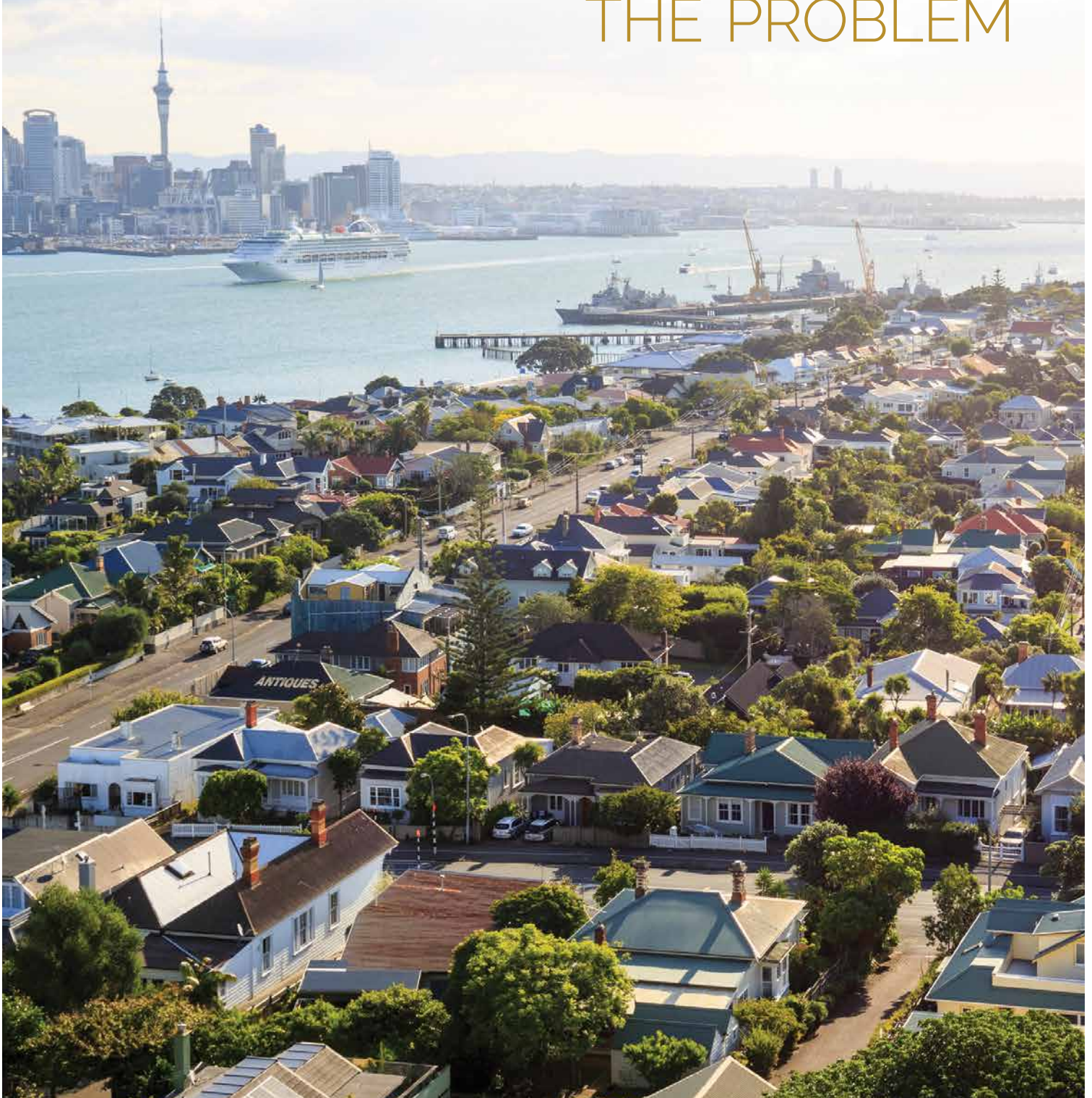




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AUCKLAND'S HOUSING CRISIS  
**THE PROBLEM**





## **A FEVERED DEBATE WITHOUT A CLEAR SOLUTION**

Auckland is in the depths of a major housing crisis. Everyone's talking about it, and it's making international news.

