

AGEING
WELL

Kia eke kairangi ki te
talkaumatatanga

Sustainability and Environment in an Ageing New Zealand

Keeping Pace with Two National Science Challenges

Kay Saville-Smith (CRESA)

Presentation for Ministry for the Environment

28 February 2018

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Building Better Homes, Towns and Cities

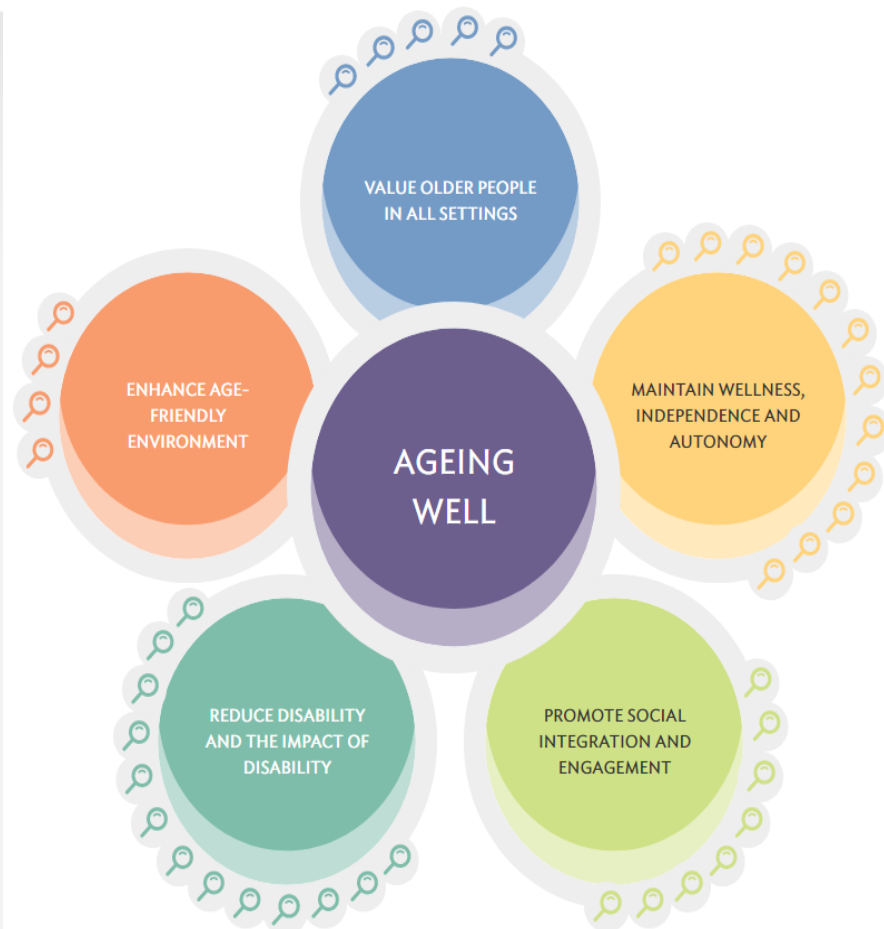
**Ka ora kainga rua:
Built environments
that build
communities**

Ageing Well

To push back
disability thresholds
so that all New
Zealanders reach their
full potential through
the life course,
particularly in the
latter years of life.

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**BUILDING BETTER
HOMES, TOWNS
AND CITIES**

