



INSIGHT

Report



Inclusionary Housing

A proven value capture tool to deliver long-term affordable housing

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Through our work, research
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raise awareness of housing
issues affecting all New
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Welcome to the Insight Report

Edition 3: Inclusionary Housing

In this edition we explore one of
the most effective tools for delivering
affordable homes — Inclusionary
Housing, or Inclusionary Zoning as it
is often known. Around the world, this
approach has helped communities
provide homes for low and moderate-
income households through all
economic cycles. It's not a theory;
it's a proven, practical solution that
already works here in Aotearoa New
Zealand.

We learn how Inclusionary Housing
creates a steady pipeline of land,
capital, and homes held by registered
Community Housing Providers —
homes that remain permanently
affordable and build thriving,
inclusive communities.

In New Zealand, the Queenstown
Lakes District has led the way for over
twenty years. Their commitment
means teachers, nurses, and long-
time residents can still live where
they work. Most people in the region
personally know someone housed
through this system.

Our country has one of the lowest
levels of social and affordable
housing per capita in the developed
world. We are far behind our peers,
but Inclusionary Housing offers a
clear path to catch up.

The good news is that we know
it works. The even better news is
that RMA reforms give us a once-in-
a-generation opportunity to back
it with national legislation and
take it to scale. No more pilots. No
more one-offs. It's time to replicate
success across every community.

With central government support
and enabling national legislation,
local councils and communities
can deliver Inclusionary Housing at
scale. It's a proven model for lasting
affordability and resilience. Let's
make it a core part of how Aotearoa
New Zealand builds secure,
affordable homes for everyone.

The following articles present
selected insights from sector
experts, drawn from many hours of
in-depth conversations. Each article
includes a QR code linking to the
full interview for those who wish to
explore the discussion further.



Paul Gilberd

CEO
Community Housing Aotearoa
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Capturing the common good

Embedding Inclusionary Housing in national policy



Chris Glaudel
Community Housing Aotearoa

As housing affordability reaches crisis levels across every region in New Zealand, a proven but underutilised tool sits waiting in the policy toolbox. Chris Glaudel, a housing policy expert with decades of international experience, makes a compelling case for why Inclusionary Housing, or Inclusionary Zoning as it is often known, should be embedded in the country's current legislative reforms.

Understanding value capture

When Chris Glaudel talks about Inclusionary Housing, he's careful to cut through the jargon that has plagued discussions around this policy instrument. At its core, Inclusionary Housing is about ensuring that when property values increase due to public investment, whether in infrastructure, transit, or planning changes — some of

that windfall benefit flows back to serve community needs rather than remaining entirely in private hands.

"The classic examples of land value capture are, say, when a community invests in large-scale transit projects," he explains, pointing to Auckland's Central Rail Link as a prime example. When stations open and thousands of people pass through daily, surrounding properties gain tremendous value through no effort of the landowners themselves. Inclusionary Housing policies capture a portion of that uplift specifically for affordable housing.

He notes "Those landowners did nothing to create that value. It was a change of government policy that created more value by being able to put more units and higher densities onto that site."

The concept isn't theoretical. Chris draws on his experience in California's San Francisco Bay Area, where mass transit improvements came with zoning requirements around stations. Transit-oriented developments set aside portions of the captured value for affordable housing, ensuring that public investments benefited all income levels, not just those who could afford market-rate housing.

Global Inclusionary Housing benchmarks National and local set-aside requirements (typical %)

Sources: OECD / Lincoln Institute of Land Policy / CHA Research Dataset / National Planning Frameworks

Country	Typical %	Notes	Scope
Europe			
Austria (Vienna)	≥ 66%	Strongest model; built into zoning	Local
Germany	30–50%	City-level. Major projects only.	Local
Switzerland (Zurich)	≈ 33%; ≥ 1/3 zones	Cooperative and non-profit focus	Local
Netherlands	30–40%	Mix of social and intermediate housing	Local
Finland	≈ 55%	Social + Intermediate (≈ 55%)	Local
United Kingdom	10–40%	London often 35–50%.	National
France	20–25%	National law with penalties	National
Portugal	Up to 25%	Local pilots; national plan emerging	Local
Denmark	Up to 25%	Uses city-owned land	National/Local
Luxembourg	10–30%	Mixed delivery approach	National/Local
Italy	10–20%	Linked to city planning rules	Local
Ireland	Up to 10%	Long-standing; under review	National
Americas			
Columbia	Up to 30%	Clear affordability tiers	National/Local
United States	10–20%	Widely variable; strongest in CA & MA	Local
Chile	10–20%	Regional variation	National/Local
Canada	5–25%	Major cities leading change	Local



Queenstown's blueprint for affordable communities

In New Zealand, registered Community Housing Providers represent the natural recipients of land or monetary contributions from Inclusionary Housing schemes. Queenstown Lakes District offers the clearest local example, with a single registered provider working seamlessly with the council on an Inclusionary Housing programme that has operated successfully for nearly two decades.

The key, Chris emphasises, is starting with a clear understanding of community need. He asks "Who's not being well-served and is not having access to affordable or accessible housing?" The answer shapes everything else — from which providers to work with to what housing types to prioritise.

"It could be housing for older people, retirees who in New Zealand on superannuation just can't afford market rents. Or it could be specific

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We've had the experience in Queenstown. It's worked. It hasn't tanked the market. We have international examples, so we're not starting from zero.

”

populations, multi-generational housing, persons with disabilities."

Location matters tremendously in this equation. Sites near schools and employment suit multi-generational families. Properties close to hospitals and age-friendly facilities work better for retirees. Matching the right provider with the right site, based on genuine community need, creates housing that actually serves people rather than ticking policy boxes.

Learning from successes and failures

Chris first encountered Inclusionary Housing in the mid-to-late 1990s while working in California, where the concept had already been in place for one or two decades. The varied outcomes he witnessed taught him crucial lessons about implementation. He states "It's an instrument that can help when well done and well designed," he notes carefully. "It's an instrument that could also, if poorly designed and implemented, create backlash and not work."

Some California communities, particularly wealthy enclaves, adopted programmes deliberately designed to fail, complex, unworkable policies that technically fulfilled state requirements for affordability programmes while

ensuring essential workers would continue commuting in rather than living locally. The lesson is clear: context matters, and policies must be genuinely tailored to local conditions rather than copied wholesale. He notes "You just can't lift and shift something, even within California that worked in one community and take it to another."

The critical role of national frameworks

This tension between local adaptation and standardisation points to one of Chris's key arguments: New Zealand needs clear national enablement with local flexibility. Over his 12 years working in New Zealand housing, he's seen the lack of such frameworks identified repeatedly as a barrier. The old Affordable Housing Enabling Territorial Authorities Act (AHETA) laid out a national process but was rescinded before anyone could use it.

Community Housing Aotearoa's research, detailed across three papers, proposes a two-tier system. National legislation would provide clear enablement for local authorities, with regulations specifying how programmes function. The high-level requirements would include housing needs assessments, clear linkages between needs and actions, and

crucially, feasibility studies to ensure development isn't shut down.

"Private development has a tremendous role to play," he stresses. "The major role in providing good quality housing for New Zealanders will always come from the private sector, and Inclusionary Housing only works when the private sector is building."

The proposed national framework would standardise basic instruments across Queenstown, Auckland, and Rotorua whilst allowing specific housing needs and typologies to vary by location. Long-term retention of value would be baked in from the start, with land or monetary contributions held in perpetuity through registered community housing providers, registered charities, or iwi and Māori providers with communal interests and long-term asset-holding capacity.

Seizing the moment: RMA reform opportunity

The current reform of the Resource Management Act presents what he sees as the ideal window for embedding Inclusionary Housing into New Zealand's planning system. Waiting to add it later would make getting the nuances right much harder.

The new legislation will require a massive undertaking by local authorities to zone land for 30 years and provide infrastructure. Embedding Inclusionary Housing from the beginning would capture value uplift that would otherwise create windfall gains, moderating the kind of shock Auckland experienced with the Unitary Plan. When inclusionary requirements are known upfront, developers factor them into negotiations with landowners from the very beginning. Introducing requirements later forces a phased-in approach and creates much greater friction. Timing matters enormously.

Addressing developer concerns

The development community's resistance to Inclusionary Housing, he argues, stems largely from uncertainty rather than fundamental opposition. Everyone recognises the need for thriving, affordable communities. The friction arises around implementation.

His experience in California's Central Valley offers an instructive model. In the early 2000s, as more local authorities considered inclusionary policies, the Bay Area Association of Home Builders proactively reached out to Chris and colleagues. Rather than waiting for government mandates, they negotiated principles for how Inclusionary Housing could work across multiple jurisdictions.

He notes "That was a proactive approach, recognising that the workers that they needed were often driving for an hour and a half, two hours from the Central Valley," he recalls. The resulting frameworks provided simplicity, replicability, and crucially, certainty.

He points out "Developers are private businesses. They're organised to build homes to make money to employ people. So it needs to work."

The fiscal reality

In New Zealand's current fiscally constrained environment, no government appears capable of tackling the housing affordability crisis through direct funding alone. Estimates of what's needed range from \$5 billion to \$20 billion, sums universally acknowledged as unavailable in the near term.

Inclusionary Housing represents an additional tool alongside the certainty and speed improvements promised by RMA reform. It's particularly valuable in housing markets like Wellington, where multiple territorial authorities function within one employment market, with workers commuting between Kāpiti Coast, the Hutt Valley, and Wellington City.

He explains "It really needs to be applied across that market area and you can't have every local authority having to figure it out on their own." National frameworks with market-area-specific requirements offer the most practical path forward.

Building balanced communities

Beyond the technical and fiscal arguments, Chris returns repeatedly to Inclusionary Housing's fundamental purpose: ensuring all people are well-housed within communities. When land is provided in new growth areas under inclusionary requirements, those areas serve everyone, not just certain income bands.

The typical pattern, developments dominated by three-, four-, and five-bedroom homes, creates predictable problems. Young families move in, children grow up and move away,

parents reach retirement wanting to stay near their church and rugby club but finding no suitable housing. They're tired of maintaining large sections but see nothing that meets their changing needs.

He notes "Through Inclusionary Housing you can bake those in from the beginning so that you end up with a mix of typologies right at the beginning and that community is able to grow and age and still move around."

Chris is particularly passionate about accessibility for people with disabilities. New Zealand lags badly behind other developed nations in residential accessibility requirements, with hundreds of young people with disabilities now living in aged care facilities simply because adequate housing doesn't exist. Updated housing needs analyses, tied to planning reviews and broken down by age, household composition, disability status, and ethnicity, would reveal exactly what's needed.

"We know that Māori and Pacific and elderly and youth and disabled people are not well-served in most of our communities," he states plainly. "If we're able to drill down and understand the size and the quantum of that, then we'd have a clear plan."

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RMA reform is the best time to embed this directly into legislation. If we wait and add it later, it's much more difficult.

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Beyond the market

For those who believe unfettered markets will eventually deliver housing affordability, he points to 35 years of evidence suggesting otherwise. Every region in New Zealand is classified as either severely or highly unaffordable, with median income to housing cost ratios between six and twelve when international norms suggest three to three-and-a-half.

This isn't solely about developer greed. Tax policy favouring landlords over owner-occupiers, historical investment shocks, and capital flowing into property trading rather than productive businesses, all play roles. Until New Zealanders invest in innovative companies rather than trading houses with each other, productivity will remain constrained. He states "We're not going to lift productivity as long as we pour the bulk of our savings into trading houses with each other rather than investing in businesses."

The market has a critical role, but it will always struggle to serve those on lowest incomes. That's where the mix matters: government support for those needing ongoing assistance, Inclusionary Housing and community providers for the middle band, and markets addressing the rest. Even Auckland's massive density uplift only changed the rate of increase, it didn't reverse it. Truly addressing affordability requires incomes growing faster than housing costs over sustained periods.

The case for acting now

After a decade of Community Housing Aotearoa pushing for Inclusionary Housing, Chris finds the repeated refrain, "not the right time", increasingly hollow. With legislative reform underway and housing unaffordability affecting growing numbers of elderly, disabled, and low-to-moderate-income New Zealanders, when exactly is the right time?

"We've had the experience in Queenstown. It's worked. It hasn't tanked the market," he points out. "We have the examples internationally of where it's worked. So we're not starting from zero."

"No one over the last 10 years has identified a different option to address our needs. If we don't have anything else to hand, why aren't we using the tool that's there in front of us?"

The elegance of the solution appeals to something fundamentally communal: capturing a portion of value uplift that landowners didn't create themselves and setting it aside forever for affordable housing. It's number-eight-wire ingenuity applied to policy, taking what works, adapting it to local conditions, and having a genuine crack at solving a problem that affects hundreds of thousands of New Zealanders.

The opportunity sits before the country. The question is whether there's sufficient will to seize it.

DeepDive interview

Click or scan the QR codes below to watch or listen to the full interview with Chris.



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Listen - Audio
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Chris Glauzel is the Deputy Chief Executive of Community Housing Aotearoa — bringing more than three decades of experience in affordable-housing development and policy across New Zealand and the United States. A specialist in Inclusionary Housing, he has led research and advocacy shaping national frameworks that link planning reform with long-term community benefit.



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If we don't have anything else to hand, why aren't we using the tool that's there in front of us?

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Inclusionary Housing that works

Queenstown's model offers lessons for all New Zealand



Interview with Julie Scott
Queenstown Lakes Community Housing Trust

With snow-capped mountains reflected in crystal lakes and a thriving tourism economy, Queenstown Lakes District presents a picture-perfect postcard of New Zealand. Yet behind this scenic beauty lies a housing crisis that threatens the very workers who keep this destination alive. The median house price of \$1.7 million stands in stark contrast to the average household income of \$80,000 among those seeking housing assistance, a gap that would be insurmountable without innovative intervention.

For almost 20 years, the Queenstown Lakes Community Housing Trust (QLCHT) has been demonstrating a solution that works: Inclusionary Housing. Through this mechanism, the trust captures a portion of the value uplift created when land is rezoned from rural to residential, converting windfall gains into perpetual housing affordability

for local workers. With over 1,200 households currently on their waiting list — representing thousands of individuals — QLCHT's work has never been more critical.

A crisis sharpened by tourism

The housing challenge in Queenstown Lakes differs from other New Zealand regions in both scale and dynamics. Julie Scott, QLCHT's Chief Executive, explains how the district's tourism economy creates unique pressures: "During COVID, we saw rental properties come off short-term visitor accommodation and back into the long-term rental pool. When borders reopened, those properties went straight back to short-term accommodation, and our families were left wanting."

This volatility has intensified what was already a severe shortage. The trust's waiting list has grown significantly in recent years, particularly post-pandemic. These aren't seasonal workers or transients; QLCHT serves only those with residency status who are committed to putting down roots in the district. "We're focused on long-term residents," Julie emphasises, "the police, teachers, nurses, tradespeople, service workers, hotel workers, everyone who makes this community function."

