housing that is also affordable, or the tension of managing growth while supporting it in order to grow well.

The actions in the Queenstown Lakes Homes Strategy will not resolve all the tensions that exist, but instead provide a set of responses to achieve defined housing outcomes. In this work, there is a particular focus on improved outcomes for low to moderate income individuals and households. These groups are identified through community feedback and the Housing Needs Assessment as being particularly at risk in the district.

### Outcome 1: Affordable housing options for the community are increased

Incorporate inclusionary zoning in the district plan to retain affordable housing in perpetuity

|  |         |
|--|---------|
| Deliver an inclusionary zoning plan change for the District Plan.  | Ongoing |
| Educate our communities about benefits of inclusionary zoning in supporting the delivery of more affordable housing options. | Ongoing |
| Advocate to Central Government for improved legislative pathways for inclusionary zoning.                                    | Ongoing |

Seek more land for retained affordable and community housing

|   |         |
|---|---------|
| Enforce previous affordable housing development agreements. | Ongoing |
|---|---------|

|   |        |
|---|--------|
| Identify ways that Central Government and QLDC can contribute more land for perpetually affordable housing. | Year 1 |
|---|--------|

## Outcome 2: A range of housing choice exists for everyone

### Foster additional housing solutions

|  |        |
|--|--------|
| Seek opportunity for collaboration and partnership with Kāi Tahu to address housing challenges for Māori and improve housing outcomes.   | Year 1 |
| Explore and promote opportunities for innovative housing solutions for median income earners in the district.  | Year 2 |
| Consider opportunities to develop purpose-built short term seasonal worker accommodation.  | Year 3 |
| Through education and information, encourage the development and building sector to provide high quality, higher density homes (such as intensification design and style guide). | Year 2 |
| Provide education and information for living and buying in higher density homes.   | Year 2 |

### Shift the housing supply towards community need

|   |         |
|---|---------|
| Supply housing data regularly and continue to improve data on building in the district.       | Year 1  |
| Develop district housing targets based on data demonstrating community need.                  | Year 2  |
| Seek varied housing stock development through the District Plan.                              | Ongoing |
| Advocate for methods to address developer covenants which unduly limit housing affordability. | Year 1  |

### Existing housing serves people who live and work here

|   |        |
|---|--------|
| Work with QLCHT to consider best ways to support existing QLDC residential housing.                             | Year 1 |
| Scale up monitoring and enforcement of existing rules managing short term holiday home letting.                 | Year 2 |
| Develop programmes promoting good tenant and landlord practices.  | Year 2 |
| Prepare regular monitoring reports on housing tenure challenges for residents and visa holders in the district. | Year 1 |

|   |        |
|---|--------|
| Investigate options to address vacant zoned residential land and empty homes such as the rating system. | Year 3 |
|---|--------|

### Outcome 3: Homes in the district are healthy, warm and sustainable

#### Develop a sustainable housing framework

|   |         |
|---|---------|
| Find methods to support and promote sustainable design and construction for the district, such as a free public sustainability design advisory service. | Year 3  |
| Find methods to incentivise and accommodate the repurposing and recycling of building materials.  | Year 2  |
| Demonstrate leadership through best practice sustainability principles for QLDC buildings.  | Ongoing |
| Encourage QLCHT to be an industry leader in developing affordable and sustainable homes.  | Ongoing |
| Seek incentives to encourage uptake of solar technologies, and examine and remove barriers if possible.   | Year 2  |

#### Our homes are warm

|  |        |
|--|--------|
| Address energy poverty through supporting and enhancing existing programmes, and developing new programmes.  | Year 2 |
| Develop a home heating advisory service and tools such as a Home Performance Advisor.  | Year 3 |
| Enhance and improve connection with the Tenancy Services Compliance and Investigations Team to aid in improvements to rentals which are below acceptable thresholds. | Year 1 |