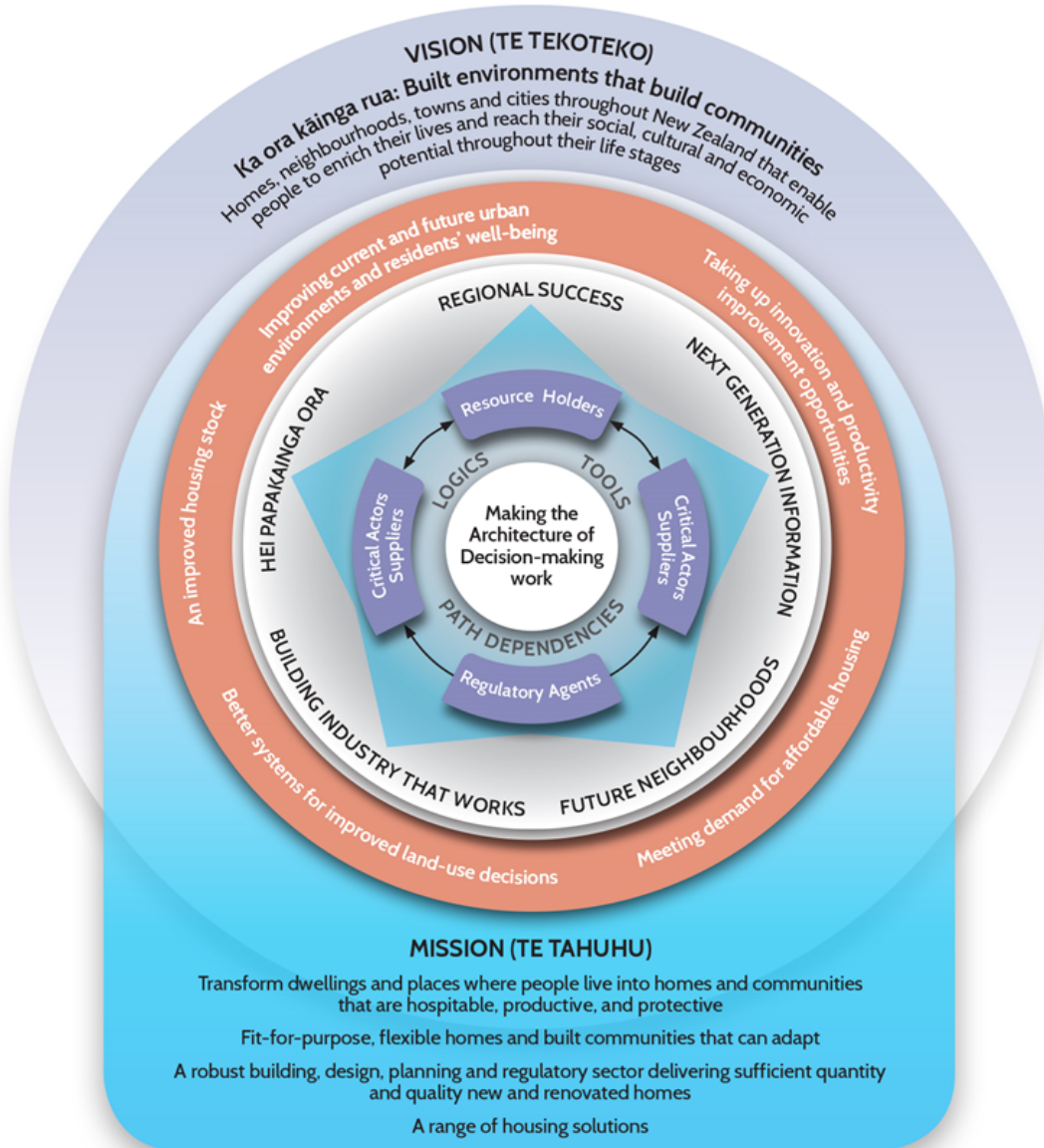
Ko Ngā wā Kainga hei
whakamāhorahora

National
Science
Challenges



**GOOD HOMES
FOR GOOD LIVES**

Empowering housing decisions as we age



**GETTING DECISIONS FOR
HOMES AND CITIES THAT WORK**

National
Science
Challenges

**BUILDING BETTER
HOMES, TOWNS
AND CITIES**

Ko Ngā wā Kainga hei
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**HOMES BUILT
FOR REAL LIVES,
GREAT FUTURES**

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**BUILDING BETTER
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AND CITIES**

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Our Cities:

- Two defining characteristics:
 - Environmentally unsustainable
 - Demographically dysfunctional
- Ill-adapted to meeting challenges presented by New Zealand's big trends:
 - Structural ageing
 - NZ's tenure revolution
 - Unaffordable built environments