DeepDive interview

Click or scan the QR codes below to watch or listen to the full interview with Julie.



Watch - Video
Click or Scan



Listen - Audio
Click or Scan

Julie Scott is Chief Executive of the Queenstown Lakes Community Housing Trust, leading innovative Inclusionary Housing programmes that capture land value uplift to deliver affordable homes. Under her leadership, the Trust has grown into one of New Zealand's most effective community housing organisations.



The organisation operates across a housing continuum, from public housing for those on very low incomes to assisted ownership for households earning up to \$130,000 gross annual income. This breadth allows them to serve everyone from seniors on pensions to working families who simply cannot compete in a market where rural land suddenly becomes worth millions with a zoning change.

Inclusionary Housing: capturing community value

At the heart of QLCHT's success lies a deceptively simple principle: when public decisions create private wealth, the community should share in that benefit. "Every time a landowner has gone to council and said they want land rezoned from rural to residential, our council has been saying, 'We're happy to do that, but if we enable that value uplift, we want the community to share in a small amount,'" she explains.

Historically, this has meant approximately 5 percent of new

sections created through rezoning come to the trust, though some developments have contributed as much as 10 or even 12.5 percent. The trust then holds these land contributions in perpetuity, building homes that remain affordable across generations through a retention mechanism that prevents speculation and wealth extraction.

This isn't a radical new concept. It's standard practice in many developed nations. In London, 50 percent of new developments must be affordable. In Aspen, Colorado, Queenstown's sister city, similar mechanisms have enabled the creation of substantial housing stock for workers. "The issues are incredibly similar," she notes of their conversations with Aspen officials, "these tiny towns, these really high-end properties, and the same problems around housing workers."

What makes QLCHT's model particularly elegant is its minimal impact on development economics. The value uplift from rezoning is often enormous. Julie cites a recent example where council provided land valued at \$10 million for just one dollar. Sharing 5 percent of sections from such windfall gains represents a small fraction of the total benefit developers receive from the stroke of a council pen changing zoning designations.

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When public decisions create private wealth, the community should share in that benefit.

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Mixed-tenure communities: breaking down barriers

One common objection to community housing is the fear of concentrated disadvantage: the spectre of 'ghettos' that has plagued some large-scale social housing developments. QLCHT has deliberately designed against this outcome through mixed-tenure developments that integrate households across the economic spectrum.

The Toru Apartments in Frankton provide a compelling example. In this six-storey, high-density development, QLCHT purchased 50 of 78 units. Of these, 15 are in public housing, while the remainder are in assisted ownership programmes. The other 28 units are in the free market — either private rentals or first-home buyers. "You can walk down the corridors and you won't know if the door opens to a public housing tenant or a first-home buyer," she says proudly. "There's so much evidence around the world that mixed-tenure communities provide really positive outcomes."

This integration extends throughout the district. Because Inclusionary Housing delivers land where new subdivisions occur, QLCHT's homes are spread across

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Mixed-tenure developments break down barriers and create genuine, thriving neighbourhoods.

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multiple developments rather than concentrated in single locations. The trust has completed approximately ten development projects of varying scales, from the 44-home development at Shotover Country to smaller projects in Arrowtown and Lake Hāwea. Currently, the major Tewa Banks development in Arrowtown is progressing, with 68 homes ultimately planned.

These aren't placeholders for future housing, they're functioning communities today. Through various programmes including Secure Home, their leasehold assisted ownership model, households purchase the improvements while QLCHT retains the land, operating effectively as a community land trust without formally adopting that designation.

The battle for permanence

Despite 21 years of successful operation and broad community, with most residents knowing

someone who has been helped by the trust, QLCHT now faces a critical juncture. The organisation is working alongside local Council to have Inclusionary Housing permanently embedded in the district plan, but faces organised opposition from some members of the development community concerned about costs.

"Not all developers oppose it," she clarifies. "The very first developers who signed a deed in 2003 did so on a voluntary basis."

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You cycle past cars with work boots outside the door — people sleeping in them through winter.

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However, the current plan change variation is anticipated to end up in Environment Court, creating legal costs for the Council and ratepayers. Precisely the kind of jurisdictional isolation that makes local authorities nervous about adopting Inclusionary Housing elsewhere.

This is where national legislation could transform the landscape. "If central government could legislate it and pave the way to make it easier, that would be an amazing outcome," she argues. Rather than each council

fighting developers individually through expensive legal challenges, national legislation would establish a higher legal bar and provide clear authority for what is ultimately a reasonable community claim on publicly-created value.

Other councils around New Zealand are watching closely. "I've talked to so many councils who are really interested in our model," she notes, "particularly those with high-end properties and issues with housing their workers. They're waiting to see what happens with QLDC's plan change." National legislation would give these councils the confidence and legal framework to move forward without each facing isolated challenges.

The social cost of inaction

Beyond statistics and policy mechanisms lies the human reality of housing insecurity in one of New Zealand's wealthiest districts. She recalls morning bike rides past Lake Wakatipu: "You go past all these cars with tradies' work boots outside the front door and they're sleeping in there. It's not what we want and it's not a healthy community."

During winter, when temperatures plunge well below zero, the situation becomes desperate. The

'haves and have-nots' divide has sharpened dramatically since the trust's formation in 2007. "Without a capital gains tax, it feels like those haves will just continue to build their wealth while the have-nots will just continue to pay high rents and pay the mortgages of those lucky few," she observes. "It doesn't feel like the New Zealand we all grew up in and love."

The implications extend beyond individual hardship to community sustainability. When service workers

cannot afford to live near their jobs, cafes struggle to stay staffed, schools face teacher shortages, and hospitals cannot maintain adequate nursing levels. The economic engine that creates Queenstown Lakes' wealth begins to sputter without the workers who operate it.

A viable path forward

QLCHT's future depends on two critical pillars: securing the Inclusionary Housing plan change and maintaining central government funding support. "It's very much reliant on that pipeline going through," she explains, "and on central government funding for progressive home-ownership loans, public housing, and affordable rentals."

The Trust's track record demonstrates what's possible when community housing providers receive appropriate support. Operating since 2007, QLCHT has helped hundreds of households while maintaining a portfolio of quality, energy-efficient homes across the district.

Their Secure Home programme has won international recognition, including the Leading Innovation Award from the Australasian Housing Institute.



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Other councils are watching closely. If national legislation passes, it changes the game for everyone.

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But the approximate 1,500 plus households on the waiting list represent a pipeline that requires sustained commitment. Some of these families have been waiting years for stability. Every delay means more workers leave the district, more children face housing instability, and more erosion of the community's social fabric.

National implications

For other regions considering Inclusionary Housing, Queenstown Lakes offers both inspiration and a practical roadmap.

The mechanics are straightforward: when rezoning creates value uplift, requiring a modest portion of that gain to be contributed to perpetual affordable housing. The community land trust structure ensures these contributions compound across generations rather than enriching a single cohort.

The political economy is more challenging. Developers naturally resist any requirement that reduces their margins, even when those margins are enhanced by public rezoning decisions. Without national legislation, each council must fight this battle individually, facing expensive legal challenges and uncertain outcomes.

Yet the alternative, allowing housing unaffordability to hollow out working communities, poses far greater costs. As Julie frames her plea to developers: "We all live in the community and we want these people in the cafes serving us coffee, teaching our kids, staffing our hospitals. Share that value uplift created through rezoning, share a little bit of it with the community for the benefit of all."

Community Housing Aotearoa and Te Matapihi are pushing for national Inclusionary Housing legislation precisely to resolve this dynamic. By establishing clear authority and consistent frameworks, legislation would enable councils nationwide

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to adopt what QLCHT has proven works. This means capturing community-created value for community benefit, building mixed-tenure developments that integrate rather than segregate, and maintaining perpetual affordability through land trust structures.

For New Zealand to remain the broad-based home-owning democracy it once was, innovations proven at the local level must scale nationally. Queenstown Lakes's 21-year track record in one of the country's most challenging housing markets demonstrates both the urgent need and the viable solution.

The question is whether the nation has the political will to learn from this success before more working families are priced out of the communities they sustain.

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There's no single silver bullet — but Inclusionary Housing is one tool that truly works.

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Top: Completed properties at Jopp Street, Tewa Banks Project, Arrowtown
Middle: New resident: Elma Haydon, moved in to Tewa Banks Nov 2024
Bottom: Early stages of the Tewa Banks project



A nest, not a 'nest egg'

Queenstown's revolution in affordable housing



Interview with
Jim Boulton
Former mayor of Queenstown

Jim Boulton arrived in Queenstown in 1982 when the population was 3,000 and people called it a "one-dog town." After 42 years as a resident and six as mayor, he's fought a battle most councils won't touch: forcing developers to provide affordable housing in exchange for development rights.

His weapon of choice, Inclusionary Zoning, has delivered results. His warning about what happens without intervention comes from watching Aspen, Queenstown's sister city, become a place where almost nobody who works there can afford to live.

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This is not a nice-to-do, this is a must-do. For the greater good of this place.

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The problem nobody denies

"For many, many years we've had a housing problem here," Jim states plainly. But he's quick to correct assumptions. "People talk about housing as though it fits under one headline. It's not." The district serves migrant workers doing six-month OE stints, workers on three-to-five-year visas, and people wanting permanent residence. Each group faces different challenges, none of them small.

The numbers tell a brutal story. Average house prices sit around \$1.75 million. In family suburbs like Shotover Country and Lake Hayes Estate, the cheapest house costs approximately \$1.2 million. Nice four-bedroom homes with double garages routinely exceed \$2 million.

"My problem with this is that we need people to live here and work here," Jim explains. "The policemen, the truck drivers, the people who work in the shops — if you're an ordinary income family with one and a half parents working, two or three kids, and you want to carry on a reasonable lifestyle, how on earth do you afford to buy at those sort of prices?"



His conclusion is unequivocal: "For the greater good of this place, we have to do something about it. This is not a nice-to-do, this is a must-do."

The State's retreat

Central government's contribution to the crisis frustrates Jim deeply. "There's an unfortunate presumption in the halls of government departments that Queenstown is full of rich folk and we can solve these problems ourselves without any input from central government." The reality? "A large portion of our population are struggling and they need some assistance."

Government owned state houses in Queenstown during the 1970s and 1980s, then sold them from the 1990s onwards "on the basis they weren't required." Jim's assessment: "Short-term thinking."

But he doesn't place blame solely on Wellington. "This is not just a government issue. This is a council issue, a government issue, and an employer issue to resolve."

And property owners, property developers have also a big part to play in this."

The fight nobody else would take

When Queenstown Council decided to pursue Inclusionary Zoning in the Unitary Plan, Jim wrote to every council in New Zealand with a blunt message: "Bottom line is we're going to have this fight but you guys better help out here because you're going to get the benefit if we win."

The fight Jim references is real and ongoing. Queenstown Lakes District Council knew implementing Inclusionary Zoning would provoke fierce resistance. Property developers naturally oppose requirements to provide affordable housing. The legal and political costs are substantial. Most councils, faced with such battles, choose easier paths.

"Why should a small council be having this fight and meeting the cost of it?" He says when asked if national legislation would help. "This is something that should be national. It's a bit silly that it's not."

His frustration with the term "Inclusionary Zoning" is palpable. "I'd much rather it had a different name because I've mentioned the word Inclusionary Zoning and people

have zero idea what I'm talking about." But the mechanics matter more than the branding.

Under Inclusionary Zoning, approval comes with a condition: a percentage of sites created, or their equivalent value, transfers to Queenstown Lakes Community Housing Trust for affordable housing programmes.

"There's a cost to that and property developers will argue that they will need to pass on the cost into the sections that are created for other people," Jim acknowledges. "There's a downside to everything and I think the downside is low compared to the value created in the number of sections that will be made available."

The QLCHT plays a crucial role, ensuring properties reach appropriate recipients and preventing quick flips for hundreds of thousands of dollars profit. "That happened in the past with other housing programmes that we had in the district," Jim notes. They've moved beyond that now.

Defining key workers

Who benefits from these programmes? His answer reveals his values. "Define me what is a key worker in this district. It can be

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Inclusionary Zoning... It's a bit of a blunt axe but I think it's an effective one.
”

anything from a nurse to somebody who cleans pots in the restaurant because they're all key workers. The economy depends on them all being here. People's welfare depends on them being here. So it's difficult to say who's important or not. But anyway, everybody's important. Everybody should be able to have a place to live."

Then he makes a statement remarkable for a former property developer and businessman: "Call me a 'Chardonnay Socialist', but life is more than working three jobs to be able to afford a place to live. A family has a reasonable expectation that they'll have a place to live that they can afford and yes, you have to work hard to get there, but they've got to be able to have a bit of time off and go and play some sports or go for a walk in the hills in the weekends and not be simply working every day of the week to put a roof over your head."

It's a philosophy that underpins everything Queenstown has attempted with housing policy, a rejection of pure market logic in favour of something closer to human dignity.

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This is something that should be national. It's a bit silly that it's not.
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The Secure Home innovation

The connection between Inclusionary Zoning and Queenstown's Secure Home model illuminates how policy innovation actually works. In 2018, Jim convened a mayoral taskforce on housing, bringing together bank CEOs, property developers, and economists, all volunteering their time to solve the problem.

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The promise of Secure Home is that it is a nest, not a nest egg.

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"The best idea we came up with was Secure Home," he recalls. "And the promise of Secure Home is that it is a nest, not a nest egg." The model is elegant. Land stays with the trust in perpetuity. Buyers purchase houses but not land, paying peppercorn rent on the ground beneath. They're there forever, not subject to landlords raising rent \$100 per week or demanding they vacate within a month. The house doesn't increase in value beyond inflation, meaning no capital gain speculation. But mortgage payments build equity, creating value for families.

The trust has created approximately 60 to 70 such properties. The goal is 1,000 across the district. Inclusionary Zoning provides the land supply making that goal achievable.

"You would not believe the number of folk who have ended up in one of those Secure Homes who still stop me when I'm in the supermarket and say thank you, I'd have never got a home if it wasn't for this," Jim says, emotion evident in his recounting.

When families need to move for work or other reasons, houses sell back to the trust at the same inflation-adjusted price, remaining perpetually affordable compared to the open market. "It really, really is a wonderful product and being honest with you, I'm surprised more councils haven't picked up on it. I'm surprised central government haven't picked up on it."

The Aspen warning

Jim had coffee yesterday with the mayor of Aspen, Queenstown's sister city. The conversation offered a glimpse of dystopia. "That's probably the ultimate model that we'd end up with if we don't address this," he warns. "Aspen is a wonderful place, but it is

Queenstown on steroids when you come to affordability."

The mayor reported day skiing passes costing approximately \$400 US, minimum accommodation \$400 US per night, \$100 steaks. Almost nobody who works in Aspen lives there. They commute from satellite towns, precisely what Jim fears for Queenstown if housing intervention fails.