#### Our homes are well built

|   |         |
|---|---------|
| Advocate for improvements to the Building Code to improve future house quality, sustainability and performance.         | Ongoing |
| Promote access to guides which go beyond the building code and promote sustainable and resilient housing and buildings. | Year 1  |
| Find ways to encourage subdivision and site design to consider site orientation for sun.                                | Year 3  |
| Advocate for improvements to the building supply chain.   | Year 2  |

## Outcome 4: Partnerships accelerate housing outcomes in the district

Increase the presence of Central Government housing assistance in the district

|   |         |
|---|---------|
| Develop strong collaborative relationship with the Ministry of Housing and Urban Development and Kāinga Ora, with a focus on better understanding and addressing the housing challenges facing the Queenstown Lakes District. | Ongoing |
| Advocate to the Ministry of Social Development to address inequality in accommodation supplement boundaries.  | Ongoing |
| Collaborate with the Southern District Health Board to support healthy housing initiatives in the district.   | Year 2  |
| Partner with government agencies and develop a model to deliver emergency and transitional housing options on both sides of the Crown Range.  | Year 3  |
| Develop a housing action plan with government partners.   | Year 1  |

Advance and strengthen the Queenstown Lakes Community Housing Trust

|  |         |
|--|---------|
| Review opportunities to improve QLCHT's funding arrangement with QLDC.   | Year 3  |
| Support opportunities to strengthen QLCHT's connections to Central Government, particularly for funding.                         | Ongoing |
| Continue to support QLCHT in scaling up their service and ensuring it is meeting the diverse needs of the community as it grows. | Ongoing |

## Closing statement

The district has a well-documented history of housing challenges, as well as a track record of partnership, policy development and programme implementation that has resulted in some targeted affordable housing delivery. This track record has resulted in system settings in the district which have endured both local and Central Government political cycles, with broad support and momentum to grow and evolve. The Queenstown Lakes Homes Strategy provides specific scope to address housing and sets out QLDC's role in influencing change in the housing system.

Everyone deserves a **warm secure place to call home**, and the work set out in this strategic document and action plan lays a path through collaboration, partnerships with government and iwi, and innovation to deliver an improved housing system for the residents of our district.

# Appendices

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# Appendices

## Glossary of Terms

Sourced in part from: <https://www.hud.govt.nz/assets/Community-and-Public-Housing/Increasing-Public-Housing/Public-Housing-Plan/f798941e00/Public-Housing-Plan-2018-2022-Glossary-of-Terms.pdf>

### **Accommodation Supplement**

a weekly payment to assist people who are not in public housing with their rent, board or cost of owning a home.

### **Affordable housing**

Housing which costs the residents less than 35 percent of their income.

### **Assisted affordable housing**

Housing (either rentals or ownership) which has been made affordable for residents through direct or indirect assistance from (for example) the government, council, a community housing provider or an employer.

### **Community housing**

Housing provided by registered Community Housing Providers (CHPs). Community housing providers are registered with the Community Housing Regulatory Authority (CHRA). The Ministry can contract with CHPs to provide community housing for eligible clients.

### **Crowding**

Crowding is measured by the number of residents compared to the number of bedrooms, Statistics New Zealand use an index to measure crowding.

### **Housing Continuum**

An illustrated pathway from insecure housing (homelessness) through to private rental properties and home ownership. It is a visual tool for understanding housing delivery and intervention points.

### **Historic developer agreements**

Negotiated agreements between the QLDC and private developers between 2003 and 2013 which resulted in portion of new developments to incorporate affordable and/or community housing.

### **Housing Stress**

When households pay too large a proportion of their income in housing costs, and thereby reduce spending on other essentials such as food and health.

### **Inclusionary Zoning**

A planning method that mandates the delivery of affordable housing dedicated for low to moderate income households that are being excluded by the market. In practice requires a percentage of the units or lots from developments to be sold at an affordable price.