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Cities Environmental Threat

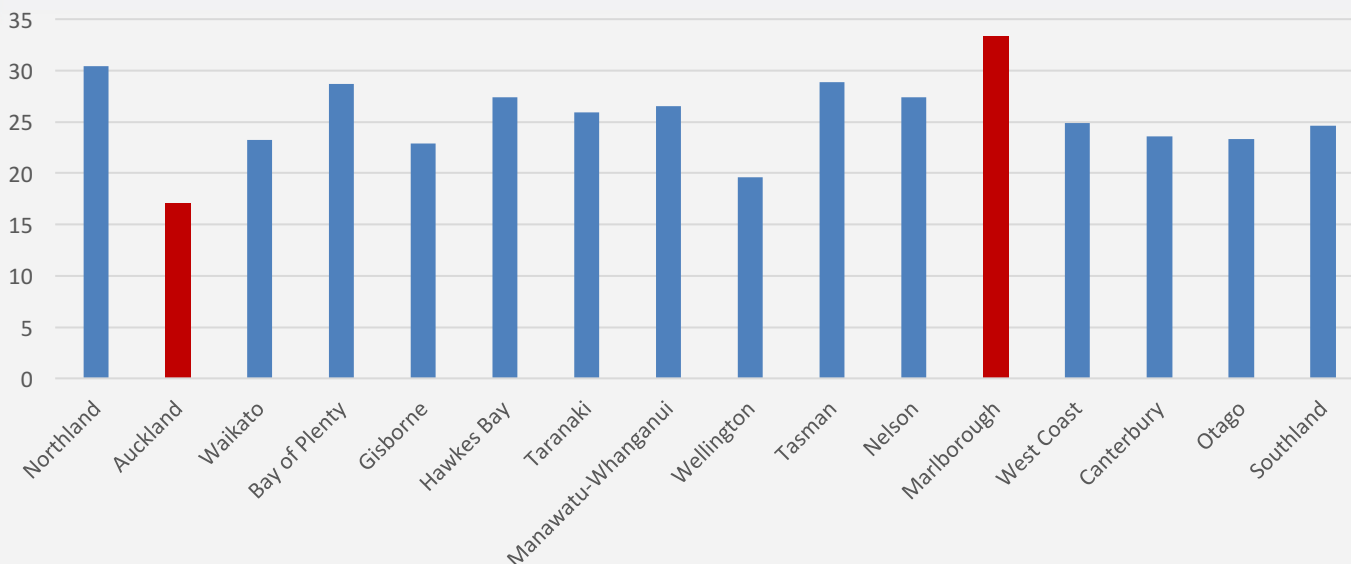
- Degradation and depletion of:
 - Soils
 - Fragile ecological systems – wetlands, coastlands, riparian verges
 - Water
 - Air quality
- Carbon hungry
- Thirst for expansion rather than retrofit
 - Shifting urbanism unlike shifting cultivation is not about renewal – we avert the eye from dilapidation and decline

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Old and Young in Our Regions

Old Age Dependency Ratio 2013 Census



**LIFE WHEN
RENTING**

AGEING WELL NATIONAL SCIENCE CHALLENGE
Enabling Older People's Independence
in the Tenure Revolution



National
Science
Challenges

**BUILDING BETTER
HOMES, TOWNS
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National
Science
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**BUILDING BETTER
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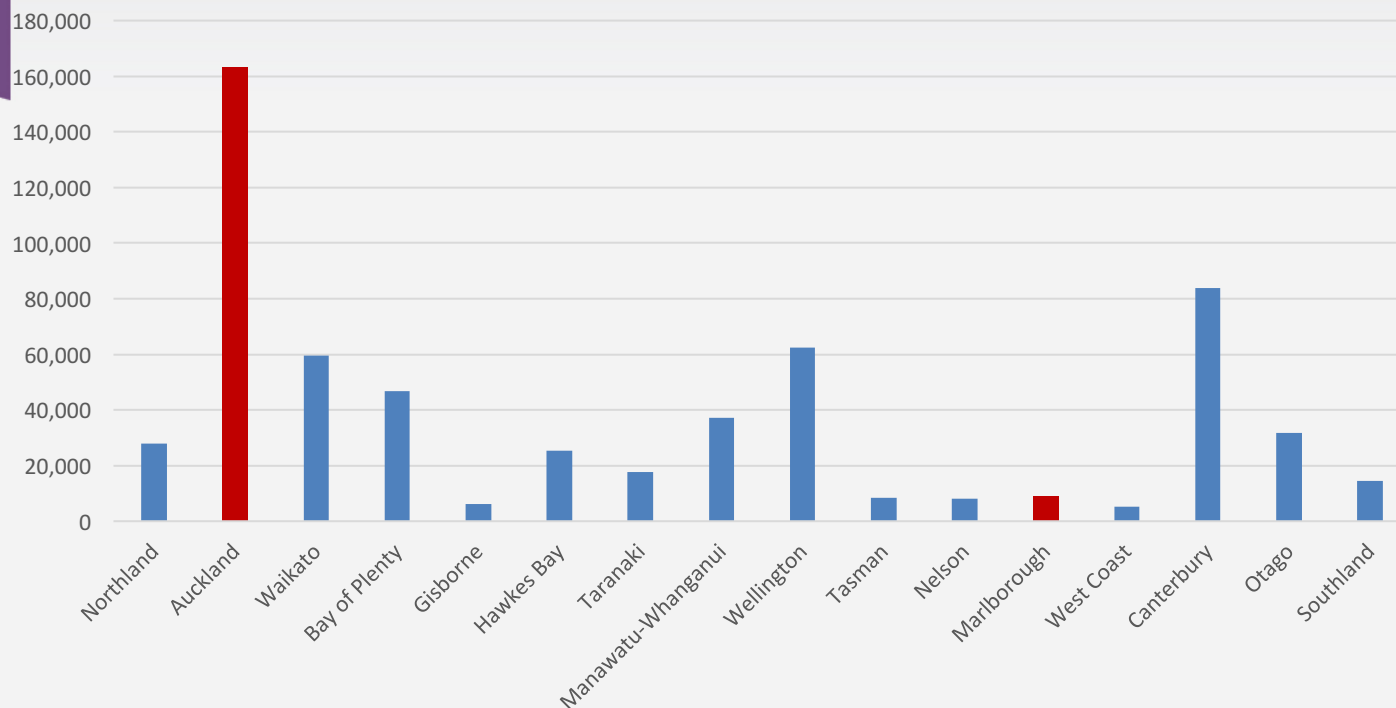
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Old and Young in Our Regions

