



QUEENSTOWN LAKES

Queenstown Lakes Community Housing Trust

With beautiful lakes, towering mountain ranges and inspiring scenery-who wouldn't want to live in Queenstown.

A steady stream of people are attracted to moving into the Queenstown lake district but, because of the shortage of affordable accommodation, an estimated 50% move away after a short time. Queenstown has extraordinarily high property prices and living costs are expensive, yet households receive some of the lowest wages in New Zealand.

The affordable housing shortage was recognised by the Queenstown Lakes District Council in 2005 in their ratification of the HOPE strategy (housing our people in our environment). The Council's adoption of this strategy showed vision and leadership as they clearly understood that restricted access to affordable housing was having adverse economic, social and environmental effects in the area. The HOPE strategy set out a range of actions to address housing affordability including the setting up of a housing trust and the creation of development incentives under the district plan. When rezoning, developers are now required to give something back to the community, usually a 5% donation of land towards the development of affordable housing.

Hence the establishment of the Queenstown Lakes Community Housing Trust in 2007 which plays an important role in providing "*decent affordable housing to lower income residents of the Queenstown Lakes District*". The trust operates four housing assistance programmes: shared ownership, rent saver and affordable rentals, as well as their starter loan (housing bonds) programme.

The starter loan programme, nationally recognised by CHA as the housing bond scheme, offers starter loans to eligible first home buyers on a five year, fixed interest mortgage at low interest rates. This pilot programme has proven very successful and the loans are provided by the investment arm of a large local philanthropic trust. It means the interest rates can be kept low and any profits from lending stay within the local economy. And most importantly, it enables families who would struggle to, to own their own home.



Residents at one of the housing developments during a Christmas event

“Owning our own home was only a distant dream which we never could have accomplished without the Housing Trusts help. Not only buying our new house but to have it built brand new is the best thing we have ever done. We are both under 30 and have two children so with the Housing Trusts support we have now been able to set up some security for our kids.”

“The Shared Ownership programme is a godsend - without it I wouldn't have been able to afford the unit I'm in now. The support and advice from the Trust during the home buying process was invaluable. Thank you. It's a great programme to help people like me settle in Queenstown. Living in my own home is way better than expected”.

A recent evaluation found that participating households felt the scheme made it easier for them to plan household budgets and gave them the confidence to move from rental to ownership. All participants were happy with their decisions to join the programme and there had been no defaults on payments.

The shared ownership programme also helps people buy their first home in partnership with the Trust. Both the homeowner and the Trust are shareholders in the property as 'tenants in common'. The homeowner is responsible for providing between 60% and 85% of the market value of the property through their own deposit and a mortgage with one of the Trust's lending partners or a Starter Loan. The Trust will serve as direct co-owner of the home providing the remaining value of the property. Over 80 households have been assisted into Shared Ownership over the last eight years. 28 of these have continued to move along the housing continuum to independence by either buying the trust out completely or selling their property and moving to another property on their own.

Affordable rental: The primary goal of the affordable rental programme is to provide affordable, secure tenure in quality homes to low income households. Households are charged a below market rent (usually around 80% of market rent) which will enable them to get on top of their finances by clearing debt and setting savings goals.



Rent saver: is a market rental programme that combines high quality secure tenure rental accommodation with a savings incentive built in to assist low and moderate income households into home ownership.

Land contributions from developers under the District Plan rezoning obligations have been an important component in the development of the Trust's housing. However, the growth in the Trust's stock has been largely helped by grants from

the Government's Housing Innovation fund which provided the collateral to develop stock.

In existence for less than ten years, Queenstown Lakes Community Housing Trust have been an inspiring example of how to develop new and improved ways of using existing assets and developing partnerships to address housing shortages in a local area. With assistance at both a national and local level they have shown how the community housing sector can provide quality, affordable houses for New Zealanders to help them thrive, building strong communities not just houses.