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HOUSING STRATEGIST

AUCKLAND'S HOUSING CRISIS

# THE SOLUTION





This is a fictional story, set in the future, about solving Auckland's housing crisis. It has been written in story form to showcase the ideal solution and roadmap in a way that is easy to digest and understand. All persons and entities mentioned in the story are fictitious with the exception of *The People's Project*, *The Wise Group*, *Julie Nelson* and *the New Zealand Housing Foundation*.

**1ST MAY 2026:**

## **AUCKLAND'S HOUSING CRISIS 'UNOFFICIALLY' OVER**

### **THE WINNING SOLUTION**

High level recognition in London last night of Auckland's hard-won reputation as a world leader in housing as Housing Connect took top honours at the United Nations World Habitat Awards. 'Auckland's apparently intractable housing crisis had ended as a result of Housing Connect's heroic efforts over the past decade' said King Charles at the official awards ceremony.

Chief Executive of Housing Connect, Sarah Blackstone, was in London to accept the award cited by King Charles as 'the envy of many other cities in the world still struggling to make meaningful progress in solving housing supply issues.' Auckland edged out five other international cities to take the top award.

### **BATTERED BY THE STORM**

In 2016, Auckland was at the height of a housing crisis.

Houses were being built, but not enough and not fast enough. The gap between demand and supply was escalating and prices were spiralling out of control. The home ownership rate of 61% was the lowest in 60 years. Some commentators declared that New Zealand had forfeited its place as a 'property owning democracy'.

First time home buyers were struggling to get a foot on the property ladder as prices increased disproportionately to salaries. Many families outside the charmed circle of existing property owners had given up hope of ever being able to buy a house in the Auckland region.

Day after day, New Zealand media ran stories of families living in cars and garages, and people in frontline social roles such as teachers and nurses, moving out of Auckland to areas where they could afford to purchase or rent a house.

While Auckland was in the midst of a housing crisis, decision-makers were at a loss as to how to deal with it. The rich diversity of the city and its backbone communities were coming under siege.

In public, the great and the good struck postures, often stridently. It was a crisis and the debate was a fevered one. 'It's the demand side! No, it's about supply. Immigration's to blame. No, it's the investors. It's the banks. It's the planning limits strangling city growth...'

Everyone was looking for the elusive 'silver bullet' solutions or pointing the finger. The future looked bleak.

## THE TIPPING POINT

It was against daunting odds that a small group of visionary Aucklanders met for the first time in 2016 and set a new course in an attempt to solve the crisis. They realised that no single organisation, no single idea and no single person, no matter how innovative or powerful, could solve the problem alone. A fresh and more unified approach was needed.

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"Never believe that a few caring people can't change the world. For, indeed, that's all who ever have."

MARGARET MEAD

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A collective impact methodology was adopted, bringing people together in a structured way, to solve what was an extremely complex problem. As one of them commented at the first meeting, 'it's a three musketeers initiative, All for One and One for All.'

One of the great collective impact success stories in New Zealand at that time was the People's Project in Hamilton. Run by Julie Nelson, the joint CEO of Wise Group, the goal was to focus on doing what matters. In 2014 she set an ambitious goal – to end homelessness in Hamilton by 2016. 'You can either manage homelessness or end it', Nelson said. The People's Project aim was to end it by thinking outside of the box.

Nelson's partners in the enterprise comprised local government, central government agencies and a range of not for profit organisations. These agencies approached the solution together, pooling resources and expertise.

Her methodology was clear and focused, 'housing first, then connect those sleeping rough with accommodation and support services, to restore independent living. It makes perfect sense. It also saves money. And it's internationally proven that this approach works.'

There are many examples of communities around the world saying 'Enough is Enough' and adopting a collective impact approach to solve complex social challenges:

- In Canada Brandon City introduced a **Neighbourhoods Alive** campaign. It featured a number of initiatives including practical steps to support residents who wanted to move from renting to home ownership.
- The **Opportunity Chicago** collective impact initiative resulted in 6,000 public housing residents obtaining new jobs during a recession.
- Over less than four years, the US based **100,000 Homes Campaign** housed 105,000 homeless Americans, including 31,000 veterans, in 186 communities.  
**Zero 2016** is a follow-on from this original initiative, to end veteran and chronic homelessness in 75 American communities by December 2016.
- **The Global Alliance for Improved Nutrition**, a global-scale collective impact initiative, has helped reduce nutritional deficiencies among 530 million poor people across the globe.