He states "The ultimate outcome if that happens is that no one who works in Queenstown will live here. They will live in satellite towns like Cromwell, like Kingston, elsewhere, and not live in the town." Some might shrug and accept that outcome. Jim rejects it completely.

The value of mixed communities

"I'm a strong believer in a community that is made up by all sorts of people at all levels," he states. A functioning town has a

community that's made up of all those subsections." The alternative, mass developments of assisted accommodation segregated from market housing, creates stigma. He knows firsthand. Growing up in Invercargill, his parents bought their first house on a street where government bought properties on the opposite side. "You ended up with a street that had a dividing line down the middle. The people who owned their own houses on this side and the people who were in state houses on the other side. It created that stigma, which is just silly. Whereas if they'd been intermixed, would have been a far better model."

Inclusionary Zoning naturally creates pepper-potted distribution, building integration into the system rather than fighting against it later.

The free-market believer's exception

Jim describes himself as "the biggest believer in free markets



that you could find." But he adds immediately: "Some things need intervention and housing is one of those."

His evidence is historical and stark. Houses created per capita in New Zealand through the 1950s, 1960s, and into the 1970s kept pace with population growth. "Somewhere about the end of the 70s, I think it was back in the Rogernomics days, the graph went down like that and we've been below the line ever since."

Getting back above that line requires action. "I'm not the world's expert on this and I'm not going to tell people how to do it, but it needs to happen and the only tool I'm seeing that's going to help us along the way at the present time is Inclusionary Zoning."

When asked what he'd tell developers fighting the initiative, his response is respectful but firm: "I would say I understand exactly your point of view, I understand where

you're coming from but this is about the greater good of the district and I'm sorry but it is a pill that's going to have to be swallowed."

The battle worth fighting

Queenstown Lakes District Council didn't have to fight for Inclusionary Zoning. Most councils, faced with developer opposition and legal costs, choose paths of less resistance. Jim and his council chose differently, knowing other councils would benefit if they won but wouldn't help with the fight.

The results speak clearly. Secure Home residents stop Jim in supermarkets to express gratitude. Families have security they never thought possible. The model works, proven over years of implementation. Capital gains speculation gives way to stable homes where children grow up without constant disruption.

"It's a massive problem for New Zealand, massive problem locally here," he concludes. But the solution exists, tested and proven in one of the country's most expensive housing markets. What's required isn't innovation or new ideas. It's political will to implement what works, national legislation removing the burden from individual councils,

and collective commitment to the greater good over individual windfall gains.

The choice is clear. Queenstown can become like Aspen, a beautiful place where workers commute from satellite towns, community cohesion fractures along economic lines, and diverse, integrated neighbourhoods become memories of when things were different. Or it can remain a functioning community where people at all income levels live, work, and raise families together, all of them belonging, all of them with a secure home.

Jim Boulton spent six years as mayor fighting for the latter. The question is whether the rest of New Zealand will join the fight or watch the divide grow wider until intervention becomes impossible and communities are lost to pure market forces that never intended to house everyone fairly.

DeepDive interview

Click or scan the QR codes below to watch or listen to the full interview with Jim.

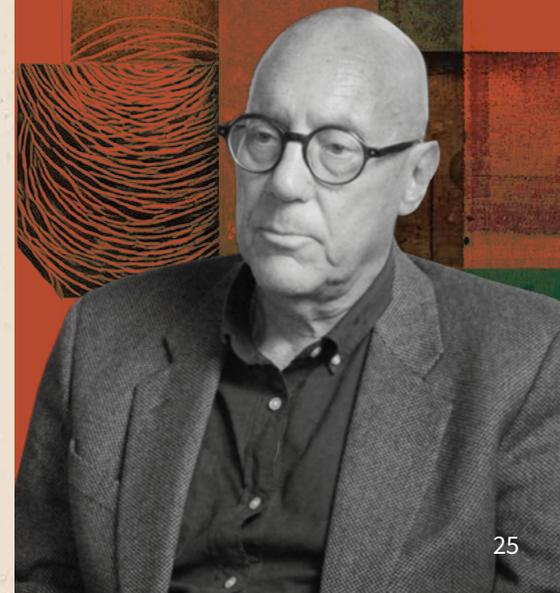


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Jim Boulton is the former mayor of Queenstown Lakes District and a strong voice for housing solutions in high-growth regions. As mayor, he championed Inclusionary Zoning to ensure local people could afford to live where they work and to build secure, high-quality homes that strengthen communities for generations.



“

The only tool I'm seeing that's going to help us along the way at the present time is Inclusionary Zoning.

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Learning from a sister city

Why developers became partners, not obstacles



Interview with Sara Ott
Aspen City Manager
(2019-2025)

As sister cities, Aspen and Queenstown share more than scenic beauty; they're both wrestling with what happens when free-market real estate prices workers out of resort towns. Sara Ott, Aspen's city manager, brings hard-won lessons from a community where the average home costs \$13 million, yet mixed-income neighbourhoods thrive.

Aspen's journey with Inclusionary Housing spans decades of experimentation: accessory dwelling units attached to large homes, set-aside units in intensified projects, and entire stand-alone communities. The spectrum approach has revealed surprising insights. The neighbourhoods built specifically for

affordable housing have become "more vibrant," Sara notes, "because there's a year-round population. There's families there. We have babies getting born all the time."

The economic case eventually convinced sceptical developers. Without workforce housing, construction quality suffered as specialised tradespeople disappeared. Tourist experiences degraded without baristas and service workers. "If those things couldn't happen, overall the quality of the experience and the investment made in the community by the developer isn't going to be as profitable in the end," Sara explains. Economic incentive aligned with community need.

But reaching that alignment required creative pressure. Aspen taxes short-term rentals at 10% on top of normal sales and accommodation taxes, nearly 20% total, explicitly to make property investors "pay back the community for what you're extracting from it." The message: if you're removing housing stock from the local market, you fund the solution.

The crisis became acute when Aspen's police force had no officers living within 30-40 minutes of town. The city responded by building housing specifically for council

employees, a 'game changer' for retaining quality staff. The school district now aims to house 100% of employees who want it, recognising that teachers and bus drivers commuting two hours can't build the community connections schools need.

What emerged surprised everyone. Developers began offering expertise alongside mandated contributions, advising on prefabrication techniques and transit connectivity. They became "partners beside us," Sara says, describing how the development community helped deliver 79 units three months ago and is now collaborating on a 270-unit project. Their specialised knowledge complemented what local government lacked.

Her advice to Queenstown developers: "Open your chequebook, bring an amenity to the community that creates inclusion from a social standpoint and contributes to wellbeing." She frames it as brand preservation, without vibrant, liveable communities, developer profits will "diminish over time."

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DeepDive interview

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Sara Ott is the former city manager of Aspen, Colorado, and a public leader known for advancing affordable housing and sustainable community planning. She worked to balance growth, environmental stewardship, and workforce housing, ensuring those who sustain the community can continue to live within it.



“

Inclusionary Housing isn't anti-development — it's about fair balance and shared value.

”

A planner's perspective

We speak with three planners about Inclusionary Housing, affordable homes and working in partnership



Dr Mark Davey
Breaking the affordability spiral: Hamilton's collaborative path forward



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Standing at the intersection of policy and practice in Hamilton, Mark Davey confronts a mathematical inevitability that haunts New Zealand's housing market: household incomes rise

roughly 30% each decade, while house prices have consistently outpaced them, widening the gap between aspiration and reality.

As City Planning Manager at Hamilton City Council, Mark has watched this divergence create a systemic problem that no single lever can solve. "We need some sort of circuit breaker, some sort of intervention to change that," he says, rejecting the notion that councils alone hold the solution. "We're part of an ecosystem."

What makes Hamilton distinctive is its commitment to collaboration over confrontation. Through the Future Proof partnership — a 20-year framework bringing together territorial authorities, iwi, and Crown entities — the region has embedded Inclusionary Zoning into district plans for greenfield growth areas. Rather than imposing universal mandates that risk legal challenges, Hamilton has negotiated agreements where developers receive infrastructure support and council backing to urbanise land in exchange for affordable housing outcomes.

"There is genuine give and take," he explains, contrasting this approach with top-down policies that can render developments unfeasible or create perverse incentives. The result: requirements

for specific typologies and discounts below median house prices, baked into developments as they come to life.

Yet as RMA reforms promise more codified, uniform approaches, Mark worries about losing precisely what makes Hamilton's approach work: local innovation. "Things like Inclusionary Zoning, as controversial as they may be, are local authorities, local areas, local councils, communities, trying to innovate to find solutions to a problem," he argues. His position is clear: "If we're not trialling and testing that, then we'll never know."

This willingness to experiment becomes crucial as storm clouds gather. Development contributions in some regions are approaching \$100,000 per unit — potentially contradicting government efforts to flood markets with supply. In Hamilton's brownfield areas, wastewater constraints now require major investment before further intensification can occur. The model must evolve as multiple greenfield

growth cells open simultaneously, with responsibility for enabling infrastructure shifting more heavily toward developers themselves.

Through the Waikato Housing Initiative, Hamilton has created something rare: a room where social housing providers, CHPs, Kāinga Ora, councils, and health authorities sit together with commonly declared goals. "It's actually good for everybody within the ecosystem," he notes, emphasising how housing quality directly impacts health outcomes and community wellbeing.

His prescription is pragmatic: provide market certainty, rethink infrastructure delivery models, and pull every available lever with singular focus. "New Zealand has to front up to how serious is it taking this affordability issue," he concludes.

The bulk of housing will always come from private developers. The question is whether we can create stable conditions that align their interests with community needs through tested innovations like Inclusionary Housing and Zoning, or watch the dream of homeownership drift further from reach while refusing to try solutions that might work.

“ If we're not trialling and testing Inclusionary Zoning, then we'll never know if it works. ”



Anita Vanstone: Capturing value for community

How Queenstown uses
planning tools to turn
development profits into
perpetual affordable housing.



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In New Zealand's most expensive housing market, Anita Vanstone brings a practical perspective on how local government can intervene when markets fail communities.

As Strategic Growth Manager at Queenstown Lakes District Council working on housing policy, she's helped pioneer an approach where 93% of the Community Housing Trust's capital funding comes from land or financial

“ Housing is a critical piece of infrastructure for the wellbeing of our community. That's when things turn. ”

contributions captured through planning mechanisms.

The model is straightforward but powerful. When rural land is rezoned for development, creating enormous value uplift, council captures a portion for perpetual affordable housing. "Housing is a critical piece of infrastructure to our community," Anita explains, comparing it to requirements for parks, pipes, and roads. "A portion of that should be kept for our community in perpetual affordability."

The Tewa Banks development exemplifies this collaboration. Council provided land for one dollar; the trust committed to perpetual affordability; government provided loans and support. The result: 68 homes in Queenstown's most expensive area, including dedicated elderly housing, allowing people who've invested their lives there to remain.

Without such interventions, the numbers are sobering. Queenstown Lakes is 7,000 houses short in the affordable market, meaning one in three new homes should be affordable, yet the market isn't delivering. "If we leave it to the market alone, we will never get the housing demand that's required for our community," Anita states plainly.

that Queenstown's policy team fields constant requests from councils nationwide facing similar pressures.

She challenges the "I'm alright Jack" mentality among asset owners, asking them to reimagine housing as community infrastructure rather than private wealth generation.

Her vision reframes developers not as victims of taxation but as beneficiaries of community function. The workers housed through inclusionary contributions are "making them coffees, working in restaurants, teaching at their school, working as nurses in hospitals. These are all people that are important to the fabric of our community."

For Anita, Queenstown represents both warning and beacon, a preview of nationwide challenges, but also proof that bold local government action can create lasting change.

The consequences of inaction are already visible. Her own antenatal class has largely dispersed, young families forced to leave when childcare costs collide with housing stress. Schools struggle to recruit teachers. Daycare centres can't retain staff. The social fabric tears as people lose their support networks.

Drawing on her experience working in London 16 years ago, where 50% affordable housing requirements were standard, Anita advocates for national legislation to de-risk and standardise inclusionary approaches. "Having national legislation and clarity would make it so much easier," she says, noting

“ We're 7,000 houses short in the affordable housing market. One in every three houses must be affordable. ”



Emily Irvine: Housing as infrastructure

How unregulated markets push average house prices beyond reach of essential workers



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Standing in Queenstown, one of New Zealand's most expensive housing markets, Emily Irvine confronts a stark reality: free-market supply alone cannot solve affordability in high-value resort towns.

As Strategic Housing Planner at Queenstown Lakes District Council, she's witnessed firsthand how unregulated markets can push average house prices toward the millions, a trajectory that mirrors

Aspen, Colorado, where homes average \$13 million."We can't just rely on the market," Emily explains. "That's not going to work. We're seeing that it's not working and it's only going to get worse."

Her argument challenges orthodox economic thinking that increased supply automatically delivers affordability. In resort communities where global wealth concentrates, traditional market mechanisms fail to provide homes for the workers who keep these towns functioning. The consequences ripple through every sector. She noted "Teachers leave because they can't find housing." Emily's partner, a high school teacher, sees massive staff turnover. Local businesses face an estimated \$200 million in extra costs from workforce turnover. Nurses become scarce. Social connections fracture as friends must leave town. "It affects everybody else who might have a secure home," she notes.

“ We can't just rely on the market. That's not going to work and it's only going to get worse. ”

At the heart of the crisis lies a cultural question: are houses for living in, or for building wealth?

For two-thirds of New Zealanders who own homes, this question cuts deep. "It's very challenging in New Zealand because we've just got this cultural background of investing in housing as our main asset," she notes. This fixation has redirected economic energy away from productive businesses and toward property speculation. Inclusionary Housing mechanisms offer an alternative pathway.

need everybody to be on board with that to enable us to do that politically," she says, invoking the concept of the Overton window.

Her message to wealthy residents and developers is direct: everyone can contribute, whether through philanthropy or simply supporting conversations about housing as community infrastructure rather than investment assets.

The alternative, a Queenstown where only millionaires can afford homes, would destroy the community's ability to function. "Housing is a critical piece of infrastructure really for communities." Emily concludes. "It enables communities to work." In her view, recognising this fundamental truth represents the first step toward building housing systems that serve people rather than portfolios.

“ It's everybody's problem. These things ripple out into the community and affect us all. ”

By capturing land from new developments for perpetual affordable housing, the approach distributes workforce accommodation across diverse neighbourhoods rather than concentrating it in distant, cheaper areas. "We're not going to have a ghetto," she emphasises, contrasting this with purely financial approaches that risk creating isolated affordable housing zones. But technical solutions aren't enough.