### **Income-related rent subsidy (IRRS)**

A subsidised rent scheme for public housing tenants with low incomes. The Ministry of Social Development calculates the rate of IRRS, based on a client's accessible income and their household type, and the public housing provider charges this rate as rent to the client. If the rate of IRR is higher

than the market rent rate for the property, the housing provider will charge the client the market rent rate.

### **Market rent**

The market rent is set by the housing provider and can be comparable to the rent charged for other properties of a similar type, size and location. See <https://www.tenancy.govt.nz/rent-bond-and-bills/market-rent/>

### **Ministry of Housing and Urban Development (HUD)**

From 1 October 2018 HUD became be the lead advisor on housing issues, the response to homelessness, affordable housing, and support for first home buyers. HUD incorporates KiwiBuild, the Community Housing Regulatory Authority, public, transitional and emergency housing policy, and monitoring functions previously delivered by other agencies.

### **Ministry of Social Development (MSD)**

The Ministry assesses people's need for housing support and manages the Social Housing Register. The Ministry does not buy or own any property. The Ministry contracts with HNZ and registered CHPs to deliver (IRRS) tenancies, including tenancy management services and other social services.

### **Public housing**

Public houses are properties owned or leased by HNZ and CHPs that can be tenanted by people who are eligible for public housing by way of income or other criteria, and is generally provided at a subsidised or otherwise lower cost (to the tenant) cost. Public housing is therefore a general term covering both state and community provided housing.

### **Private housing**

Housing that includes:

- private rentals
- owner-occupier housing
- boarding
- flatting (not on a tenancy agreement)

### **Queenstown Lakes Community Housing Trust**

A local community housing provider

### **Short term worker**

A person on a working holiday visa or seasonal work visa.

### **Transitional housing**

Short-term housing (12 weeks on average) and social services for people with an immediate housing need while support is put in place to transition them into sustainable public or private housing on a long-term basis.