In the two years following its establishment in August 2014, the People's Project housed 254 people and provided support to 311 people seeking housing solutions. An impressive 94% of those housed remained in their own homes two years later. This multi-agency approach was a direct response to public anxiety around safety in the inner city and a caring concern for the number of people who were sleeping rough on the streets.

In 2016, the People's Project was on track to achieving their goal of ending homelessness, a goal some prominent Hamiltonians said wasn't possible. The concept spread and began to influence communities in other parts of the country.

## TAKING A GREAT IDEA UP THE ROAD

Back to Auckland and Sarah Blackstone. She reasoned that if the collective impact approach could work in Hamilton and abroad then maybe it could work in Auckland. Sarah recognised that much of what had been happening to date in Auckland was actually about isolated impact. Whilst many organisations were working hard to help solve the housing crisis, they were working separately from one another in siloed programmes. Often they were even working at cross purposes to each other.

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Nobody was joining the dots. If a solution was to be found, it had to involve everyone aligned to a common goal.

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## THE BIRTH OF HOUSING CONNECT

A small group of city leaders gathered more than 100 heads of New Zealand organisations across the housing sector; Government, council, financial institutions, developers, builders, community housing providers and not for profit support organisations. This key stakeholder group was dubbed **The Auckland 100**.

A six-month feasibility study was undertaken to determine the level of support such a venture needed. The results contributed to the key components that emerged:

- **The establishment of a new not for profit organisation:** Run in an uncompromisingly disciplined and business-like manner. Perceived neutrality was identified as vital and while central and local government were both key stakeholders, this new organisation would be solutions driven rather than politically driven.
- **A governance board:** This would comprise a group of influential champions with the ability to make things happen and provide clear leadership for the city.
- **Funding:** Funding would be sourced from all housing sector participants to secure the organisation's operation for the first three years. At the end of the period, the results were expected to speak for themselves, thereby securing further funding.
- **The mission:** To build on what worked, to co-ordinate and align every stage of the housing process, from establishing a vision and strategic plan, to the delivery of finished houses. This would incorporate existing organisations, agencies and processes, filling the gaps and removing the overlaps and inconsistencies.

Strong support was received from the housing groups engaged in the exercise. Most saw it as the missing link. Shortly afterwards in June 2017, Housing Connect was born with a small and dedicated team. It provided, for the first time, a genuine clarity of purpose and hope.

It ensured clear accountability despite the wide range of voices and brought all the players together to join the dots.



## MAPPING THE PATH

The first steps included:

- Developing a vision and key outcomes statement that all parties endorsed with shared accountability and differentiated responsibility.
- Developing The Housing Framework, designed to describe and make sense of all the pieces in the housing jigsaw.
- Developing a unified action plan, so everyone was clear as to their responsibilities within a given timeframe.