Emily believes shifting the public conversation, expanding what's politically acceptable, is crucial for enabling bold policy action. "We

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CHP Profile

Tauhara North No 2 Trust



Tauhara North No. 2 Trust is a land trust centred in the Taupō-aReporoa rohe with geothermal power generation, farming, horticulture, and tourism interests. In 2021, responding to calls from its whānau base, the Trust established Tauhara North Kāinga Ltd (TNKL) as its community housing arm. That same year, answering the Government's call for iwi-Māori partnerships, TNKL proposed to Te Puni Kōkiri, chosen for its broader Māori development focus, a 50-home papakāinga and affordable rental 'Whai Kāinga Whai Oranga' programme with significant Trust co-investment.

From a zero start in 2021, TNKL now owns 30 affordable rentals in Tāmaki Makaurau (Ngā Kāinga Manaaki), has completed 13 papakāinga homes in Reporoa, and will complete another 14 in 2025, bringing the total to 57 under Whai Kāinga Whai Oranga. With Affordable

Housing Fund support from MHUD, ten three-bedroom homes are also under construction in Rotorua. TNKL is an approved Progressive Home Ownership (PHO) provider and expects its first shared-ownership arrangements soon.

From the outset, TNKL recognised the importance of partnerships. The organisation works with Tāmaki-based Te Kāinga Atawhai (a registered CHP) to manage Ngā Kāinga Manaaki. Like many community housing providers, the need is great across the housing continuum, so TNKL focuses on areas where it adds most value: papakāinga, affordable rental, and Progressive Home Ownership.



When principals become developers

How Queenstown's housing forces schools to think like developers



Interview with
Oded Nathan
Principal - Wakatipu High School

Oded Nathan is the Principal at Wakatipu High School — a school of over 1,400 students in New Zealand's most expensive housing market. The statistics tell part of the story: Queenstown's median salary sits below \$50,000, yet housing costs continue climbing. By April 2024, the school had already spent more on financial support for struggling families, helping with devices, uniforms and activities, than in all of 2023.

But the crisis extends beyond students. Many staff members commute from surrounding towns, with many buying homes in Cromwell, 45 minutes away. "We end up losing some great staff," he explains, describing teachers in their late twenties and early thirties who realise home-ownership in Queenstown is untenable and leave for more affordable communities.

This talent drain has pushed the school into unfamiliar territory. Wakatipu High now manages a small property portfolio: four two-bedroom units in town and several three-bedroom townhouses amongst others. But with over 100 teachers and growing enrolment, it's not enough.

The school is partnering with businesses and the Wakatipu High School Foundation to offer subsidised rent and he's in ongoing conversations with Julie Scott at the local housing trust. Most strikingly, he's approaching council and developers to donate land where the school could build staff accommodation.

"As the community grows, you're going to have more workers, more students, and we're going to need more teachers," he argues, extending the logic to nurses, doctors, police, and hospitality

workers. The question isn't just about education — it's about what kind of community Queenstown wants to become.

Oded worries about replicating Aspen's model, where workers can no longer afford to live in the town they serve. Becoming a resort town hollowed of the families and professionals who make it function represents "shooting ourselves in the foot."

Yet he maintains optimism about his students. Despite headlines about teenage struggles and wellbeing crises, he finds them "engaging, empathetic, kind and considerate." They're "really good citizens" navigating extraordinary pressures, including housing instability that forces families into impossible choices.

For Oded, the housing crisis has become an educational crisis. One that demands schools take on roles far beyond their traditional mandate, simply to keep teachers in classrooms and students supported through disruptions their families never anticipated.

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CHA Story

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Oded Nathan is the Principal of Queenstown Wakatipu High School, and a long-time educator in the district. With deep experience in community development and child wellbeing, he brings a frontline perspective on how stable, affordable housing underpins stronger families, better learning outcomes, and more connected neighbourhoods.



No magic bullets required

A pragmatic path to affordable housing in Aotearoa New Zealand



Interview with
Dr Patricia Austin
University of Auckland

Dr Patricia Austin helped create New Zealand's most successful affordable housing programme. Two decades on, she explains why the rest of the country should follow.

Understanding the fundamentals

Inclusionary Housing goes by different names depending on where you are. In the UK, it's Section 106 housing. In America, affordable housing requirements or density bonuses. But the core concept remains remarkably simple: when developers get permission to build, they deliver a certain proportion of homes as affordable. Patricia notes "It's a relatively simple mechanism used in a number of countries. The terminology alters depending on context."

What makes these systems work or fail often comes down to the legislative framework beneath them. The UK's town and country planning legislation balances social, economic, and environmental concerns equally. New Zealand's Resource Management Act focuses primarily on property rights and environmental externalities, with social considerations largely absent.

To build in the UK, developers must negotiate with councils to acquire development rights, and it's during these negotiations that affordable housing requirements enter the picture.

In New Zealand, by contrast, zoning changes essentially gift development rights to landowners without any quid pro quo. When district plans update zoning, property owners receive those development rights automatically.

She explains "In New Zealand, we have zoning. As soon as the district plan tells you the new zoning, you get given that development right without any asking for money back."

California for example offers another model. Despite having zoning similar to New Zealand, municipalities can require up to 15% affordable housing without legal challenge. Beyond that threshold, disputes head to court.

It's a pragmatic compromise that provides certainty while addressing need.

The Queenstown Lakes success story

Her involvement with Queenstown Lakes District's Inclusionary Housing programme offers perhaps the clearest New Zealand example



of what's possible. Working with consultancy Hill Young Cooper and colleague David Mead, she helped develop a programme that has delivered substantial affordable housing volumes.

The context made the need obvious. Queenstown's relative isolation created stark problems: young workers would arrive, work for five to seven years in the service economy, and want to stay to raise families. But they couldn't afford to buy homes. Even local construction workers lived in Cromwell, an hour away, driving in each morning.

The approach started with linkage zoning, connecting economic development directly to housing need. New ski fields, large housing developments, supermarket expansions, airport growth: all created jobs requiring workers who needed somewhere affordable to live. She notes "All the people who are going to be working in those economic activities have to live somewhere."

Working with formulas drawn from overseas experience, the team calculated how many additional homes would be needed, what price brackets the market would deliver, and where council intervention made sense. Running the proposal through the council's RMA lawyer, they knew it would land in the Environment Court. She points out "It was inevitable."

The retention challenge

One of Patricia's most striking examples involves a well-intentioned developer in Queenstown who subsidised sections for his workers to build affordable homes. His workers gratefully built houses, then sold them, flipping for profit. One cycle, and the affordability vanished. "Without strong mechanisms to retain affordability, you might as well not bother."

Time-limited affordability requirements don't work. Auckland's Special Housing Accords included five-year affordability periods, now long expired. Maryland, one of the first American states to implement large-scale Inclusionary Zoning, capped requirements at 20 years. That was 40 years ago. Those restrictions have all lapsed.

True solutions require perpetual affordability or robust recycling mechanisms. If someone purchases an affordable home, sale proceeds must return to community housing providers to purchase replacement housing.

Community land trusts offer particularly strong retention mechanisms. Households purchase houses but not land, which remains in community ownership through leasehold arrangements. Queenstown's 'secure housing tenure' functions similarly. The community housing trust owns land, issuing renewable 99-year leases. When families need to leave, they sell improvements back to the trust at original cost plus CPI adjustment.

The housing needs assessment foundation

For Inclusionary Housing to work, it must rest on solid understanding of community need. Patricia developed a draft needs assessment framework for the 2007 Affordable Housing Enabling Territorial Authorities Act, legislation that lasted only 12 months before the incoming Key government repealed it.

She emphasises "How many people are in housing need, how many people in the future will

“ Market-driven approaches delivered a minute amount of affordable housing. ”

be in housing need, what price brackets are you looking at, what types of households?" The data required is readily accessible: census information, QV property data, step-by-step analysis that councils can manage.

She also notes that "Matching demand against what's available at different price points basically tells you what the problem is."

Legislative barriers and opportunities

New Zealand's current RMA creates significant barriers to Inclusionary Housing implementation. Voluntary approaches using incentives don't work because of the 'permitted baseline' problem. When developers receive height bonuses for including affordable housing, neighbouring property owners successfully argue they're now entitled to the same height, regardless of affordable provision.

There is potential for paths forward to emerge. First, amend the Affordable Housing Enabling

“ Without strong mechanisms to retain affordability, you might as well not bother. ”

Territorial Authorities Act. Second, incorporate social considerations directly into RMA legislation. Third, follow California's model: establish an accepted norm (perhaps 10% or 15%) that councils can require without legal challenge.

Current RMA reform presents timing opportunities. Central government enablement would prevent individual councils from standing alone facing legal challenges, as Queenstown has. National frameworks with local flexibility could address the reality that Wellington's housing market spans multiple territorial authorities with workers commuting across boundaries.

The UK's residual value approach

Section 106 in the UK demonstrates how systematic value capture can work. When developers approach councils with plans, negotiations begin around a residual value calculation. Councils assess

land costs, development costs, and reasonable profit margins. Whatever remains goes towards affordable housing requirements. She adds "There's a good logic to it. It's transparent and it's accountable and you can see clearly."

The system captures value because the development right itself creates the opportunity. London boroughs negotiate requirements up to 40% in some areas.

Research from Australia's Professor Nicole Gurrán examined what happened when New South Wales essentially said developers could build anywhere. The impact on affordable housing delivery? "Minute amount," she reports. Market-driven approaches alone simply don't deliver affordable housing for low and moderate-income households.

Housing as community context

Beyond policy mechanics, Patricia returns repeatedly to a fundamental truth: housing is more than physical structures. Her examples from Auckland's Kāinga Ora redevelopments illustrate the point powerfully.

Families offered well-designed homes in Manurewa face impossible choices. The house is decent, but

all their connections remain on the isthmus. Some Pacific families have parents who live in Manurewa whilst children stay with grandmothers in original suburbs near schools and churches. She emphasises "Housing is more than the actual house. Housing is the local community context. It's where granny lives...that is a bit we haven't quite managed to get ourselves to understand. And that's particularly true for more vulnerable families who are only just managing to survive economically."

This understanding shapes her advocacy for using cleared Kāinga Ora sites differently. Rather than waiting indefinitely for private sector development that won't deliver sufficient returns, councils should work with community housing providers to build for disrupted local communities.

The economic development reframe

Asked whether Inclusionary Housing is worth trying in New Zealand, Patricia reframes the question strategically. Rather than leading with mixed-income community goals, she'd emphasise economic development opportunities.

She states "If I was a local policymaker or a politician, I would

“ If I was a local policymaker or a politician, I would be really interested in ways to kickstart the construction industry.

”

be really interested in ways to kickstart the construction industry," she explains. Auckland's private sector construction companies have made clear they're not doing much more development because there's insufficient profit."

But combine community housing providers who can access additional funding, cleared Kāinga Ora sites not currently being developed, and a skilled workforce needing work, and suddenly you have an economic development opportunity.

She adds "If you presented this as an economic development opportunity, then said 'and by the way, this could deliver affordable housing', councils understand that."

"I don't care what the motivation is," she admits pragmatically. "If you end up with good quality housing in existing communities that community housing providers can retain and actually bring some displaced community people back into it, it's a win-win for everyone."



Beyond magic bullets

Patricia resists framing Inclusionary Housing as New Zealand's single solution to affordable housing challenges. In the current tight fiscal environment, with government essentially removing its balance sheet from large-scale affordable housing supply, Inclusionary Housing represents one of few options that might significantly move the dial. "I don't think it's a magic bullet. I think it's part of the package," she emphasises.

Developers face genuine difficulties. But significant speculative land value increases create value worth capturing. If community housing providers can guarantee purchasing 10% of stock at subsidised rates, that provides

developers with certainty and assured sales.

Central government might contribute a bit, developers a bit, councils a bit through sites they're not using. Creative combinations of modest contributions from multiple sources can add up significantly.

Learning from Queenstown

The Queenstown Lakes' experience demonstrates what's achievable. Despite ongoing opposition and litigation, the programme has delivered substantial affordable housing, created community acceptance, and enabled essential workers to remain in the district contributing to community life.

The programme's evolution from voluntary contributions through linkage zoning to formal

inclusionary requirements shows how incremental progress builds momentum. Starting with economic development arguments made the case more accessible than abstract mixing goals.

Twenty years on, Queenstown Lakes Community Housing Trust stands as New Zealand's exemplar, proof that inclusive housing works when well designed, properly retained, and genuinely integrated into communities. The question isn't whether New Zealand can do this. Queenstown already has. The question is whether the rest of the country will follow?

DeepDive interview

Click or scan the QR codes below to watch or listen to the full interview with Patricia.



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Dr Patricia Austin is a leading housing policy expert at the University of Auckland, where her research focuses on affordable housing, planning systems, and community development. With extensive international experience, she brings a comparative perspective to understanding how legislative frameworks shape housing outcomes.



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Building partnerships, not barriers

The UK's Section 106 success story of collaborative negotiation and national legislation



Interview with
Claire Dickinson
Quod - UK

From the Quod office in London, overlooking some of Britain's most ambitious urban regeneration projects, Claire Dickinson reflects on a quarter-century career navigating the intersection of development viability and community benefit. As leader of Quod's development economics team, she's negotiated affordable housing on schemes from Battersea Power Station to the London Olympics — projects that have helped deliver hundreds of thousands of homes for British families who would otherwise be priced out of their communities.

The mechanism that makes this possible is Section 106 of the 1990 Town and Country Planning Act, a policy framework that has quietly become Britain's single largest method of delivering affordable

housing since 2015. Through this system, nearly 140,000 affordable homes have been delivered in just the past five years alone, with developers contributing approximately £10.8 billion towards affordable housing provision, infrastructure, and amenity enhancements.

For New Zealand, where Inclusionary Housing remains sporadic and legally vulnerable, the UK's experience offers both inspiration and practical lessons about what works when policy ambition meets market reality.

From principle to practice

Section 106's elegance lies in its fundamental premise: when planning permission creates private value, the community should share in that benefit. "Housing has to be viewed, particularly affordable housing, alongside

other types of housing, has to be viewed as infrastructure," Claire emphasises. "And it can't be party political."

The system works through legal agreements attached to planning permissions, typically requiring that 30-50% of homes in new developments be designated as

affordable housing. In London, that figure reaches 50% — a requirement that might seem impossibly ambitious to New Zealand councils nervously contemplating single-digit percentages.

Yet the system has delivered at extraordinary scale. Since the first Section 106 affordable home



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Housing has to be viewed as infrastructure. And it can't be party political.

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completions in 2000-01, the mechanism has grown to account for 44-51% of all affordable housing delivery in England in recent years. This represents not marginal gains but the cornerstone of Britain's affordable housing supply.

The art of negotiation

What makes Section 106 effective isn't rigid prescription but structured flexibility. Claire's career has been built on understanding that "the more you get hearts and minds together, the outcomes are brilliant." Rather than imposing universal mandates that render developments unfeasible, the UK system creates space for negotiation within clear national frameworks.