Populations Aged 65+ Years 2013 Census



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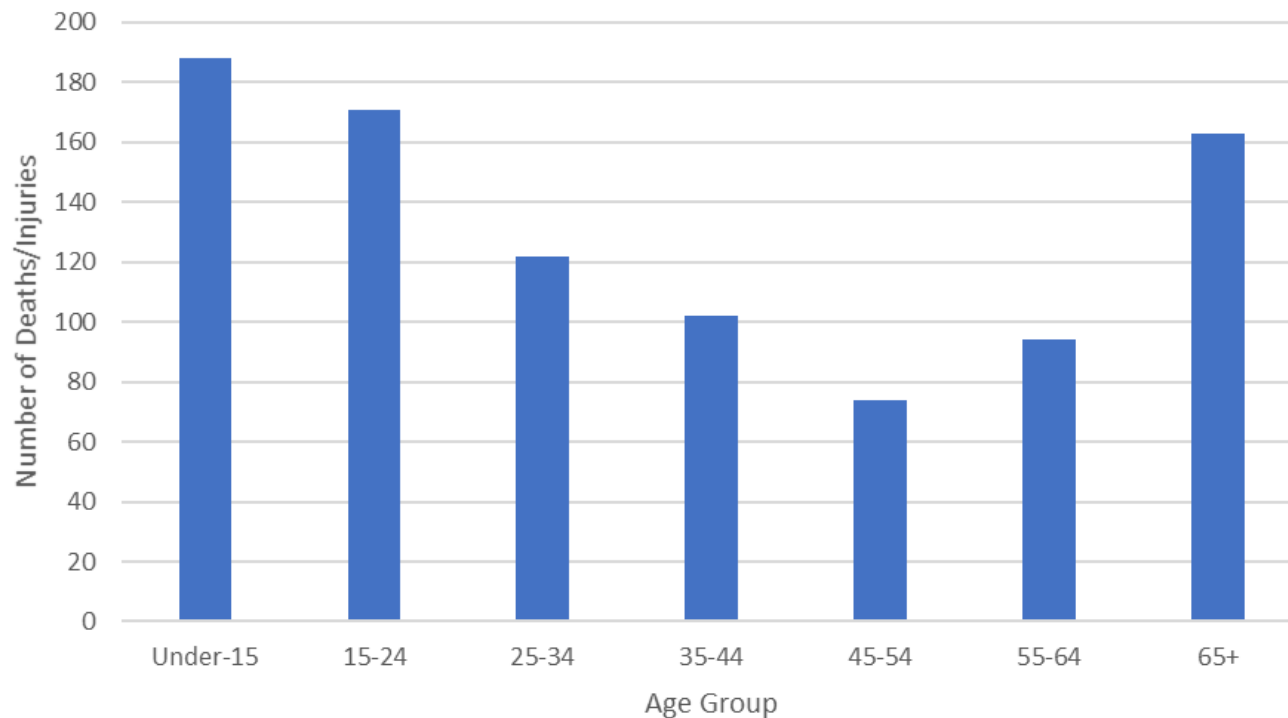
Demographically Dysfunctional

- ‘Car is King’ Towns and Cities:
 - Excludes - Older people – by 2051 if current rates of licensing prevail over 300,000 older people will be unlicensed – Children and young people
 - Has:
 - Undermined public transport networks
 - Attenuated connectivity, increased travel times and costly infrastructure
 - Imposed burdens of transport cost on the most vulnerable households
 - Exposed old and young street users to risk
 - The driving addiction and our environments:
 - Over provision of parking and garaging allocation requirements in district plans
 - Under provision and maintenance of footpaths
 - Big carbon
 - Storm water management problems

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Pedestrian Deaths and Injuries



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Demographically Dysfunctional

