

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.



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

National  
**Science**  
Challenges

**BUILDING BETTER  
HOMES, TOWNS  
AND CITIES**

Ko Ngā wā Kainga hei  
whakamāhorahora



**HOMES BUILT  
FOR REAL LIVES,  
GREAT FUTURES**

National  
**Science**  
Challenges

**BUILDING BETTER  
HOMES, TOWNS  
AND CITIES**

Ko Ngā wā Kainga hei  
whakamāhorahora

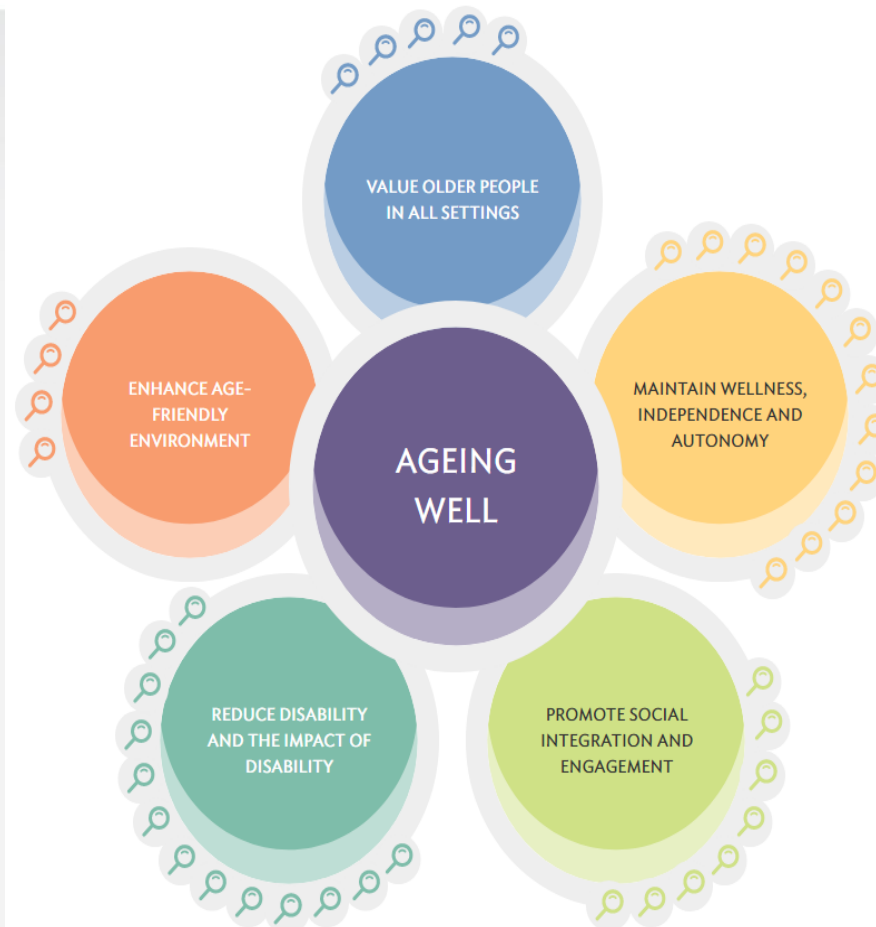


**LIFE WHEN  
RENTING**

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

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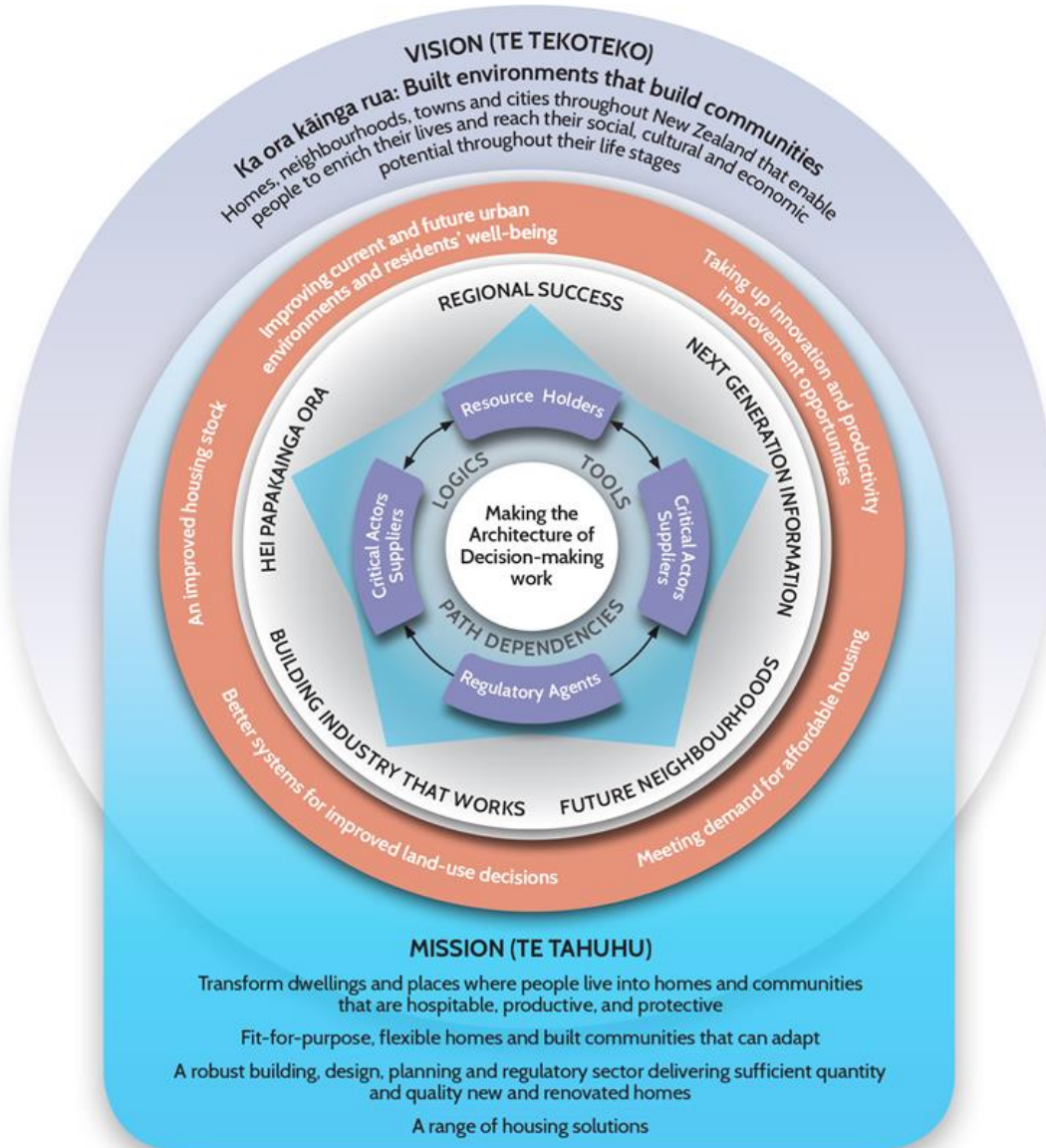
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National  