The Shell Centre development in Lambeth exemplifies this collaborative approach. Faced with a very high-density site between Waterloo Station and the river — unsuitable for the family-focused affordable housing the borough needed — developers and council together identified an alternative

Section 106 and CIL

Section 106 and the Community Infrastructure Levy (CIL) are the UK's primary tools for capturing development value for community benefit. Section 106 agreements are legally binding contracts attached to planning permissions requiring developers to deliver affordable housing and local infrastructure — typically 30-50% of new homes must be affordable. CIL is a standardised per-square-metre charge funding broader infrastructure like roads and schools. Together, these mechanisms have captured billions in value: Section 106 alone delivered nearly 140,000 affordable homes with £10.8 billion in contributions over the past five years, demonstrating how planning tools convert private development gains into public benefit.

+140,000

Additional affordable homes in the last 5 years (2019-2024)

£10.8 Billion

In contributions (2019-2024)

Data from the UK Home Builders Federation's 'Bid Farewell' report.

solution. By building affordable homes on nearby council land at Lollard Street instead of forcing them into the Shell Centre towers, she explains "we got three times the number of homes by using the money that would have been on site to deliver in that way, and the outcomes were so much better."

This flexibility extends to tenure mix, location, and delivery mechanisms. Some developments provide affordable homes directly on-site. Others contribute financially to off-site provision where that delivers better outcomes for families. The key is that outcomes, not rigid processes, drive decisions.

"Can you give us the gift of negotiation?" she asks when approaching councils. "We understand your policy. We understand what your policy is trying to achieve. We think we can achieve that in a bigger, better way. So please, can we just have a conversation?"

Capturing value, not killing development

The perpetual tension in Inclusionary Housing is between capturing community benefit and maintaining development viability. Britain has wrestled with this balance for two decades, learning

hard lessons about what works.

Initially, developers buying land at market prices would then claim they couldn't afford to deliver affordable housing. The system evolved to prevent this gaming. "You can pay more for land, that's up to you," she explains, "but when you come to us and put together a financial appraisal that says you can't afford to deliver our ask in terms of affordable housing, you can only allow existing use value plus a little bit of profit."

This land value capture mechanism ensures windfall gains from planning permission flow primarily toward affordable housing rather than inflating land prices. It's a lesson painfully learned: without controlling what developers can claim as acceptable land costs in viability assessments, the community benefit gets captured by landowners rather than converted into affordable homes.

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Can you give us the gift of negotiation? When hearts and minds come together, outcomes are brilliant.

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National framework, local application

Perhaps the most critical lesson from Britain's experience is the essential role of national legislation. "Absolutely critical," she states emphatically when asked about centralised policy frameworks. Without national backing, each local authority fights developers individually through expensive appeals and Environment Court challenges. Precisely the dynamic that makes New Zealand councils nervous about adopting Inclusionary Housing.

Britain's national planning policy establishes housing as the number one policy objective and sets clear expectations that developments will deliver mixed communities including affordable housing. This removes the question of whether Inclusionary Housing is legitimate and shifts debate to how it should be implemented locally.

She notes, councils and communities need permission to innovate within stable frameworks rather than reinventing basic principles through costly legal battles.

A pragmatic approach to mixed-tenure

British experience has also challenged assumptions about mixed-tenure development. The instinct to 'pepper-pot' affordable and market homes throughout every building by mixing rich and poor, door-by-door, sounds progressive but can create perverse outcomes.

"If we start to focus on the perception of the person walking down the street rather than the perception of the person that's living in the home, then things start to fall apart," she argues. Forcing rigid integration within individual buildings adds management complexity and cost, ultimately reducing the number of affordable homes that can be delivered.

Better outcomes come from ensuring affordable housing is well-distributed across communities with equal access to amenities, quality design, and good space standards, without obsessing over which specific building contains which tenure. "Good places that live well



Stratford City Project:
6,000 new homes.

Lollard Street
Innovative social housing scheme in Lambeth

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Mixed communities need equal access to amenities and quality design, not hyper-engineered tenure mixing.

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are designed in a way that integrate really effectively," she observes, pointing to organically-grown British cities where diverse communities function without hyper-engineered tenure mixing.

Creating a housing continuum

Looking forward, she sees opportunity in what she calls the "middle sector" — housing that bridges traditional affordable housing and open market provision. Rather than polarising into subsidised and market extremes, she advocates creating a continuum where "people in affordable housing can move into that middle space, and from that middle space, they can move to private market housing."

This requires collaboration with private investors interested in entry-level rental housing. A sector that could absorb many households currently dependent on heavily

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Absolutely critical. Without national policy, every authority fights developers individually through expensive appeals.

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Create overlap between market and affordable housing. Give people a ladder of opportunities.

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subsidised provision if given appropriate policy support. "Look to the market to help you," she urges. "The market can actually deliver really effective entry-level housing" with modest government backing such as rent underwriting or time-limited requirements.

The goal isn't to trap people in affordable housing but to "give people an opportunity to move out of affordable housing and to meet their own housing needs on the open market." She stresses. This requires thinking about housing not as an end state but as a dynamic system with movement and progression.

Lessons for New Zealand

For New Zealand councils watching Queenstown Lakes' Inclusionary Housing experiment nervously, Britain's experience offers reassurance alongside complexity. Section 106 has delivered hundreds of thousands of affordable homes

over two decades. A scale of success that validates the core principle of value capture for community benefit.

Yet that success has come through national legislation providing legal certainty, viability frameworks preventing land price inflation from capturing the benefit, and sophisticated negotiation replacing rigid prescription. As Claire's career demonstrates, the technical details matter enormously in converting



policy aspiration into actual homes for actual families.

The message is both encouraging and challenging — Inclusionary Housing works at scale when properly designed, but 'properly designed' requires investment in frameworks, expertise, and institutional capacity that go far beyond simply writing percentage requirements into district plans.

Britain spent twenty years learning these lessons. New Zealand has the opportunity to learn from that experience rather than repeating every painful iteration.

The question is whether we have the political will to provide the national legislative backing that would enable councils nationwide to capture community value for community benefit — turning windfall planning gains into perpetual affordable housing as Britain has done, but learning from both their successes and their stumbles along the way.

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DeepDive interview

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Claire Dickinson is a Senior Planner and Director at Quod, bringing extensive experience across urban planning, housing strategy, and development feasibility. Her work bridges the technical and policy dimensions of planning — helping local authorities and private developers navigate complex planning frameworks to deliver sustainable, well-designed communities.





Beyond the market fantasy

The economic and social realities of affordable housing delivery



Interview with
Prof Laurence Murphy
Auckland University

Professor Laurence Murphy has spent decades studying how property developers make decisions and what drives housing markets. His conclusion is unequivocal: markets produce market outcomes, not affordable housing.

The value uplift nobody earned

At the heart of Professor Murphy's argument sits a simple economic

reality: planning creates value, and most of that value flows to people who did nothing to earn it.

When planning permission transforms a greenfield site into residential development, or allows increased intensification on existing land, massive value uplift occurs. That uplift flows primarily to landowners. Larry emphasises "The landowner is getting money for nothing. With the stroke of a pen, there's a value uplift. They haven't invested in the land."

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The landowner is getting money for nothing with the stroke of a pen.

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Planning operates in the public interest. When it creates opportunities for private profit, the question becomes: how much of that publicly created value should return to public benefit? Inclusionary Zoning offers one mechanism, requiring developers to provide affordable housing as part of developments, effectively capturing some windfall gains for social good.



The international evidence is there

Murphy's research spans jurisdictions globally, and the evidence is clear: Inclusionary Housing works when properly implemented. Since the 1970s, the United States has used Inclusionary Zoning to secure affordable housing. In the UK, particularly since the 1990s, it has become the primary mechanism for affordable housing delivery through the private sector.

The scale in Britain is remarkable. Inclusionary Housing currently accounts for approximately 50% of all new affordable housing in the UK. In 2020 alone, levies on developers amounted to £7 billion, of which £4.7 billion went towards affordable housing provision. He states "In 2020, UK levies on developers produced 44,000 affordable houses. They still make profit."

But implementation requires something New Zealand

increasingly lacks: a strong planning regime empowered to act in public interest. "Unfortunately in New Zealand, we've probably since 2013 decided that planning is bad and most ministers are trying to reduce the role of planning," he notes.

The market fantasy

For those who believe unfettered markets will solve affordable housing challenges, his response is blunt: "Market housing provides market outcomes. It provides a market for those who pay the most. It's not designed to produce affordable housing, it's to produce profitable housing."

He hasn't found evidence anywhere globally that markets left to themselves deliver affordable housing for low-income families. Thirty-five years of New Zealand's market-driven approach provides clear results: severe unaffordability for growing numbers of households.

The financialisation of housing has deepened this problem. What were once simply homes have become pension plans and capital gains vehicles. People make more money from untaxed house price appreciation than they ever will from income.

Transparency in the UK

Britain's Section 106 system demonstrates how systematic value capture can function fairly and transparently. When developers approach councils with proposals, planning agencies examine all development assumptions using standard financial models.

Councils assess gross development value, costs, profit margins (typically 20%), and land payments. They then determine whether affordable housing requirements can fit whilst maintaining reasonable developer returns. If developers disagree, then negotiations commence. One critical insight he notes is that Inclusionary Housing reduces overall development value but doesn't change profit ratios. What it does is reduce land bid prices.

Development feasibility

One barrier to implementing Inclusionary Housing in New Zealand is technical understanding. Developers, politicians, and public alike must understand that requiring affordable housing reduces overall development value without changing profit percentages.

A common fear is that developers will jack up prices on market-rate homes to compensate for affordable

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UK Inclusionary Zoning accounts for 50% of all new affordable housing.

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units. "The experience is your price is set by the market, by the local market, not by what you think you can do," he counters.

This technical reality must be communicated clearly to developers. He notes, "What we're trying to do is take some of that value uplift in the land, take it away from just a freebie to landowners who just own land, may not have done anything, and provide it for a positive outcome."

He points out "This is providing affordable housing, it is providing houses for nurses, police officers, teachers," he argues. "It's not giving away housing and taking their profit."

Cost reduction fallacy

One of Larry's most passionate arguments concerns the persistent fallacy that reducing developer costs, such as the planning process, will help deliver affordable housing.

"That's a fallacy," he states emphatically. When costs decrease,

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To assume that a developer will provide affordable housing is complete fantasy.

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developers don't reduce prices. They increase land bids. The development financial model works backwards from market prices. "If you reduce my costs, I increase twenty developers competing for sites, each reducing costs, bid each other up to the point where they still make profit. Prices remain at market levels.

"No one releases below market level houses to a market in a sub-market because they know they can push it to the very edge," he observes. "If it's a million dollars in the neighbourhood, that's where I aim to produce and I can sell it at a million dollars."

The role of government

New Zealand's experience with Queenstown Lakes District demonstrates both possibility and vulnerability. Substantial affordable housing volumes have been delivered through inclusionary mechanisms, but the programme faces ongoing litigation, labelled a "tax" by opponents.

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It's been left to the private sector and prices have grown massively.

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He sees clear need for central government intervention and legislative support. Internationally, countries maintaining state housing provision are the ones meeting lower-income housing needs.

Since governments removed themselves from direct provision, prices have grown massively. "Partly because effectively you're reducing the supply of housing," he explains. "So it's all been left to the private sector."

The tax label interests him. "Developers deal with tax all the time, GST. They do all kinds of taxes, doesn't stop them from producing housing." If everyone in Queenstown must provide affordable housing but nobody outside the district does, competitive disadvantage emerges. National frameworks create level playing fields.

The planning backlash

The last 10 to 15 years have seen strong movement suggesting planning represents cost that should be removed. This represents historical amnesia. Pre-planning Victorian Britain showed what unregulated development produces: clashing land uses, negative externalities, poor outcomes for ordinary people.

Political rhetoric about releasing more land represents another fallacy he challenges. "Land can't be developed unless it's beside a road. Land can't be developed unless there's a sewerage system, unless there's water," he points out. Infrastructure costs money. Taxpayers and ratepayers fund that infrastructure "Who's paid for that infrastructure? Taxpayers. Ratepayers. That's the public purse." He asks: "If the land has been serviced by the public, should there be a return to that? Should there be some form of affordable benefit that benefits the public?"

The Treasury mindset

Larry identifies deep-seated ideological barriers within New Zealand's economic policymaking institutions. The trauma of the Muldoon era embedded particular mindsets in Treasury: borrowing is bad, government spending is bad, even for infrastructure investment.

Most undergraduate economics courses don't examine property. They explore competitive industries producing homogeneous products. But every property site is heterogeneous, unique, effectively a monopoly. He notes: "If poor people are in poor housing, they have additional costs on our education, health, and judicial systems."

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We apply economics that doesn't understand property. That's the problem.

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Applying standard economic assumptions to property development produces misunderstandings and wrong conclusions. "We have a group of people who are brought up and educated in a system that tells you spending is bad, and they have limited understanding of the economics of development," he argues. The irony is that during crises, 2008 and COVID, governments suddenly remembered Neo-Keynesianism: states can spend, can invest in infrastructure.

Social investment, not charity

Housing low- and middle-income people in good housing reduces costs across education, health, and justice systems. "We know that if people are in poor housing they have additional costs," he explains. "If you can put people into good housing then they have positive outcomes."

This isn't radical new thinking. Post – World War II, it was called public education, public hospitals, public housing. Social investment benefiting entire societies. Thirty per cent of UK housing in 1973 was state-owned. "After World War II, it was called public education, public hospitals, and public housing. It's not new."

Larry's students' changing attitudes reveal how far thinking has shifted. Twenty years ago, they generally agreed social housing tenants should have tenancy for life. Seven years ago, they said no. Why? "Because we don't have security of tenure in the private sector," they explained. Rather than extending security to private rental, they preferred removing it from social housing.

Developer logic

His research into developer behaviour reveals another uncomfortable truth: developers produce houses when prices rise. When prices stall or drop, production stops. "The logic is that if I'm building something, I will continue to build it," he explains. "But we know the reality is the developers borrowed money. Soon as those prices start to drop or peter out, their financial model has gone haywire and the bank pulls the funding."

Banks require pre-sales, profit margins, price certainty.

The clear path forward

His policy prescription combines multiple elements. State provision retains essential roles. Cheap government finance enables scale. But Inclusionary Housing represents crucial additional tools.

Properly implemented with technical understanding, clear rules, national frameworks providing certainty, and careful introduction managing transition, it captures publicly created value for public benefit without destroying development viability. "There is a political commitment, you can enact change," he states. Britain proves it works at scale and the US demonstrates multiple implementation paths.

The challenge isn't primarily technical. It's ideological, embedded in assumptions about markets, property, housing, government roles. He notes. "We need political boldness to reassert that social investment produces better outcomes for everybody."