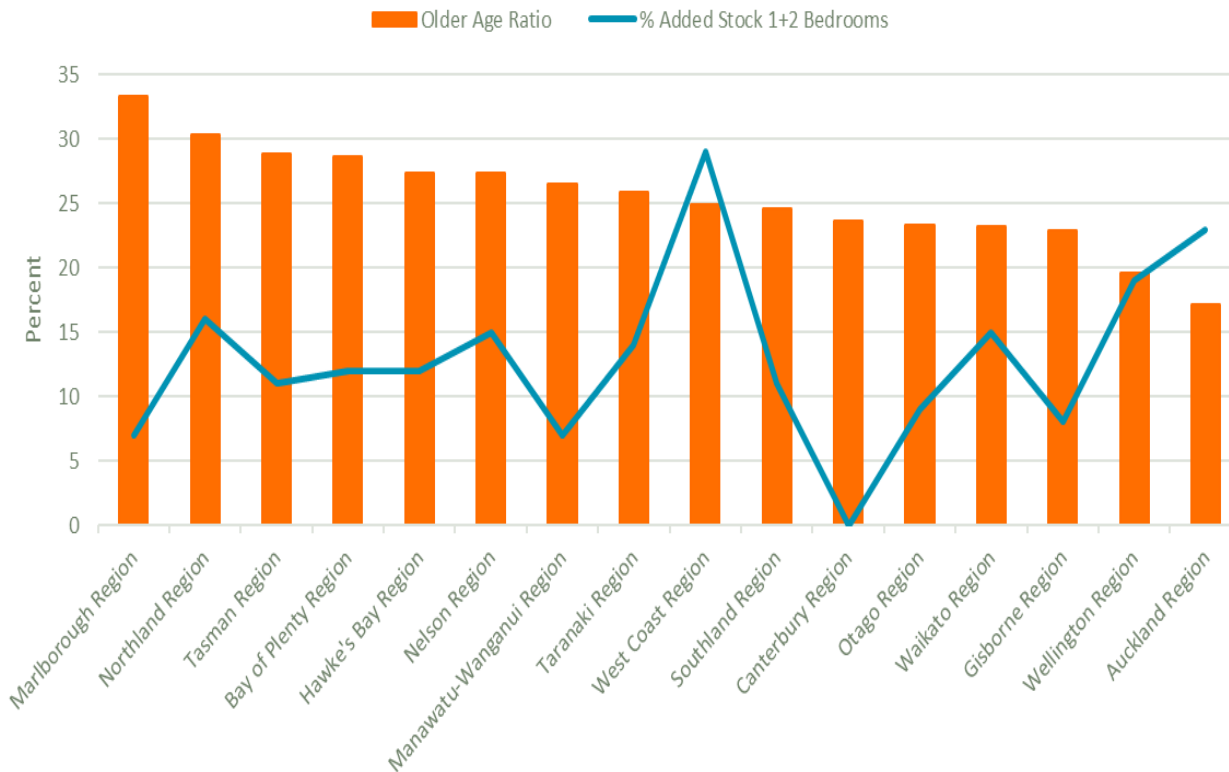
- Cities contain most of our housing stock
 - Stocks are marked by:
 - Little diversity
 - Increasing size and misalignment with household size and needs
 - Under-maintenance
 - Lack of functionality
 - New builds and renovations:
 - Built under a partial and inadequate code with accessibility and functionality
 - Struggle to meet code
 - Often sited in environmentally fragile and risky spaces
 - Systemic problems (leaky building) leads to insecurity and dependence
 - Over-production for wealthier or higher income households

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Dr Michael Rehm, University of
Auckland and K Saville-Smith, CRESA

Regional Older Age Population Ratios and % New Stock 1+2 bedrooms since 2001



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Unaffordable Built Environments

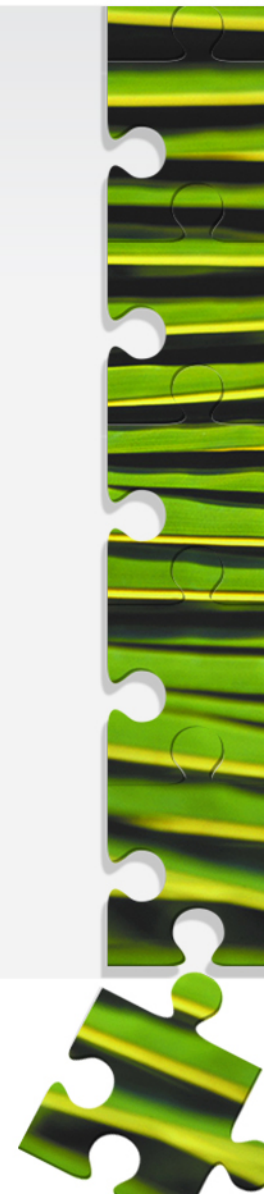
- Cities have become the:
 - Sites of unaffordable housing
 - Drivers of house price rises associated with:
 - Rate stress
 - De-coupling of condition and amenity from price
 - Industry and household addiction to windfall gain
- Reflected in changes in tenure, concentrations of ownership, and land-hoarding
- Rising house prices feed intergenerational conflict – Older People are on the Pig's Back Thesis