## REPORTING PROGRESS

**BY THE END OF 2017** (and after the first six months of operation)

**Housing Connect had defined its vision:**

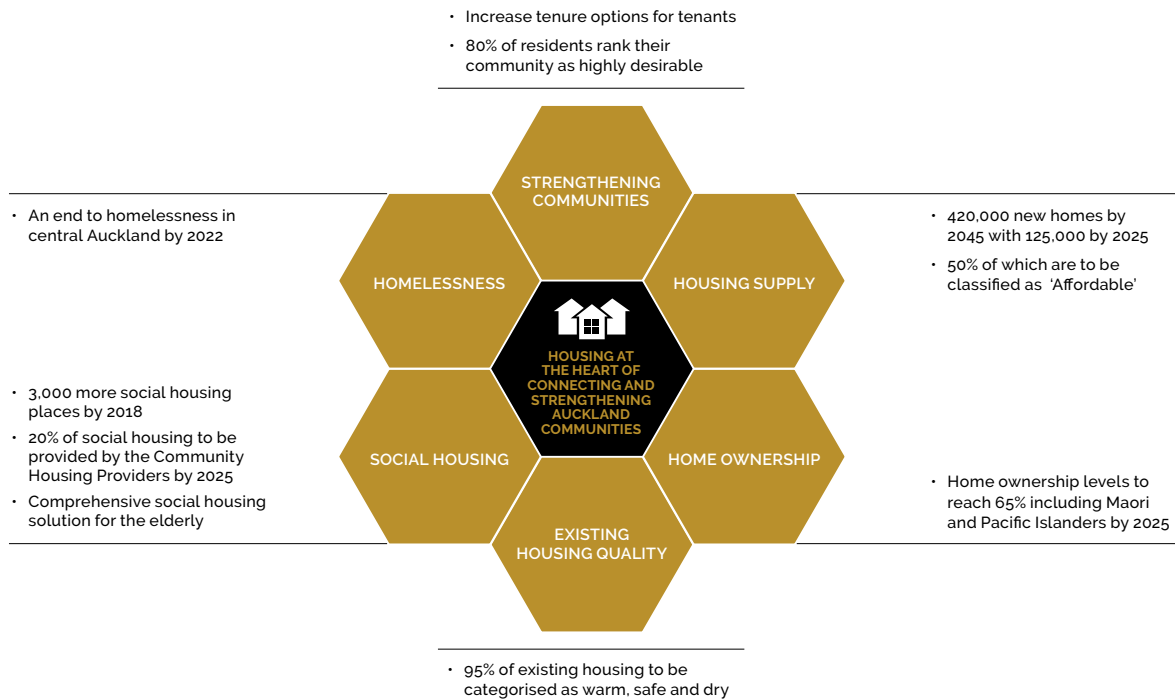
**Housing at the heart of connecting and strengthening Auckland communities.**

Agreement across the board to focus on six key activity areas:

- Strengthening communities
- Housing supply
- Home ownership
- Existing housing quality
- Social housing
- Homelessness

Within each of the six activity areas, key outcomes and targets were agreed as shown in the Vision infographic.

# VISION INFOGRAPHIC



Next, the Housing Framework provided the necessary structure and made sense of all the pieces of the housing jigsaw to determine exactly where things sat as shown in the infographic below.

# HOUSING FRAMEWORK



The Housing Framework starts in the middle with **Demand**. This is understanding the different types and needs of purchasers – home owners, investors, and social housing providers as well as tenants – both private tenants and social housing tenants.

The next ring has 3 key influencers

- **Community and City Perspectives** is the wider perspective of what the communities and our city at large needs, wants and directs
- **Policy/Regulatory Environment** includes government legislation and policy as well as Auckland Council strategy, Unitary Plan, consenting, infrastructure and development costs
- **Housing Market Influencers** is everything from the Property Market and where in the cycle are we, demographics, immigration, home ownership levels, supply and demand, economic factors, costs of construction, rental market, property prices, and financing.

The next ring is **Housing Delivery**. This includes land and infrastructure supply, size quality and type of development projects, who is doing what developments in the private sector, Iwi, Not for Profit and public sector. It also includes other issues like industry capacity and capability, partnering models and risk management.

The final circle is **Communication** – and it's about telling the story – through a range of communication avenues to all.

Housing Connect then developed a transparent **Action Plan** which was fully and openly communicated to enable all parties to see the reality and complexity of the challenges that lay ahead:

- The plan showed how Housing Connect would deliver on its plan via concrete outcomes, priorities and performance indicators to ensure things were on track.
- Different organisations took responsibility for each of the six activity areas and determined who was needed to deliver them.
- The action plan agreed the principles of how the contributors to Housing Connect would work together.
- It identified key priorities for each area of Auckland.
- A survey was undertaken to assess and better understand the scope of the housing crisis, the people of Auckland and the region.

**For the first time, there was fine-grained, empirical information available, on which to base decisions.**

## YEAR TWO

The following year saw Housing Connect gain more traction and by the end of 2018, the following had been achieved:

- A **Quick Wins** programme was launched, to identify what could be done to effect measurable change within 12 months, without additional programmes or expenditure.
- The communications strategy, **Community Connect**, was launched to educate Aucklanders about Housing Connect, what was happening, and provide a platform for feedback.
- The six activity areas were bedded in and real progress was being made in joining the dots.
- The **Action Plan** was implemented and progress was measured to ensure it was clear what was and wasn't working.
- The barriers had begun to break down as people started to understand what it was like to walk a mile in someone else's shoes. Key players could see clearly how their piece of the jigsaw fitted into the puzzle.