Breaking these patterns requires political boldness, public narrative shifts, willingness to challenge embedded assumptions. It requires

recognising that housing serves use value, not just exchange value. That security of tenure benefits everyone. That public investment produces returns across education, health, social cohesion. "Maybe we can choose some good outcomes," he suggests. The possibilities exist. International evidence demonstrates workable models.

What's required is will, technical understanding, and fundamental recognition that markets will never voluntarily deliver affordable housing. They're not designed to. Inclusionary Housing offers tested tools for capturing value planning creates and redirecting it towards housing all people adequately.

The question isn't whether New Zealand can do this. The question is whether New Zealand will choose to, whether political courage exists to challenge embedded ideologies and implement policy serving genuine public good rather than abstract market faith contradicted by 35 years of evidence.

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DeepDive interview

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Professor Laurence Murphy is a distinguished academic at the University of Auckland with training from the London School of Economics (LSE). Having transitioned from Professor of Property in the Business School to human geography, his research examines how property developers make decisions and the intersection of economic theory with housing policy.



The 20,000 homes we never built

Auckland's failed experiment and getting it right next time



Interview with
Dr Michael Rehm
Auckland University

Dr Michael Rehm's work on Inclusionary Housing in New Zealand reveals a stark reality: if the country had implemented Inclusionary Housing nationally in 2016, approximately 20,000 perpetually affordable homes would now exist in the housing system. This figure, equivalent to the current social housing wait list, represents not just a missed opportunity but a continuing failure to address New Zealand's housing affordability crisis through proven international mechanisms.

As a property academic at the University of Auckland Business School with over 20 years of experience researching New Zealand's housing market, Michael was directly engaged by Auckland Council during the formation of the city's unitary plan to conduct feasibility studies and analyse proposed Inclusionary Zoning provisions.

His extensive consultation with developers, planners, and market stakeholders provided deep insights into both the technical mechanics of Inclusionary Housing and the political challenges of implementing market interventions in New Zealand's predominantly market-driven system.

Understanding Inclusionary Housing as a planning tool

Inclusionary Housing, also known as Inclusionary Zoning, represents a planning tool designed to address market failure in housing

provision. He describes it as a market intervention that becomes necessary when the housing system fails to produce affordable homes across the economic spectrum.

The approach typically requires or incentivises developers to set aside a proportion of approved housing to be offered at reduced price points, enabling people who cannot otherwise afford market-rate housing to access stable accommodation.

In the Auckland Council context, his research focused particularly on the intermediate market — often called 'key workers.' These individuals include first responders, teachers, nurses, and other essential community workers whose salaries, while adequate in previous generations for homeownership, no longer provide access to the property market given current affordability constraints.

This intermediate segment sits between those eligible for

social housing and those who can comfortably afford market-rate purchases or rentals, representing a growing cohort of economically stressed households.

The fundamental premise behind Inclusionary Housing acknowledges that in a properly functioning market, such interventions would be unnecessary. However, across all political perspectives in New Zealand, there exists broad recognition of market failure in housing provision.

When markets fail to produce housing for people across the

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If we'd adopted Inclusionary Zoning in 2016, we'd have 20,000 affordable homes today... Every year we delay, the missed opportunity compounds.

”

economic spectrum, policy interventions become not just justified but necessary to prevent social and economic dysfunction.

The Auckland experiment: lessons learnt

Auckland's attempt to implement Inclusionary Zoning approximately a decade ago collapsed due to several critical design flaws and stakeholder absences. Michael identifies the most significant failure as the lack of involvement from community housing providers during the policy development phase.

Without these long-term stewards at the table, the scheme lacked institutional mechanisms to ensure affordable units remained accessible to eligible households over time rather than becoming windfall gains for initially fortunate purchasers.

The developer community, with whom he conducted extensive

consultations, expressed strong opposition to the concept. Their objections fell into two primary categories. First, high-end developers particularly disliked having price-controlled products within their developments, perceiving this as a reduction in overall project value. Second, many developers viewed the policy as arbitrarily conferring windfall gains on certain lucky individuals without addressing underlying housing supply issues.

He acknowledges empathising with some of these concerns, noting that they highlight genuine design challenges that must be addressed for Inclusionary Housing to succeed. The absence of transparency requirements, clear eligibility criteria, and mechanisms to maintain perpetual affordability created loopholes that developers exploited, ultimately causing the initiative's collapse.

Without community housing providers managing the affordable units and ensuring they remained accessible to eligible households across generations, the scheme simply transferred wealth to initial purchasers rather than creating lasting affordable housing stock.

The essential central role of CHPs in Inclusionary Housing

Drawing from Auckland's failed experiment and international best practices, he outlines several critical design elements necessary for successful Inclusionary Housing implementation in New Zealand. Transparency stands paramount. All parties must understand how the system operates, who qualifies, and how affordability is maintained over time.

The involvement of community housing providers emerges as the cornerstone of any viable Inclusionary Housing scheme. These organisations serve as long-term stewards, managing affordable units to ensure they remain accessible to eligible households rather than becoming one-time windfalls.

He describes CHPs as essential 'central players' that provide the staying power developers inherently lack: "Developers come in, they're going to build this, they're going to sell it, and they don't want to know. Often it's Phoenix-type companies that are born for this project and die at the end of the project."

Without CHPs serving as institutional anchors, Auckland's earlier Inclusionary Housing attempt

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On both sides of the aisle, there is a lot of respect for CHPs. Everybody sees a role for CHPs.

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collapsed into exactly what critics predicted — a system conferring windfall gains on fortunate individuals without creating lasting affordable housing stock. This stewardship role extends far beyond simple property management. CHPs monitor occupancy to prevent abuse such as purchasing affordable units only to rent them out for profit, verify ongoing eligibility to ensure homes serve their intended recipients, and manage resales to maintain affordability across generations.

The regulatory framework surrounding CHPs proves crucial to their effectiveness. As registered entities overseen by the Community Housing Regulatory Authority, and for full members of Community Housing Aotearoa, additionally regulated as charities by the Department of Internal Affairs, these organisations operate under rigorous accountability measures.

This oversight addresses the scepticism he encountered during his developer consultations: "You

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Developers — they were clever enough to spot gaps, loopholes, and they went straight through them.

”

could feel the scepticism of how the various ways that it could be abused on all sides." he notes. CHPs' regulatory status provides assurance to developers, government, and the public that the system operates fairly, transparently, and for genuine public benefit rather than private exploitation.

Developer incentives represent another crucial component. Rather than purely mandate-based approaches that developers perceive as punitive, Michael advocates for mechanisms like development contribution offsets. Under such arrangements, developers who include affordable housing could receive reductions in other regulatory costs, creating a carrot-and-stick approach that encourages participation while maintaining housing supply. He frames this as an 'academic trick' — raising overall development contributions whilst reducing them for compliant developers, creating perceived benefit without actual cost to council.

The question of perpetual affordability requires careful consideration. While ensuring affordable units remain accessible across generations prevents individual windfall gains, some flexibility might be appropriate.

He suggests considering time-limited affordability periods that allow occupants to eventually purchase at market rates, potentially treating the affordable housing as a stepping stone toward full market participation rather than permanent below-market accommodation.

This approach recognises that the intermediate market differs fundamentally from social housing, potentially justifying different long-term approaches. However, any such flexibility must be managed by CHPs to ensure it serves policy objectives rather than undermining them — maintaining the crucial distinction between a genuine hand-up for key workers and a windfall gain for lucky individuals.

The 20,000 home calculation and its implications

His calculation that New Zealand would now have approximately 20,000 perpetually affordable homes had Inclusionary Zoning been implemented nationally in

2016 derives from applying typical Inclusionary Housing percentages to the volume of new housing construction over recent years. Assuming a five to ten percent set-aside requirement across new developments, the cumulative effect over nearly a decade would have produced this substantial portfolio.

The significance of this figure extends beyond its absolute size. These 20,000 homes would represent stock that continues growing year after year, with each subsequent year's construction adding to the perpetually affordable inventory.

In Auckland alone, where the intermediate housing market comprises approximately 100,000 households, these 20,000 homes would represent a fifth of current need — a substantial foundation that would continue expanding.

The comparison to the current social housing waitlist proves particularly striking. Rather than a completely separate policy challenge requiring government acquisition or construction of social housing, a parallel stock of intermediate affordable housing would exist, serving a different but equally important cohort of housing-stressed New Zealanders.

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When you have a market failure and the market is not able to produce housing for people all the way across the spectrum, sometimes you need an intervention.

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This demonstrates how Inclusionary Housing complements rather than replaces traditional social housing provision, addressing the continuum of housing need across different income levels.

Value capture and development context

The conversation extends to broader questions of value capture. He uses Auckland's City Rail Link as an illustrative case, where billions of dollars in public infrastructure investment generate substantial private property value uplifts for landowners near new stations without any investment on their part.

The question becomes whether and how to capture some portion of this publicly-created value for community benefit, potentially through affordable housing requirements.

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That's the same waitlist for KO right now. It's 20,000 households waiting for a home.

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However, he expresses caution about targeted value capture mechanisms that single out specific beneficiaries of infrastructure investment. Developers and landowners near transit stations perceive their capital gains as earned through strategic positioning rather than windfall gains from public investment. Attempting to capture these gains directly would generate immediate political resistance and potentially undermine developer cooperation with affordable housing initiatives.

example, rather than targeting specific locations, the approach becomes more palatable. This broad application avoids accusations of unfair targeting while still achieving the policy objective of creating affordable housing supply.

For genuine windfall gains from infrastructure investment, he suggests targeted rates might prove more effective than development-phase value capture. Property owners near new transit stations benefit from amenity improvements they did not create; recognising this through rating systems that charge for location-based benefits might generate less resistance than attempting to capture value during the development approval process.

Land banking and supply considerations

The discussion necessarily addresses the critical concern that any developer-focused regulation might reduce housing supply — potentially achieving affordable housing percentages of a much smaller total development volume. This concern represents the developer community's strongest argument against and requires serious consideration.

He suggests that well-designed Inclusionary Housing schemes with developer-friendly incentives need not reduce supply. The key lies in ensuring participation remains attractive through mechanisms like development contribution offsets, streamlined approval processes for compliant developments, or other regulatory relief that balances the affordable housing requirement.

Regarding land banking — where landowners on urban fringes hold undeveloped land awaiting value appreciation — he sees this as potentially a more appropriate target for value capture mechanisms than Inclusionary Housing.

Targeted rates on underutilised land that could support housing development but remains intentionally undeveloped might encourage more active land use while generating revenue that could support affordable housing initiatives.

Political feasibility and stakeholder alignment

Despite the Auckland failure, Michael maintains optimism about Inclusionary Housing's political viability in New Zealand. He observes that both sides of

the political spectrum should find elements of the approach appealing — it leverages market activity to create affordable housing without requiring direct government expenditure, while addressing a market failure that all parties acknowledge.

The challenge lies in bringing all necessary stakeholders to the table from the policy design phase. Community housing providers must participate as core partners rather than afterthoughts. The development community, while initially resistant, provided valuable insights during his research when engaged respectfully and genuinely. He emphasises that developers were generally open and collaborative during consultation, even if they opposed the concept, and that their technical expertise proves essential for workable policy design.

Government officials must provide clear signals about housing crisis recognition and willingness to pursue solutions, creating space for market interventions that would

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Housing shouldn't be a lottery for the lucky few... People don't like seeing their kids and grandkids locked out.

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Instead, Michael advocates for broader application. If Inclusionary Housing requirements apply universally across Auckland developments at five percent, for

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You can't fix housing without the development community on board.

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otherwise face resistance. This requires acknowledging that purely market-based approaches have failed to deliver housing across the economic spectrum and that policy tools like Inclusionary Housing represent necessary corrections rather than ideological impositions.

Michael's analysis demonstrates that technical solutions exist for the design challenges that undermined Auckland's earlier attempt. Transparency requirements, community housing provider involvement, developer incentives, and clear perpetual affordability mechanisms can create workable schemes that serve multiple objectives simultaneously. The question remains whether New Zealand's policy environment will support such interventions or whether another decade will pass before the country adopts approaches that prove effective internationally.

For the growing number of New Zealanders experiencing housing stress — the 180,000 households nationally paying well over 30 percent of income on housing costs — the missed opportunity of Inclusionary Housing represents more than policy failure. It represents years of financial strain, reduced life opportunities, and diminished wellbeing that alternative policy choices might have prevented.

The pathway forward requires placing community housing providers at the centre of any

future Inclusionary Housing scheme. Their unique position commanding cross-party political respect, combined with their regulatory oversight and proven stewardship capabilities, makes them indispensable to transforming policy intent into lasting affordable housing stock. Without CHPs serving as institutional anchors, any new attempt risks repeating Auckland's failure.

Whether future governments will learn from Auckland's failure and implement the essential design improvements, Michael acknowledges, remains an open question, but the cost of continued inaction becomes clearer with each passing year.

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A little carrot, a little stick — that's the formula... It's not about taking gains; it's about sharing uplift for the community.

”

From missed opportunity to future action

The story of Inclusionary Housing in New Zealand represents a significant missed opportunity. The 20,000 perpetually affordable homes that would now exist had different decisions been made in 2016 would represent not just shelter for families but a growing asset base serving intermediate market households across generations. Each year would add to this stock, progressively addressing the affordability crisis facing essential workers and other moderate-income households.

DeepDive interview

Click or scan the QR codes below to watch or listen to the full interview with Dr Rehm.



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Dr Michael Rehm is a property academic at the University of Auckland Business School with over 20 years of experience researching New Zealand's housing market. During the formation of Auckland's unitary plan, Michael was engaged by Auckland Council to conduct feasibility studies and Section 32 analysis for proposed Inclusionary Zoning provisions.





Karamū in Christchurch

How voluntary Inclusionary Zoning delivered 28 social homes in this innovative development

Karamū represents an innovative approach to affordable housing delivery in New Zealand. Developed by Kāinga Maha in Christchurch, this 84-home project demonstrates how private development can successfully integrate social housing without government mandate.

The voluntary Inclusionary Zoning model

The project's most significant innovation is its voluntary Inclusionary Zoning approach. While a typical developer would build and sell all 84 homes on the open market, Karamū deliberately allocated approximately 30% (28 homes) for social housing. These units are managed by Community Housing Providers including Home Foundation, Emerge Aotearoa, and Christchurch Methodist Mission. This cross-subsidy model uses revenue from market-rate homes to offset the cost of affordable units, eliminating the need for substantial capital subsidies.



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We're giving respect to all tenures and all people through tenure-blind design.

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Tenure-blind design philosophy

A core principle at Karamū is 'tenure-blind' design — ensuring no visual distinction between social housing, first-home buyer, and private sale units.

This approach fosters social cohesion and breaks down segregation, allowing neighbours to build community naturally regardless of their housing tenure. The project's 84 homes include 28 social housing units (33%), approximately 30% first-home buyer units priced 30-34% below the area median, and the remainder as market sales.