**Science**  
Challenges



**GOOD HOMES  
FOR GOOD LIVES**

Empowering housing decisions as we age



**GETTING DECISIONS FOR  
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**BUILDING BETTER  
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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

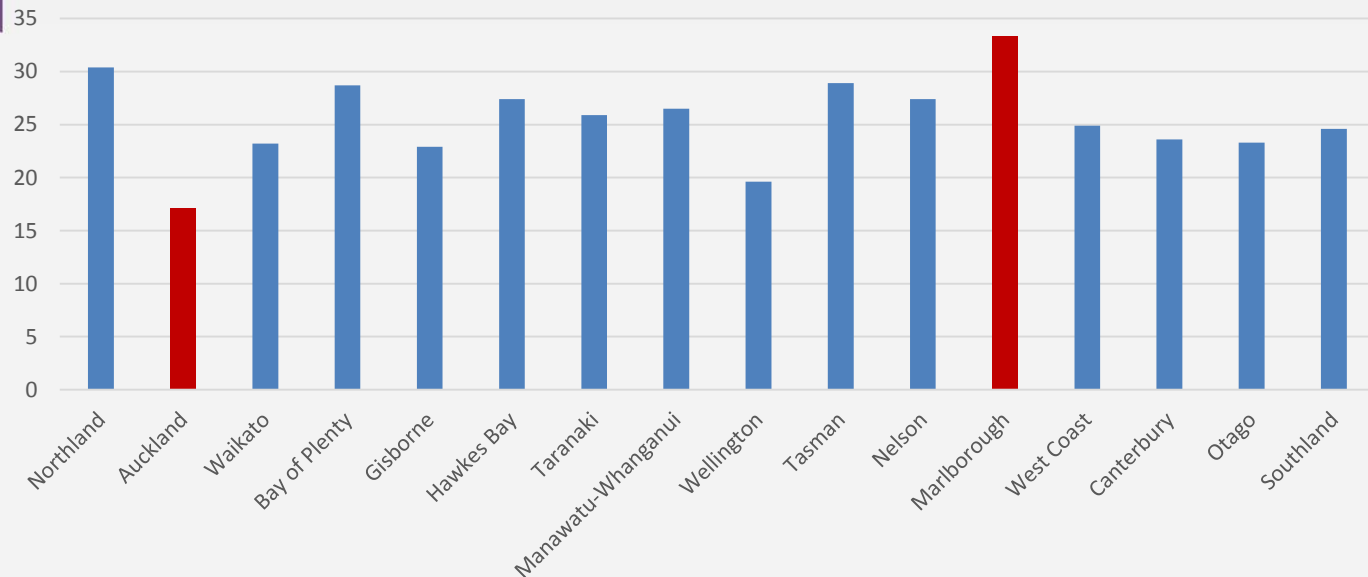
- Degradation and depletion of:
  - Soils
  - Fragile ecological systems – wetlands, coastlands, riparian verges
  - Water
  - Air quality
- Carbon hungry
- Thirst for expansion rather than retrofit
  - Shifting urbanism unlike shifting cultivation is not about renewal – we avert the eye from dilapidation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