## Further information (by challenge topic)

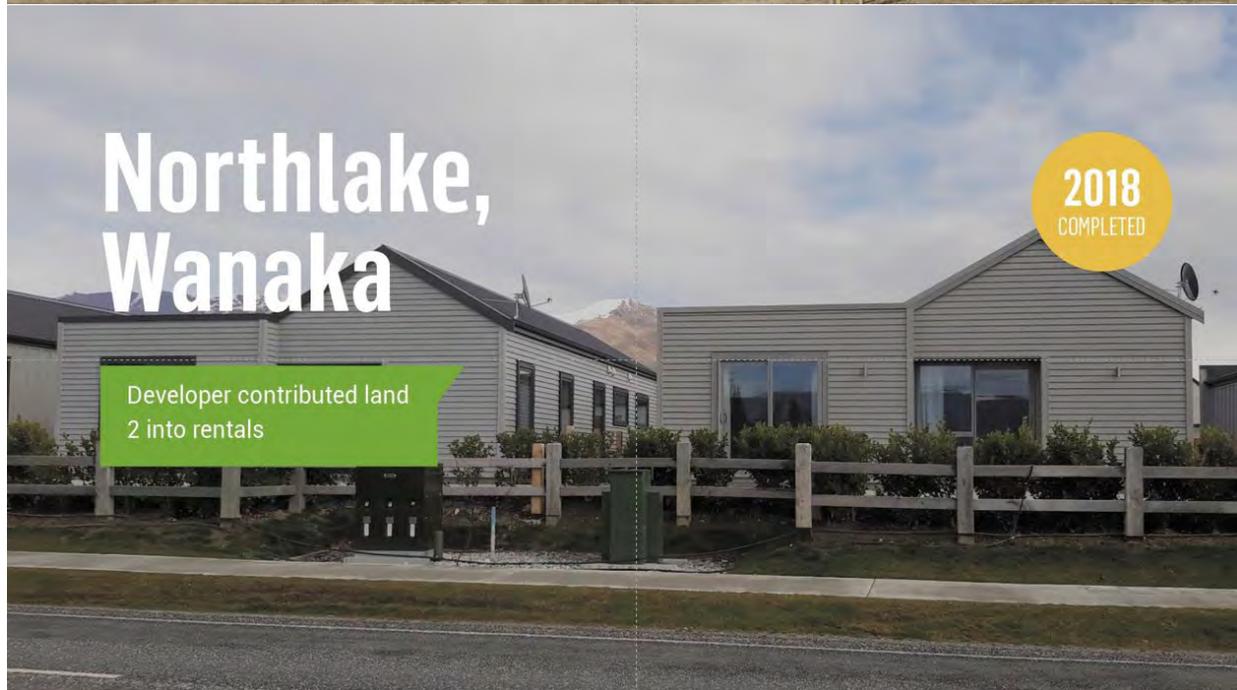
1. Affordability
  - Mayoral Housing Affordability Taskforce: <https://www.qldc.govt.nz/your-council/major-projects/mayoral-housing-affordability-taskforce>
  - QLDC Infometrics Data Portal: <https://ecoprofile.infometrics.co.nz/queenstown-lakes%2bdistrict>
2. Choice
  - Data Dashboard, NPS UD: <https://huddashboards.shinyapps.io/urban-development/>
  - Inclusionary Zoning – Australian Research: <https://www.ahuri.edu.au/research/ahuri-briefs/Understanding-inclusionary-zoning#:~:text=Inclusionary%20zoning%20has%20been%20been%20implemented%2C%20in%20varying,New%20South%20Wales%20and%20the%20Australian%20Capital%20Territory>
3. Quality
  - Greenhouse Gas Information (national): <https://www.stats.govt.nz/indicators/new-zealands-greenhouse-gas-emissions-published-april-2019>
  - Greenhouse Gas Information (district-wide): <https://www.qldc.govt.nz/media/qyyn4f4d/qldc-2019-ghg-inventory-report.pdf>
  - And, [https://www.qldc.govt.nz/media/tjgdjtuc/24-4-19\\_bodeker\\_final\\_report\\_qldc.pdf](https://www.qldc.govt.nz/media/tjgdjtuc/24-4-19_bodeker_final_report_qldc.pdf)
  - QLDC Climate Action Plan: <https://www.qldc.govt.nz/your-council/our-vision-mission/climate-action-plan>
4. Government Partnership
  - QLDC Spatial Plan: <https://www.qldc.govt.nz/your-council/major-projects/queenstown-lakes-spatial-plan>
5. General QLDC information
  - QLDC economic and population data profile: <https://ecoprofile.infometrics.co.nz/queenstown-lakes%2bdistrict>
  - QLDC annual Quality of Life Surveys: <https://www.qldc.govt.nz/community/community-research#quality-of-life>
6. Summary of feedback received on the Draft Queenstown Lakes Homes Strategy
  - Submissions Summary Table: <https://letstalk.qldc.govt.nz/70800/widgets/347921/documents/221310>
  - Email submissions: <https://letstalk.qldc.govt.nz/70800/widgets/347921/documents/221311>



# Nerin Square, Lake Hayes Estate

2013  
COMPLETED

Mixed tenure  
Land purchased from IZ contributions  
Crown contributed \$1m



# Northlake, Wanaka

2018  
COMPLETED

Developer contributed land  
2 into rentals

# Shotover Country

2016  
COMPLETED

Developer contributed land  
3 building firms built 44 homes  
75% = 3 bedrooms and 25% = 2 bedrooms  
Mixed tenures including 11 rentals



# Riverside, Wanaka

2017  
COMPLETED

Developer contributed land  
6 into Shared Ownership  
and 5 into rentals





## Tewa Banks - Arrowtown



- Council Contributed Land (2020)
- around 68 units to be developed
- 1, 2 and 3 bedrooms
- Mixed tenures including the Secure Home programme
- Land to be retained in perpetuity for affordable housing