Critical success factors

Annie Wilson, General Manager of Kāinga Maha, identifies three key enablers that made the project a success.

Policy certainty: Clear local authority mandates translated into coherent housing strategies allow developers to assess viability at the land acquisition stage.

Development contribution relief: Christchurch City Council's discount on development contributions for social housing was instrumental in making the project financially viable.

Local context understanding: Housing typologies must respond to actual local needs and affordability constraints rather than generic market assumptions.

Scalability and replication

From a community housing perspective, this model demonstrates that mixed-tenure developments should become standard practice across New Zealand. Whether building 10 or 1,000 homes, every development can incorporate affordable housing provision. The model works because it treats housing as essential community infrastructure rather than merely responding to market demand.

Karamū proves that with appropriate policy frameworks, development contribution incentives, and commitment to social outcomes, the private sector can deliver truly mixed communities that serve diverse housing needs while maintaining commercial viability.

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Kāinga Maha Case Study

Click or scan the QR codes below to watch the Kāinga Maha - Karamū project case study video.

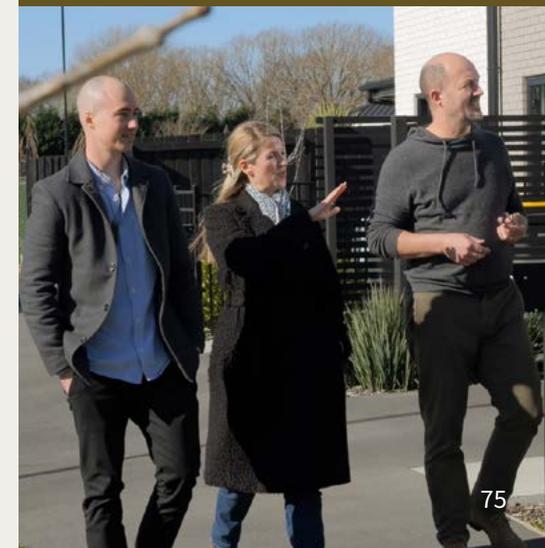


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In this CHA Case Study, we met on location with Annie Wilson from Kāinga Maha. We spoke about the thinking behind the Karamū development, the role of Inclusionary Zoning in enabling it, and what lessons can be drawn for other regions in New Zealand.



Building mixed communities

Annie Wilson on delivering viable social developments that positively contribute to local housing needs



Interview with
Annie Wilson
Kāinga Maha

Annie Wilson, who brings extensive UK experience to her current role at Kāinga Maha in Christchurch, explains that Inclusionary Zoning and Inclusionary Housing's real strength lies in its ability to create

mixed-tenure developments. "It enables a diverse provision across a district area rather than new provision being in areas that perhaps may have higher concentrations already of social housing," she notes. The result is a more balanced housing landscape and, crucially, more sustainable communities.

The evidence against mono-tenure communities

The case for mixed-tenure developments isn't based on ideology. It's grounded in decades of research demonstrating the adverse social consequences of concentrated single-tenure areas. Whether those concentrations involve private rental, social housing, or even owner-occupation, the lack

of diversity creates unintended problems.

Annie points to compelling international evidence showing how mono-tenure neighbourhoods can undermine community cohesion. High concentrations of any single housing type can lead to social silos, limited social capital, and reduced opportunities for residents to thrive.

Conversely, mixed-tenure communities create opportunities for diverse social networks, breaking down barriers and fostering genuine community connections.

The practical benefits extend beyond social cohesion. Mixed communities support local economies by ensuring a range of income levels, they provide housing for

key workers who keep essential services running, and they create neighbourhoods that can adapt to changing demographics over time.

“

It ensures that the future housing makeup of a district area is mixed and balanced.

”



“

Breaking down social silos and social exclusion that a lot of people face is essential.

”

Addressing developer concerns

Inclusionary Zoning can be controversial, and Annie doesn't shy away from acknowledging the commercial realities developers face. However, she argues that opposition often stems from uncertainty rather than genuine viability concerns.

The key prerequisite for successful implementation is a clear, evidence-based understanding of local housing needs. Councils must demonstrate that failing to provide affordable housing will ultimately harm the existing community, particularly as new development drives house prices upward.

When developers understand they're serving the community's genuine needs, the policy becomes easier to accept.

Yet evidence alone isn't enough. "What is absolutely required where you've got a policy for Inclusionary

Zoning within a district plan is a clear test that it will ensure the viability of a local plan," she emphasises. Developers need certainty that the policy has been rigorously tested and won't render projects unviable.

Flexibility is equally crucial. Projects may require significant infrastructure investment such as new roads, expanded utilities, or other essential services. Successful Inclusionary Zoning policies balance multiple policy objectives, ensuring that affordable housing requirements don't inadvertently prevent necessary infrastructure development or make projects financially impossible.

"A key element to success is that certainty that a developer needs," she explains. Developers must know the policy requirements upfront when appraising projects or purchasing land, giving them confidence to incorporate affordable housing into their financial planning.

Delivery mechanisms: From homes to land to financial contributions

International experience demonstrates multiple approaches to delivering Inclusionary Housing obligations. In her UK experience, the most common requirement involves on-site provision —

developers must build a specified percentage of homes as affordable units and transfer them to community housing providers or social landlords, such as CHPs in a New Zealand context.

These affordable homes might target different groups: social housing for those in acute need, affordable rentals, or progressive home ownership schemes for first-time buyers. The specific mix depends on local housing needs assessments.

Alternative mechanisms include providing land in lieu of built housing, allowing community housing providers or councils to develop it later. Some policies permit financial contributions when on-site provision doesn't make sense, perhaps because an area already has high social housing concentrations, or when the contribution can achieve better outcomes elsewhere.

"It's critical with that sort of policy that you have a very clear framework for using that financial contribution," she cautions. Councils must be flexible with developer negotiations and demonstrate they can deploy these funds effectively, with available sites and capable partners ready to deliver housing.

Leading by example: Kāinga Maha's voluntary approach

Annie's organisation, Kāinga Maha, has taken the extraordinary step of voluntarily adopting Inclusionary Housing principles despite no policy requirement. This decision reflects their fundamental belief that mixed, balanced communities represent the right solution.

"We take a people-first approach to property," she explains. "We look at a site, its context, try to understand the housing needs, the socioeconomics of an area, and how we as a developer can respond positively." While they operate commercially and must ensure developments remain viable, their measure of success isn't purely financial return — it's delivering developments that positively contribute to local housing needs.

As a charity, all profits and surpluses get reinvested for social good, enabling this distinctive

“

Mixed tenure ensures that the future housing makeup of a district area is mixed and balanced.

”

approach. "We are a commercial developer but with a real social conscience," she notes.

Their Karamū development in Christchurch benefited from strong council support. Christchurch City Council provided relief on development contributions, which was a significant instrument enabling viable social housing delivery, and offered consent fee discounts for not-for-profit

mandate through national policy, and a regulatory framework within the national planning framework.

Every single local council must demonstrate how they'll meet all housing needs in their district area — this obligation is enshrined in statute and planning policy. "Each local council is seen as having a strategic housing enabling function," she explains. They must evidence their housing needs across all groups — older people, first-time buyers, private renters — and establish policy frameworks setting minimum affordable housing levels and affordability criteria.

This top-down framework creates structural systems within councils, including dedicated teams for affordable housing delivery and planning control teams that test applications against policy targets. "You've got a structural system that all holistically contributes to that fundamental requirement to deliver housing that meets the needs of the local area," she observes.

The comprehensive approach prevents councils from avoiding their obligations and ensures resources and expertise exist at the local level to implement policies effectively.

“ We are a commercial developer but with a real social conscience... Our value is not financial return but delivering viable development that positively contributes to local housing needs. ”

applicants. The council's community housing strategy provides clear strategic objectives, enabling Kāinga Maha to respond effectively to identified needs.

The importance of a national framework

A crucial distinction in the UK's success with Inclusionary Zoning lies in national-level support. Central government provides an absolute

A call to action for territorial authorities

Annie's message to New Zealand territorial authorities is clear: councils have a responsibility to meet the community needs of the people they serve. When housing is recognised as critical infrastructure, the mindset shifts fundamentally. She asks "Why would you not have a policy tool or framework to ensure the delivery of that?" Councils already understand their obligations to provide transport infrastructure, education facilities, and social care. Housing deserves the same consideration.

"When you see it as a key piece of infrastructure, just like transport, just like education, like social care, then you recognise the need to have a real clear framework to deliver against that," she argues.

The question for New Zealand isn't whether to adopt this approach, but how quickly councils can put the necessary frameworks in place.

DeepDive interview

Click or scan the QR codes below to watch or listen to the full interview with Annie.



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Annie Wilson is Chief Executive of Kāinga Maha, a community housing developer based in Christchurch, New Zealand. Annie has extensive experience across local government, policy, and housing development, bringing a grounded understanding of what it takes to deliver affordable and inclusive communities.



Holding land in perpetuity for community benefit

A key component of an effective Inclusionary Housing programme is ensuring long-term retention of the homes delivered. Various options are used in New Zealand and internationally.

Community Land Trusts (CLTs) manage land and property for community benefits, including affordable housing. They are common in the United Kingdom and the United States.

Their not-for-profit status ensures Inclusionary Housing contributions are maintained for community benefit over time. Sizes range from small organisations with a few homes to larger CLTs with hundreds or thousands of homes and other community facilities.

It is important to consider the geographic area and existing organisations when determining the most appropriate model for holding Inclusionary Housing contributions.

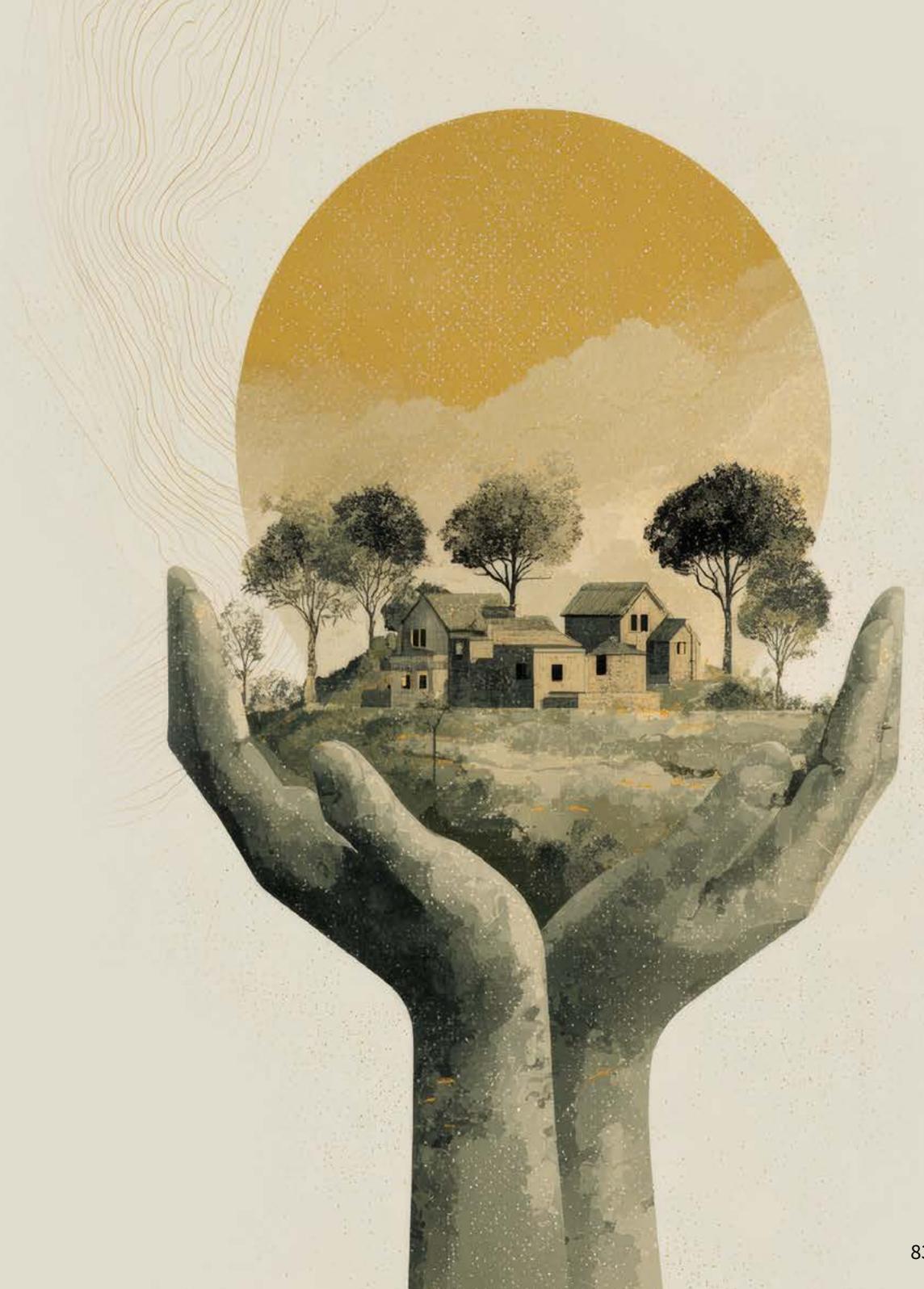
Queenstown Lakes District Council established the Queenstown

Lakes Community Housing Trust. The Trust fulfils multiple roles as developer, manager and owner, utilising contributions for long-term community benefits.

The Waikato Community Lands Trust operates over a larger geographic area, receiving property and funds through Waikato councils, donations or Inclusionary Housing. It holds contributions but partners with other organisations to develop and manage housing. Both approaches deliver homes but with different roles.

Other organisations can fulfil retention and stewardship roles, such as Māori entities or local authorities. International and local experience demonstrates there is no single best approach. It should be informed by local conditions and abilities.

The following insights from Thomas Gibbons and May Low of the Waikato Community Lands Trust explore how the Trust began with council support, the practical realities of scaling perpetual affordability models, and why policy levers and genuine sector collaboration are essential for delivering affordable housing to future generations.



Thomas Gibbons

Retaining land affordability across generations



Interview with
Thomas Gibbons
Co-Chair:
Waikato Community Lands Trust

Thomas Gibbons brings law and governance expertise to the Waikato Community Lands Trust's mission of retaining land affordability for future generations. His perspective centres on policy frameworks, funding structures, and the systemic changes needed to deliver housing across the entire continuum.

The Trust's establishment revealed immediate lessons about funding design. Hamilton City Council's initial grant was earmarked solely for land purchase, which on strict reading couldn't extend to even 'putting a spade in the ground.'

Within the perpetual land ownership framework, the Trust aims to offer diverse products: affordable rentals, leasehold arrangements comparable to Secure Home products, and potentially shared equity models over time. The leasehold model particularly interests Thomas as it could deliver homes at half or less than half the cost of freehold properties. He notes "That's the intention. That's the goal. That there is that massive price difference and one is affordable to people in a way that the other, unfortunately now today, is not."

