

Christchurch Housing Accord – Questions & Answers

1. What is a Housing Accord?

A Housing Accord is an agreement between the Minister of Housing and a council to work together to address housing supply and affordability issues in a city or district.

The Housing Accords and Special Housing Areas Act 2013 states that a Housing Accord must be in writing, set out agreed targets, set out how the parties will work together to achieve the purposes of the Act, and provide for either party to terminate the agreement with no less than three months' notice.

2. When will the Accord be ratified?

It is intended that the Christchurch Housing Accord will be ratified in early July 2014, following public consultation by the City Council.

3. How long will the Accord be in place?

It is expected the Accord will remain in place until late 2016.

4. How does the Christchurch Housing Accord differ from the Auckland Housing Accord?

The Christchurch Accord differs from the Auckland Accord in that it is not expected to use the Special Housing Areas (SHAs) provided for under the Housing Accords and Special Housing Areas Act 2013. This is because the Land Use Recovery Plan, developed under the Canterbury Earthquake Recovery Act 2011, has been designed to play a similar role to Auckland's SHAs in terms of making land available to build on.

5. What has been the process for developing the Christchurch Housing Accord?

The Mayor of Christchurch and Minister of Housing had informal discussions last year. Cabinet agreed to add Christchurch to the Housing Accords and Special Housing Areas Act 2013 in January 2014, which enabled formal discussions to begin. The Mayor and the Minister, and Council and Government officials have met regularly since. Cabinet agreed to the Accord on Monday 14 April. The Council will need to publicly consult on the Accord over the next month before considering ratifying it.

6. How will the Christchurch Housing Accord Fund work?

A contingency for \$75 million has been approved by Cabinet with the intention for it to help capitalise housing developments, including those proposed at the Colombo Street, Welles Street and Awatea sites. Each will require a Request for Proposal

process administered by MBIE and will be subject to a business case and full approval by Cabinet. The developments may be mixed-use to make best use of the respective sites although the public funding will be for the housing component.

7. What will the new housing entity set up by the Council do?

The new housing entity will be formed between the Christchurch City Council and other organisations who are interested in providing social and affordable housing in Christchurch. It is envisaged the entity would be a registered community housing provider and be able to access income-related rent subsidies for eligible tenants. The entity would also take a wider mandate to provide affordable housing options, including rental and homeownership options. The Government will assist the Council to set up and decide on a mandate for the new entity.

8. Why will the Council's social housing be more financially sustainable as a registered community housing provider?

The current Council housing stock was not financially sustainable even before the earthquakes and required an increase in rents or an increased ratepayer subsidy. This problem has been compounded by the earthquakes.

Registered community housing providers are eligible for an income-related rent subsidy from the Government on the same terms as Housing New Zealand Corporation (HNZC) for eligible tenants. The income stream of this subsidy would hugely improve the viability of the Council's social housing stock and would enable it to be sustained, improved and grown into the future.

9. What else is the Government doing to improve housing supply and affordability?

The Accord is just part of the Government's wider programme to support the housing market recovery in Christchurch. Other initiatives include: the Land Use Recovery Plan, the Canterbury Earthquake Temporary Accommodation Service (CETAS), the four temporary accommodation villages, the repair of 5000 HNZC houses, the building of 700 new HNZC homes, the Social Housing Fund, and the worker accommodation initiative in partnership with the private sector.

The Government also has work underway on the cost of building materials, development contributions, building productivity and compliance costs to improve affordability nationwide.

10. When will the first of the hundreds of additional homes from this Housing Accord be finished?

The first of the homes from this Accord will be completed and occupied by the end of this year.