## BY THE END OF 2019

- The homeless population in central Auckland had been halved.
- Consents issued for new housing were now at the highest level in Auckland's history and projects to construct more affordable housing were underway.
- The decline in home ownership rates had slowed and was starting to reverse.
- A **Family Solution First and Centre** scheme was introduced, to ensure housing was a priority for everyone. Support services, government departments and not for profits were working together with a focus on ensuring all families had access to housing, as their top priority.

## SARAH'S STORIES OF THE VOYAGE

Sarah Blackstone chronicled a variety of stories as Housing Connect grew. The following are just a few of the success stories that emerged for each of the six key activity areas.

### THE AFFORDABLES



#### The back story:

Janice and Tamati are a typical Auckland family with two young kids. They have been married for 10 years. Janice is a teacher and Tamati works in IT. Buying a house had always been an important goal for them as they wanted to provide stability for their children. They have been saving for a deposit but the prices just seemed to increase in proportion to their savings and combined salaries. They had begun to despair that their dream would never come true.

#### Sarah:

We had set 125,000 new homes by 2025 as a key milestone as part of the larger, long term target of 420,000 additional homes by 2045. We'd also agreed that half of these needed to be affordable. The target required a building rate two and a half times greater than the past 25 years.

To crack it, we had to get everyone involved. We started with the end in mind and worked backwards. The question? What do we have to do to build more affordable houses faster?

Our survey showed demand for well-designed, good quality small two to three bedroom homes, with one bathroom and a carport. Based on this, developers then created the concept of small neighbourhoods, confident there was real and measurable demand for these type of properties.

The **Small Neighbourhoods** concept was replicated at scale, producing further benefits including reduced construction costs due to standardisation and shortened council consenting timeframes and costs. The Council altered the payment framework for development and infrastructure contributions so that smaller homes attracted less costs than larger homes.

The Government worked with the private sector to release its surplus land, ready for development, faster. This reduced risks associated with taking payment for the land at the end of the project. Other similar counter-cyclical options by the Government proved pivotal in keeping up momentum for developers.

As the housing market finally started its long predicted downturn in 2018, prices didn't tank, as some commentators had forecasted but they did come off the boil and bought a halt to recurring, large annual house price increases for a few years. The price of a property was further reduced at the outset by 15% as the GST was deferred until the property was next sold.

"All the houses sold as affordable, went only to home owners or for social housing"



### So what about Janice and Tamati?

The changes filtered through to end purchasers such as Janice and Tamati. Six years ago they realised their dream of buying their own house in West Auckland. And it was at a price where the mortgage payments sat at just over a third of their income. The goalposts have finally stopped moving for them.

As well as Janice and Tamati, more than 60,000 other Aucklanders benefitted from Housing Connect's affordable housing focus.

## THE ASSISTED



### The back story:

Tania Saluni is 43 with one child. She has rented all her life and never thought she'd be able to own her own home. She's a nurse who loves her job, but a few years ago, she'd suffered from some serious health issues. As a result, her savings were depleted.

### Sarah:

One of our key visions for Auckland was to halt, then turn around the decline we were measuring in home ownership rates. We set a home ownership target of 65% for all Aucklanders. But it wasn't just about throwing more money at the problem. Some of the concepts we implemented and tested included education programmes for a diverse range of people and voluntary home owner mentor schemes to assist people through the buying process.