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Over-production for Wealthy

- Retirement villages
 - Auckland – 44% of NZ's RV development pipeline
 - Around 7,000 units in the development pipeline
 - Probable over-supply short/medium terms
 - Forecast demand for last year – 351 units
 - Industry supply year ending Nov 2016 – 545 units
 - Boom tailing off – 21% drop Summerset new and resales
 - Entering residential care to sustain sale and purchases
- Declining production of entry level dwellings:
 - New build value profile:
 - 1960s more than 35% of new-build in lower quartile.
 - 2003 8% new builds lowest quartile with >40% in upper quartiles
 - Declining investment in affordable rental stock
- Neglect of ADUs and Partition Dwellings



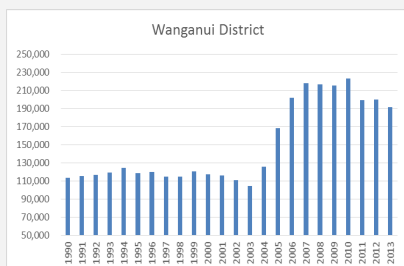
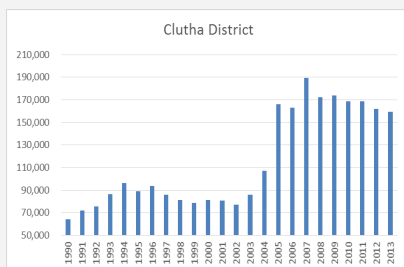
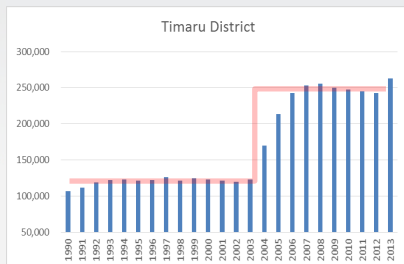
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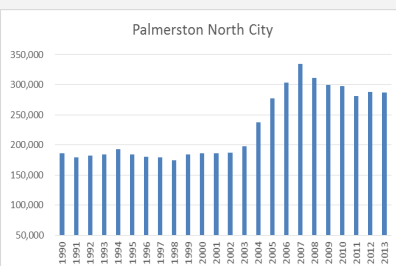
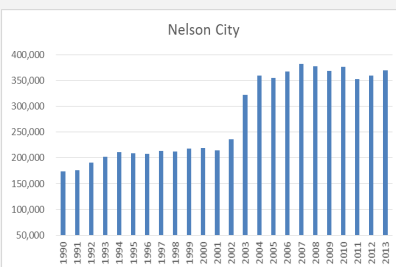
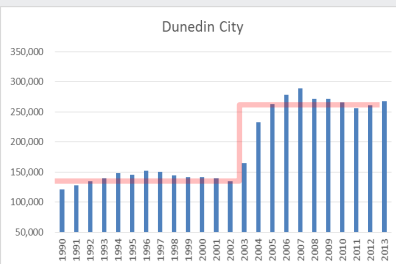
Professor Larry Murphy and Dr Michael Rehm,
University of Auckland

House Prices – Auckland and Other Markets

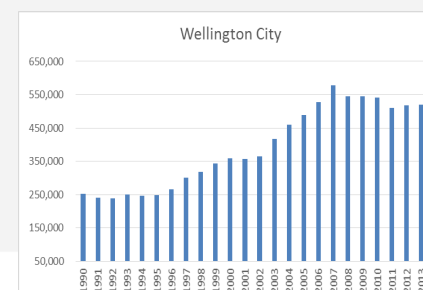
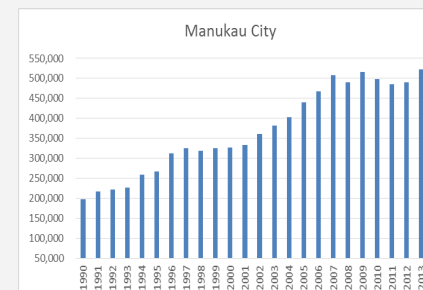
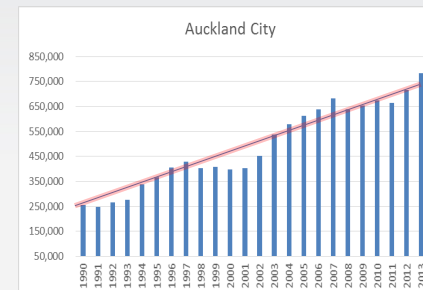
Rural Areas