It's quite literally the talk of the town. At any social event, coffee meeting or in many offices, the fly on the wall is probably nodding off by now as property prices are discussed, debated and bemoaned.

Most people have an opinion but remain in the dark as to what has caused the housing crisis, what is being done to resolve it, and what the housing shortage really means for Auckland long term.

Media coverage is far and wide, yet we see only partial snapshots of the problem. Finger pointing within the property industry and beyond is getting us nowhere.

## **LOOKING FOR THE SILVER BULLET**

When faced with a crisis, we often look for the elusive silver bullet fix. Silver bullets are as rare, but as often sighted, as the yeti. Thus this approach tends to be unsuccessful.

It's clear that the housing crisis in Auckland has no silver bullet solution. The problem is complex and complex problems don't usually respond to simple solutions.

There's no shortage of opinion: 'It's the demand side. No, it's about supply. Immigration is at the root of the crisis. No, it's the investors. It's the banks. It's the planning limits placed on city growth...'

## **AUCKLAND'S HOUSING ISSUES ARE NEITHER NEW NOR SIMPLE**

They're not related to one policy, one party or one local government organisation. They are not even unique to Auckland as many fast growing cities around the world face similar problems.

**So what makes the Auckland housing crisis so complex and so hard to solve?**

## THE PROBLEM IS LIKE RUBIK'S CUBE; MANIPULATING EVERYTHING INTO LINE IS KEY TO TEASING OUT A SOLUTION.

One of the big challenges is that when you overlay the long term nature of development on the short term nature of local and central government, it's difficult to achieve the consistency, commitment and direction required for everyone to 'scale up.'

Whilst there's plenty of talk about getting the public and private sectors working well together, talk is cheap. And though point scoring is a well understood aspect of the political process, it doesn't get houses built. It's a crisis with many moving parts; not one we're going to solve it if we're driven by a short term concern about how a particular proposal will look on the front page of the paper.

To solve the problem requires real leadership with a long term focus and commitment. Housing development is a long term venture which isn't easily reversible and has an estimated economic life of around 50 years.

Policy influencers that stop, start or change their minds all have a negative impact. Whilst supply and demand are the underlying drivers, snapping your fingers like a magician won't conjure up a quick supply of houses. It takes time. Small developments can take a couple of years, while large scale housing developments may take at least ten years from start to finish.

The multitude of players in the property market each have their own agenda. The thinking is often isolated, fragmented and not aligned to a common goal.

**It's time to ensure that all the parties, from policy makers to infrastructure providers, including developers, construction companies, key consultants and planners, are aligned in a common direction with common objectives.**

Auckland's Unitary Plan has identified the need for 422,000 houses over the next 30 years. To achieve this requires a building rate two and a half times higher than what we've achieved over the past 25 years.

In the words of Albert Einstein:

**'We can't solve problems by using the same kind of thinking we used when we created them.'**

## UNTIL WE HAVE A UNIFIED VISION, WE'RE UNLIKELY TO OBTAIN A REAL COMMITMENT TO SOLVE THE HOUSING CRISIS.

Let's try to imagine what Auckland will look like if we turn out to be chokers. The future will be what we're experiencing now, only significantly magnified. Rampant house prices, people living in cars, more congestion, a dire shortage of houses and people who have become resigned to giving up on the idea of owning a home in Auckland. So, do we sit here and debate whether it can or can't be done? If we do, we run the risk of ending up paralysed.

## IT'S NOT ROCKET SCIENCE... OR IS IT?

The race to put a man on the moon saw John F Kennedy declare in the early 1960s that America would have a man on the moon by the end of the decade. NASA didn't waste time on whether it was achievable. NASA tackled it differently. Their process was to posit the assumption, 'Right, we've landed on the moon. Let's now work backwards to figure out what we had to do to get here'. And step by step they did.

The solution to Auckland's housing needs the same belief, energy, embrace of innovation, and single-minded commitment. So, let's ask the big question: what do we need to do to hit the targets and get the outcomes that Auckland needs?

**To all the naysayers, critics and cynics: You say we can't do it. I say we must do it.**