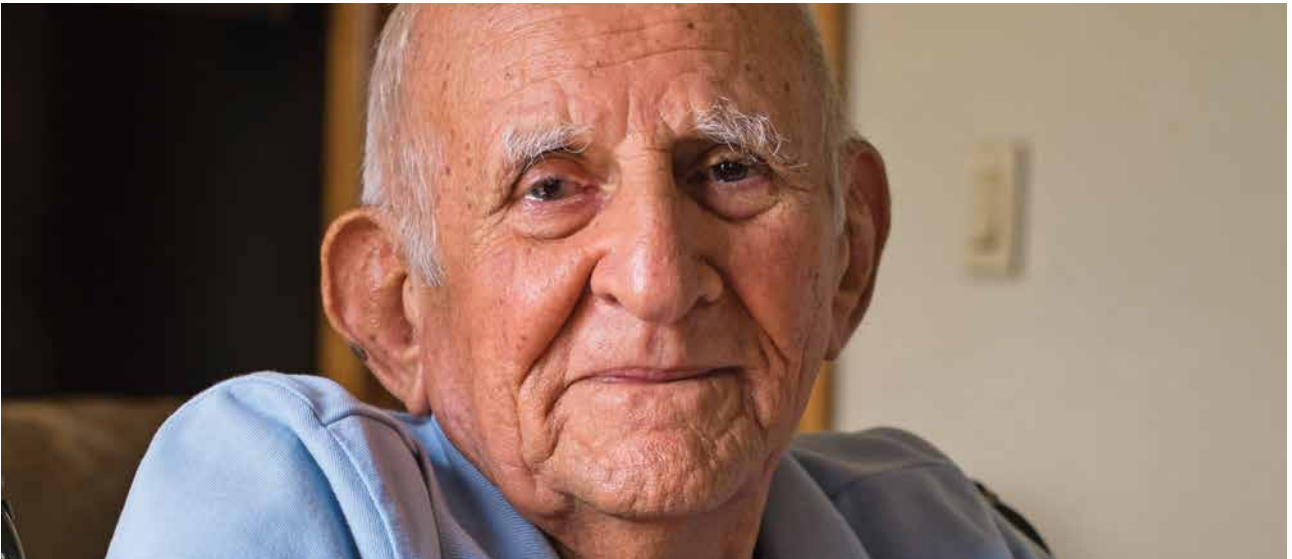
The biggest shift was in assisted ownership. This is where you take, for example, a 50% share initially, which over time can be increased until you own outright. When people realised this was one of the biggest opportunities for people to get on the property ladder, organisations such as the New Zealand Housing Foundation were able to expand the scale of their operation through Government, council, Iwi and private sector support. On top of this, we engineered the introduction of a whole range of ownership options, from short term leasehold and joint ownership, through to shared equity and rent to buy schemes.

Now, in 2026, we're just a bit short of our 65% home ownership target. But we think that's pretty good going. We have an increased supply of affordable houses and we're working on getting more people into their own homes. The depletion of key workers such as teachers, nurses and police, who were previously leaving Auckland because of rocketing house prices seems to have stopped.

### So what about Tania?

She bought an apartment in South Auckland via an assisted ownership scheme. It has fulfilled a dream she never thought would come true. Tania's new goal is to own her home outright in five years. She knows when she repays the money it will be used to put another family into a home. Tania wants to pay it forward and she now works on the community housing mentor scheme to help others.

## THE QUALITY POOR



### **The back story:**

John is a man in his eighties. His wife died a few years ago after more than fifty years of marriage. They didn't have any children. For most of his life John has been in good health but over the last five years he's been struggling with respiratory problems.

John and his wife were long term renters. This was a decision they made many years ago because of the transient nature of his work. He has been living in the same house for more than ten years. But the house was damp and cold which exacerbated his health problems.

### **Sarah:**

Ensuring rental properties are up to standard was another key activity area for us. There were several existing programmes so it was a matter of co-ordination and working hard towards our goal of ensuring that 95% of all housing was warm, safe and dry. Education, grants for upgrading and a simple non-mandatory warrant of fitness for all houses were a few of the initiatives implemented.

### **So what about John?**

John's property was one of those that benefited from an upgrade. As a result, his respiratory problems have improved significantly. A healthier home has also reduced the health costs for John.

## THE JOINED UP APPROACH



### The back story:

Lisa's a mum with four kids, two with severe autism who need specialist care. She has struggled to stay in private accommodation because of the uncontrollable outbursts of behaviour by one of her children, which caused damage to previous properties.

### Sarah:

The **Family Solution First and Centre** was introduced as a mechanism to connect all social support agencies so they can jointly focus on a family's needs. Housing was a core part of the solution. Lisa and her children rented a newly-built house through a community housing provider who had built a small number of specialist properties specifically for this sort of scenario.

The cumulative effect was a shorter waiting list for social housing. This has been achieved through a number of strategies. More social housing was built via collaboration between public and private housing providers. Crown and council land was used to develop a new range of housing options with specialist requirements and Kiwis have begun to accept that social housing is something for people in need, for the duration of that need.

The knock on effect has seen those whose circumstances have improved continue along the housing continuum to assisted rental and assisted ownership options, freeing up housing for others with special needs.

### So what about Lisa?

Lisa's in a much better place now in many different respects. Lisa, like many others, has benefited from the unified approach to the housing crisis. Lisa now feels like her family are part of a community and her life is much more manageable.

