



Media release

Community Housing Aotearoa calls for commitment to investment plan

Community Housing Aotearoa says meeting the \$5 billion cost of building 15,000 new modern, dry, affordable homes over the next five years is achievable, but will require buy-in from all parties.

At its conference in Nelson today (July 3), Director Scott Figenshow announced to delegates an investment plan on how the \$5 billion capital required over five years would be achieved.

“What we’ve developed is a structure where the cost is met through three different sources – debt, land contributions and grants,” he says.

Under the Community Housing Aotearoa plan, \$2.5 billion would be raised through low cost, low risk debt, such as a housing bond with some form of guarantee. These bonds would generate new capital from investors, philanthropies and other community sources – not government.

A further \$1.25 billion would come from land contributions, using a mix of crown land, special housing areas, local authority land and value gained from intensification of existing land.

“For example, a Housing New Zealand property that has a three bedroom home on a half acre section could be removed to make way for two or three smaller units on that same block of land,” Scott Figenshow says.

The remaining \$1.25 billion would come from government grants, equating to a contribution of approximately \$250 million per year.

“We know Housing New Zealand returned \$170 million to the government in dividend and tax in the 2013 financial year, so if that was committed to this social housing plan it would immediately provide two-thirds of the \$250 million a year needed from government.”

Scott Figenshow says the Community Housing Aotearoa plan highlights the need for everyone involved to work together in order to meet the demand for 15,000 new homes over the next five years.

“Government alone can’t do this, nor can the sector and private development in isolation achieve this goal. What we need is a commitment from all sides to make this plan happen, to get New Zealanders without a home, or living in sub-standard conditions, into warm, dry modern houses.

“This plan not only puts New Zealanders into desperately needed affordable homes, it also reduces the cost on the health system and generates social and economic benefits to the greater community,” he says.

New Zealand is fortunate to have a prebuilt design and construction sector that is well-placed to respond with the rapid delivery of high quality permanent housing, on time and on budget, Scott Figenshow says.

Community Housing Aotearoa's partner PreFabNZ illustrated this to conference delegates yesterday (Wednesday, July 2) when it gave a tour of the Nelson Pine factory, displaying the very latest timber manufacture in operation.

"CHA agrees with PreFabNZ that we need a contracting and procurement approach that enables the sector to commit to 300 homes at a time to unlock the value chain available through the prefab sector," he says.

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