However, banking policies on leasehold remain a major impediment, but there are initiatives from banks like Westpac and others in NZ which have started to address this. There are also many unresolved issues around large rent reviews that treat residential leases like commercial ones. Thomas calls for central government attention to these barriers, whilst emphasising that leasehold should be one option within a suite of products, not the only choice for younger generations.

His analysis focuses relentlessly on the missing middle — the vast majority of housing delivered by the private market, which produces very few affordable homes. "We spend a lot of time talking about a very small part of the continuum around

government community provision," Thomas argues, whilst the large market delivery aspect "really needs more attention from a policy point of view."

Policy levers matter more than funding levers when addressing housing at scale. What kinds of houses can be delivered? What housing is enabled by planning frameworks? What arrangements support up-zoning or Inclusionary Zoning? "Our planning system needs a lot of attention in terms of how and where housing is delivered," he emphasises.

The consequences of inaction extend far beyond housing stress. Home equity traditionally enables business establishment and economic activity. Unaffordable housing increases subsidy costs, drives families toward poverty, and curtails options for people in abusive relationships. "There are all kinds of adverse impacts from housing being unaffordable," he notes, lamenting that increasing house prices are still celebrated as positive outcomes.

He recalls party manifestos from the 1970s that held homeownership for young people as a critical social goal. "We've seemed to have abandoned that idea altogether," he reflects. "It is an indictment on us as a country that we can't think

differently about how our housing system works."

Yet Thomas remains hopeful. "We can make different choices. We've done it before." The path forward requires comprehensive system thinking that addresses policy frameworks alongside funding to recognise that the 90% of housing delivered by the market, demands as much attention as the 10% provided through community and government channels.

May Low

Starting small to build perpetual affordability



Interview with
May Low
Co-Chair:
Waikato Community Lands Trust

The Waikato Community Lands Trust began with a straightforward principle: separate the value of land from the value of buildings, then hold that land in perpetuity to provide affordable housing forever. May Low, Co-Chair of the Trust and COO of Kiwi Innovation Network, describes this as the core essence that makes community land trusts work.

Starting with a two million dollar grant from Hamilton City

“

It is an indictment on us that we can't think differently about our housing system. We can make different choices.

”

Council, the Trust purchased its first four units on First Street in Hamilton East. Leveraging that initial investment, they doubled their holdings to eight units — two-bedroom homes with garages in a central location near schools, transport, and employment. "We were able to use that as leverage to purchase the other four of that same development," May explains.

The Trust's current model offers affordable rentals targeting households with lower social housing needs who can sustain tenancies when accommodation is genuinely affordable. Partnering with Habitat for Humanity for tenant screening and property management, the Trust ensures residents understand how to care for their homes whilst exploring pathways to progressive home ownership for successful tenants. "If there were people within those units looking to buy, is there an option for us to then say, you've done an

amazing job through the rental scheme, why don't we look at a rent to own model?" She suggests.

However, scaling this model faces significant challenges. "Everyone is wanting to almost build empires with land," she observes. Success requires generous donations or, critically, Inclusionary Zoning policies that mandate affordable housing contributions from development.

The Trust actively advocates for such policy changes, pointing to Queenstown Lakes Community Housing Trust as proof that Inclusionary Zoning can work effectively in New Zealand.

May's innovation background shapes her perspective on housing's foundational importance. "When I moved to New Zealand as a young child, having a stable home is actually your basis of building wealth within your family. That's the first rung on the ladder," she reflects. Constant moving due to unaffordable rent fundamentally changes families' lived experiences and prevents putting down roots.

Yet May identifies a deeper barrier: fragmentation within the housing sector itself. "Everyone is trying to empire build themselves," she argues. "The thing that we need to

do is put the ego aside and actually work together constructively."

Her vision involves getting everyone around the table speaking the same conversation, moving things forward significantly rather than incrementally at a snail's pace.

Drawing on her commercial expertise, May emphasises an essential principle: "You don't get nothing of a bigger pie. You get something of a bigger pie, but it's better than nothing of a nothing pie." Collaboration creates value that benefits everyone. The alternative is stagnation that helps no one.

The Trust's current eight units represent a starting point. The real potential lies in scaling through Inclusionary Zoning, collaborative funding models, and sector-wide cooperation that prioritises community benefit over individual empire-building.

“

Everyone is wanting to build empires with land. We need to recognise that the benefit of a lands trust is always back to the community forever.

”

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DeepDive interviews

Click or scan the QR codes below to watch or listen to the full interviews with Thomas Gibbons and May Low.

Thomas Gibbons

Thomas Gibbons is Co-Chair of the Waikato Community Lands Trust and a leading property and planning lawyer based in Hamilton.



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May Low

May Low is Co-Chair of the Waikato Community Lands Trust and Chief Operating Officer at the Kiwi Innovation Network in Hamilton.



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Making it happen

Inclusionary Housing policy recommendations from CHA



Chris Glaudel
Community Housing Aotearoa

Four years ago Community Housing Aotearoa published *Inclusionary Housing a path forward in Aotearoa New Zealand*, our third paper exploring the potential of this planning tool to improve housing outcomes.

We hoped to influence the Government of the day to enable Inclusionary Housing in the proposed Resource Management Act reform legislation — without success. With the change of government and repeal of the prior Government's Bills we are now awaiting new RMA legislation and another opportunity to adopt this proven tool.

We hope this edition of Insight stimulates a serious debate about Inclusionary Housing in Aotearoa New Zealand. Affordable, healthy homes are at the heart of strong communities. Like clean water,

like hospitals, like transport — they are essential infrastructure in the lives of our people. Yet, they are missing in our housing system. We have the opportunity to take one of many steps necessary to change that. The following are key actions and policy recommendations for implementing Inclusionary Housing / Inclusionary Zoning, in New Zealand. Let's be bold and adopt them.

These actions, supported by political will and stakeholder collaboration, can help scale Inclusionary Housing across Aotearoa New Zealand and positively contribute to improving housing affordability. The potential of Inclusionary Housing to make positive change for our communities is clear. It is working in Queenstown Lakes. It is working in the US and the UK. As Mark Davey noted, if we are not trialling and testing new approaches how can we know what works?

We are lucky to have clear evidence of the elements which make this work locally and internationally. We have a roadmap to follow. It is time to make the journey.



#1 National legislation and frameworks

Establish clear national legislation to provide legal certainty and enable local councils to implement Inclusionary Housing without facing individual legal challenges.

This should include clear guidelines for housing needs assessments, feasibility studies, and programme regulations. The lack of national enablement is a clear brake on adoption.

#2 Local adaptation

Allow flexibility for local councils to tailor Inclusionary Housing policies to their specific community needs, ensuring that housing typologies and affordability targets align with local demographics and economic conditions.

We know that housing needs vary across Aotearoa, but Inclusionary Housing is proven to be flexible enough to meet those varied needs.

#3 Community Housing Providers involvement

Involving CHPs as central players in the design and implementation of Inclusionary Housing programmes is crucial.

CHPs can ensure long-term retention of affordable housing and manage units to prevent speculation and maintain affordability.

#4 Value capture mechanisms

Implement policies to capture a portion of the value uplift created by public investments, such as rezoning or infrastructure development, and redirect it toward affordable housing.

This could include land contributions, financial contributions, or on-site affordable housing requirements.

#5 Developer incentives

As noted in the success of Aspen and London, developers should be engaged and treated as partners in meeting community needs. Balance mandates with incentives to encourage developer participation.

Options include development contribution offsets, streamlined approval processes, or other regulatory relief for compliant projects.

#6 Perpetual affordability models

Ensure long-term retention of affordable housing through mechanisms like community land trusts, leasehold arrangements, or perpetual affordability requirements.

This prevents affordable housing from becoming a one-time windfall for initial buyers, which was one contributing factor identified by Dr Michael Rehm in Auckland's failed experiment. His observation that we'd have 20,000 affordable homes today if we had got that right in 2016 demonstrates the importance of acting now.

#7 Mixed-tenure communities

Design policies to promote mixed-tenure developments that integrate affordable housing with market-rate housing, fostering social cohesion and sustainable communities.

Any offsite provision should be at the discretion of the Council rather than the developer.

#8 Policy certainty and transparency

Provide developers with clear, upfront policy requirements and ensure transparency in eligibility criteria, affordability standards, and the use of land or financial contributions.

Apply the requirements consistently and fairly, ensuring everyone is playing by the same rules. Develop standardised documents and procedures for the transfer of the contributions and retention mechanisms to ease implementation and foster trust.

#9 Collaboration across sectors

Foster collaboration among local councils, CHPs, developers, iwi, and other stakeholders to align interests and ensure effective implementation.

Claire Dickinson described the importance of building partnerships to deliver better outcomes under the UK's Section 106 legislation. The Waikato Community Lands Trust's co-chairs reiterated the importance of this in their local context.

#10 Treat affordable housing as infrastructure

Housing should be planned like roads or parks as essential community infrastructure rather than solely an investment asset.

Ensure the health of a community by explaining that Inclusionary Housing is a necessary tool to address housing affordability.

#11 Monitoring and evaluation

Establish systems to monitor the outcomes of Inclusionary Housing programmes, ensuring they meet affordability targets and community needs over time.

Communities are dynamic and demographic and economic changes over time require an active process to adjust programmes to respond.

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Meet the team:

Talavao Ngata

Pacific policy lead at CHA

Talavao Ngata's journey from libraries to local council policy led her exactly where she needed to be: supporting Pacific communities whilst navigating New Zealand's housing crisis.

Born in Tāmaki to parents who migrated in the late 1970s, Tala is the middle child of five with Tongan and Samoan heritage. Now Pacific Policy Lead at Community Housing Aotearoa, she brings degrees in Social Sciences, Conflict Resolution, and Human Rights.

Her Auckland Council experience taught her that local policy, often dismissed as 'rates, rubbish and rats', impacts the dailiness of people's lives profoundly.

She notes "Policy can be seen as a bunch of words, but there's meaning behind it. I was drawn to how it impacts the dailiness of people's lives."

Working in Auckland, the world's largest Pacific city, Tala observes concerning changes. "The cracks in what used to be our safety net are starting to appear." Economic

pressures affect institutions Pacific people have nurtured since migration: families, churches, community networks. Her question is fundamental: "Why do Pacific people need to be so resilient in the face of these challenges?"

Churches represent particular potential, though conversations remain complex. "In principle, they'll say of course we want social affordable housing, but they probably don't understand the workings within the church." Fear of loss creates hesitation.

She explains: "There's so much potential with churches. It's not given enough attention how we could strengthen that cultural capital."

Tala challenges assumptions about Pacific housing. Growing up, she noticed differences: "The garage wasn't seen as a place for the car. It was seen as a space for spirituality, or having a sleep, or gathering." But generational change matters. First-generation migrants may envision multi-generational living whilst their children, raised in Aotearoa, might prefer vertical living or long-term rental. There's no one way to design a house for a Pacific family. She notes: "There's not just one way of looking at what a Pacific home looks like."

Asked about her magic policy wand, Tala identifies Fale Mo Aiga, the housing strategy from the Ministry of Pacific Peoples. "A good idea in principle, a good strategic vision." But vision without resources achieves little. "I would want targeted funding, mainly around capability building, especially with churches."

She sees government and community pointing fingers at each other. "Pacific people, we think very broadly about things, but we could be more specific about what we want."

She adds: "Sometimes we're pointing at government to do it, and they're asking us how. We could be more specific."

Expecting her first child in December, Tala sees a stable home and closeness to family as key factors, not just for Pacific people, but for all New Zealanders.

Community Housing Aotearoa's role, as she sees it, is "supporting that groundwork, to be ready for when the time comes." It's patient work, building cultural capital alongside housing solutions, exactly where policy meets the dailiness of people's lives.



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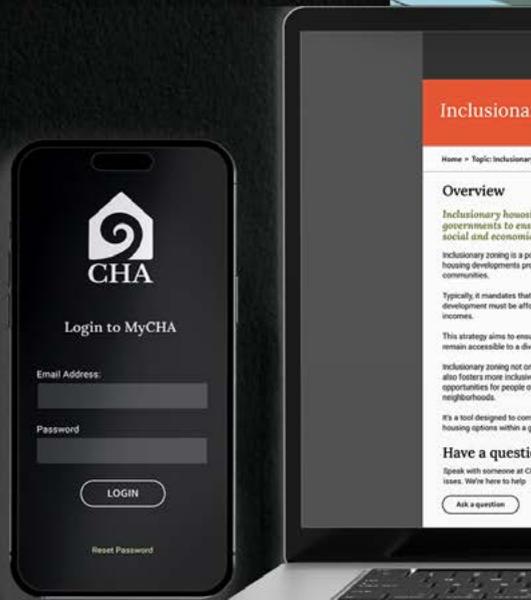


CHA Hub update

We've been busy bringing the new CHA Hub digital platform to life.

We are also now starting to gather all the interviews, wisdom and lived experiences into a data-set that we are starting to train a large language model with. This is the first stage in making the CHA Hub a valuable research, policy and support tool.

Internal testing is underway, with the stage one functionality launching before the end of the year.



In the next Insight Report

In our next report, we turn our focus to homelessness and housing insecurity in Aotearoa New Zealand — where we are now, how we got here, and what needs to change.

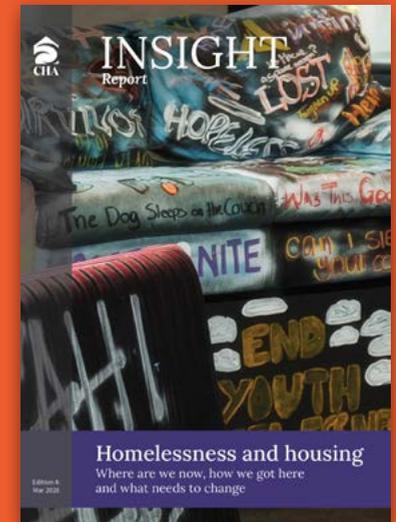
We explore the drivers of homelessness, who is most affected, and the responses and solutions that are urgently needed. This is an important and complex issue, and the next edition is a starting point for a deeper national conversation.

Through the report, we will examine what's working across the current system and services, draw on evidence from successful models, and consider the policy levers that can strengthen prevention and enable more effective, equitable responses to homelessness.

We will be highlighting some of the following areas:

- Key drivers — systemic failures, housing supply and affordability, poverty, and policy gaps
- System and service responses — Kaupapa Māori initiatives, Housing First, Transitional Housing, outreach, and population-specific programmes

- What's working, evidence, outcomes, and data gaps
- Policy levers — prevention, housing supply and support systems, social and economic



Feedback & Suggestions

We welcome your feedback on this edition, and suggestions for future editions of the Insight Report.

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