## THE HOMELESS



### **The back story:**

Lei-Mei and Aroha were good friends. They met at a treatment centre on the road to recovery. Both had been living rough on and off for years. It wasn't what either had planned for their lives but a series of events, including alcohol and drug addiction, meant that was where they'd ended up.

### **Sarah:**

Their lives were turned around through our focus on ending homelessness. The programme, which the Wise Group originally started in Hamilton, was transferred and expanded into Auckland, bringing together all the services needed to support the homeless. It's paid big dividends. And through our wider focus on new housing supply, investors and developers are linked up to provide a diverse range of housing that has had spectacular results.

The focus was on prevention, and ensuring the levers are in place so all the social organisations are working together to prevent people falling into homelessness in the first place.

### **So what about Lei-Mei and Aroha?**

They each have a small place they call their own and, as a result of support through education programmes, they've been able to secure part-time work.



## THE REFUGEE



### The back story:

Ahmed Kattan, his wife and four children arrived in New Zealand in 2013, forced to abandon their country. They are a long way from their life in Homs, Syria's third largest city; a key battleground in the Syrian civil war. Before the war, life was prosperous. When the United Nations High Commissioner for Refugees proposed resettling them in New Zealand, Ahmed had never heard of the country and was nervous about moving so far away.

### Sarah:

The **Strengthen Communities Initiative** was about creating greater security of tenure options for those wanting to put down roots in a community. We worked with tenant and landlord groups to ensure its success. The Residential Tenancies Act was modified to provide longer term tenancy options, whilst ensuring landlords could deal with problems such as rent arrears and damage, much quicker.

There's been a fundamental shift from the bulk of rental accommodation being provided by mum and dad investors to the entry of large scale institutional investors. To achieve this, we had to understand firstly why large scale investors weren't involved in New Zealand residential property. This led to changes in tax structures and other measures that encouraged them in. The long term nature of their investment means much longer term options for tenants.

### So what about Ahmed and his family?

Now Ahmed can't imagine living anywhere else. After six weeks in the Mangere Refugee Resettlement Centre, the family was allocated a state house in West Auckland where they stayed for four years. During that time, he and his wife attended English courses. He was then able to work as a mechanic, which was what he did back in Syria. After four years, they were able to move into a private rental house with a long term tenure.

Ahmed was one of the beneficiaries of renting from a large scale institutional investor and became a willing participant in some of the other initiatives designed to connect communities such as the **Know your Neighbour** scheme which encourages people to meet and connect. The family is also involved in **Adopt a Neighbour** which links the elderly with people who can provide support, help and interaction.

## SURVEYING THE ROAD TRAVELLED

Sarah Blackstone is proud of what Housing Connect has achieved.

Auckland has continued to grow and become one of the top cities in the world to live. But while Auckland has achieved epic levels of new housing, it has also helped to strengthen and connect communities.

It certainly hasn't been without its challenges and success didn't come easily. When you're addressing complex problems like housing, it's unpredictable and fluid. At times, it was messy and some of the initiatives didn't pan out the way we'd planned so we had to modify our thinking. We just kept going until we got it right.

We've faced down more than our share of sceptics, doubters and critics. It wasn't sexy like many of the populist ideas around at the time and it didn't promise the world overnight.

In the end, there were three key components that were crucial to the success of Housing Connect:

- A strong governance group of Auckland leaders committed to solving the problem.
- Secure funding for Housing Connect for the first three years before momentum took over.
- A small, dedicated and professional Housing Connect team, focused solely on outcomes, joining the dots and an **All for One and One for All** philosophy.

**"Despite the setbacks and obstacles along the way, we've won trust and achieved a great result by pushing through and never, ever giving up."**

## WHERE NEXT?

Sarah isn't ready to concede that Auckland has seen off all its housing issues.

'Whilst great progress has been achieved, there is still a distance to go. The big thing is that momentum has built and the task ahead is largely about sustaining the momentum. One of the real positives for the New Zealand is that other cities facing similar, if smaller scale housing challenges, have implemented their own versions of Housing Connect.

Although it's a fantastic achievement to receive such a prestigious international award for what Auckland has achieved, I'm most proud of what this has meant for our city. Aucklanders have come on this journey together and what's good for one has proved to be good for all.'