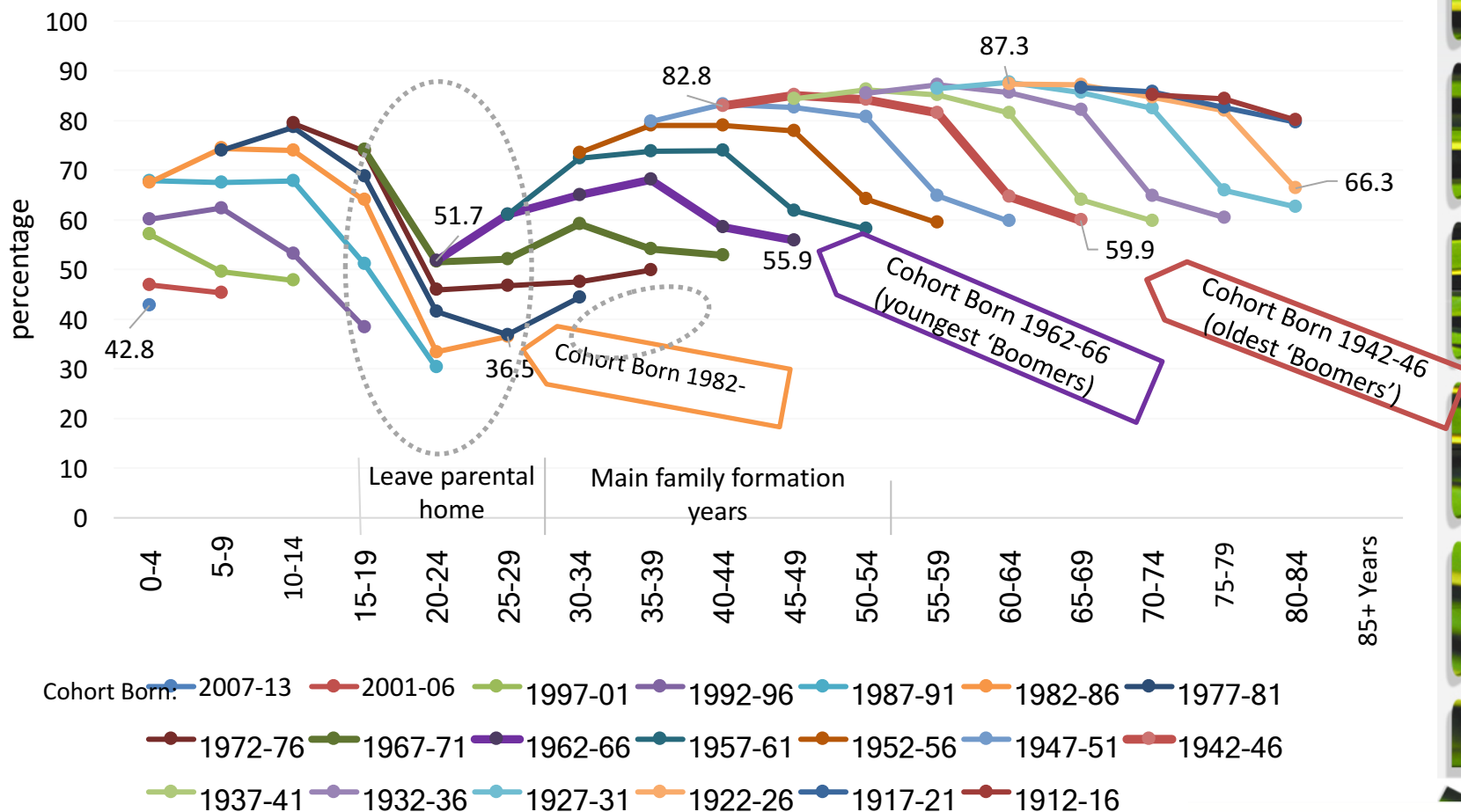


Small Cities



Large Cities



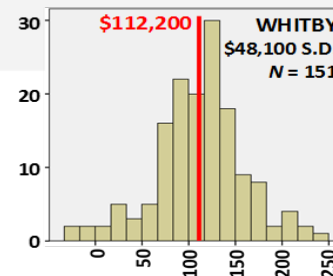
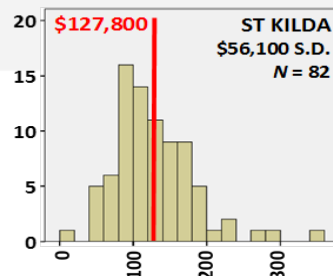
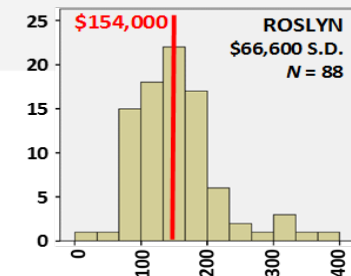
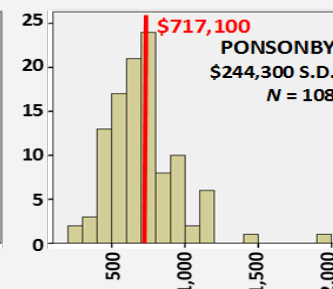
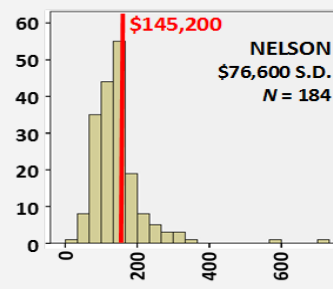
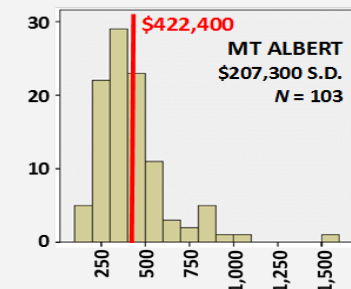
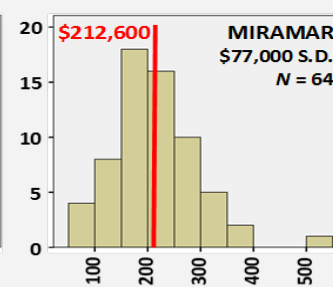
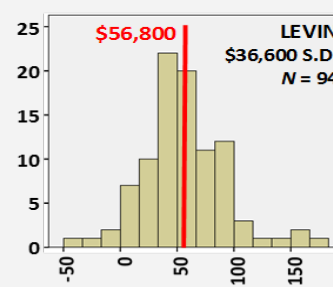
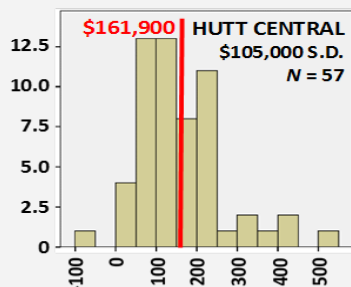
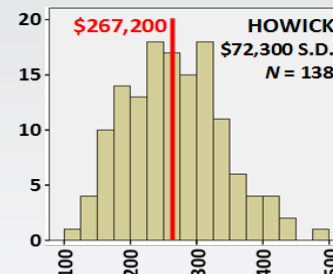
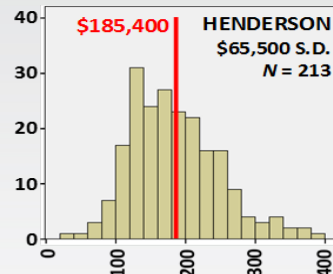
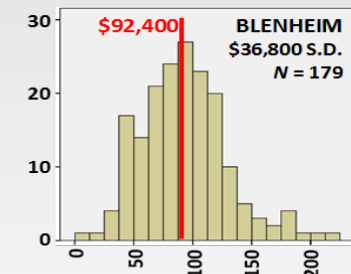
Home Ownership by Birth Cohort, **Total NZ**

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Pig's back? Capital Gain in Repeat House Sales

Professor Larry Murphy and Dr
Michael Rehm, University of
Auckland



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Some MfE Heads Up

- House price, Affordable Housing, Housing Affordability
 - Planning does not drive up land prices – the main drivers are
 - High house prices
 - Credit flushes
 - Residual land value tools when supporting bullish development assessments
 - Rationing land release and land-banking
 - Exclusionary and restrictive covenants
 - Fear, anxiety and greed
 - But windfall gains are associated with planning changes – including around SHAs
 - LifeMark and Green builds do not drive house prices – but green and universal design is used to rationalize new-build house price premiums
- Compact and connected towns and cities are key
 - But pressure on fragile, risky sites – net benefit (cost) analysis needed
 - ADUs and partition can be a win-win
 - Planning rules are irrational and antithetical to an effects-based paradigm
 - Require, like papakāinga, a rethink recognizing intensification value
 - National policy statement