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# Old and Young in Our Regions

Old Age Dependency Ratio 2013 Census

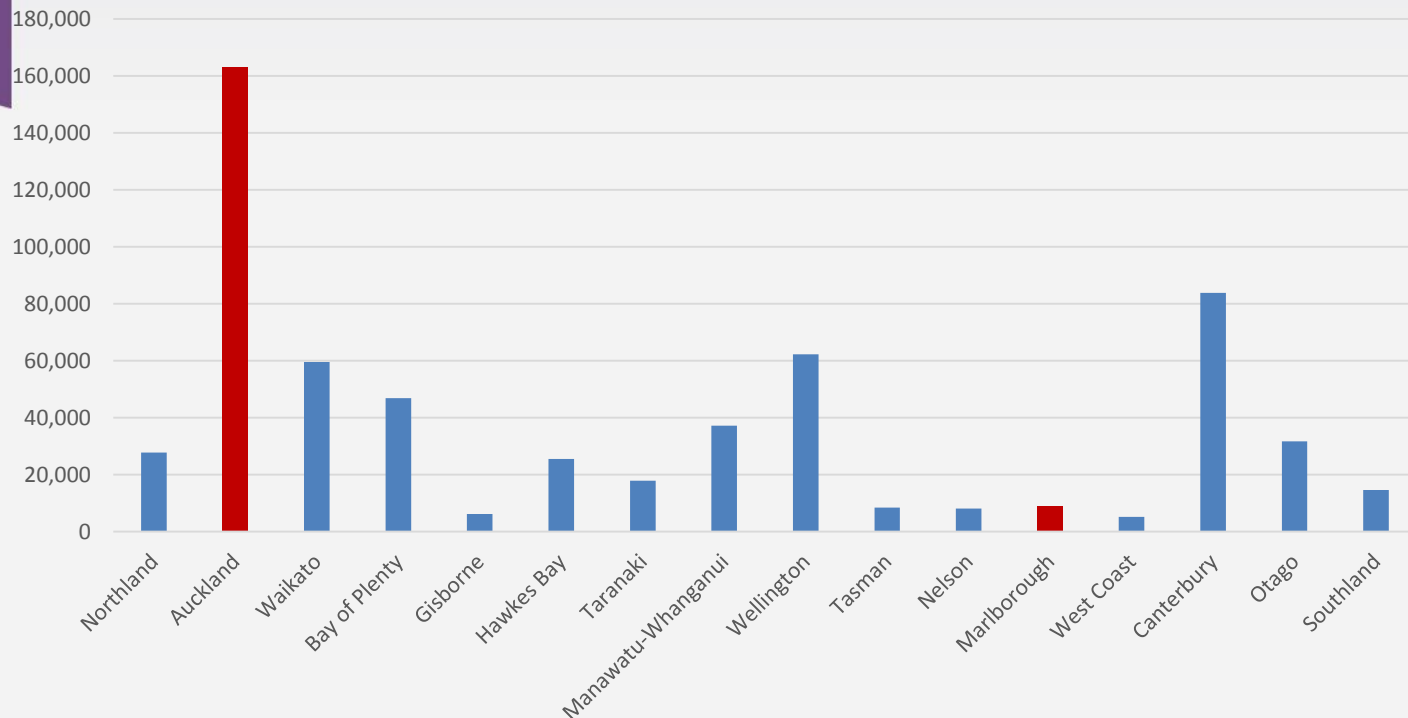


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# Old and Young in Our Regions

Populations Aged 65+ Years 2013 Census





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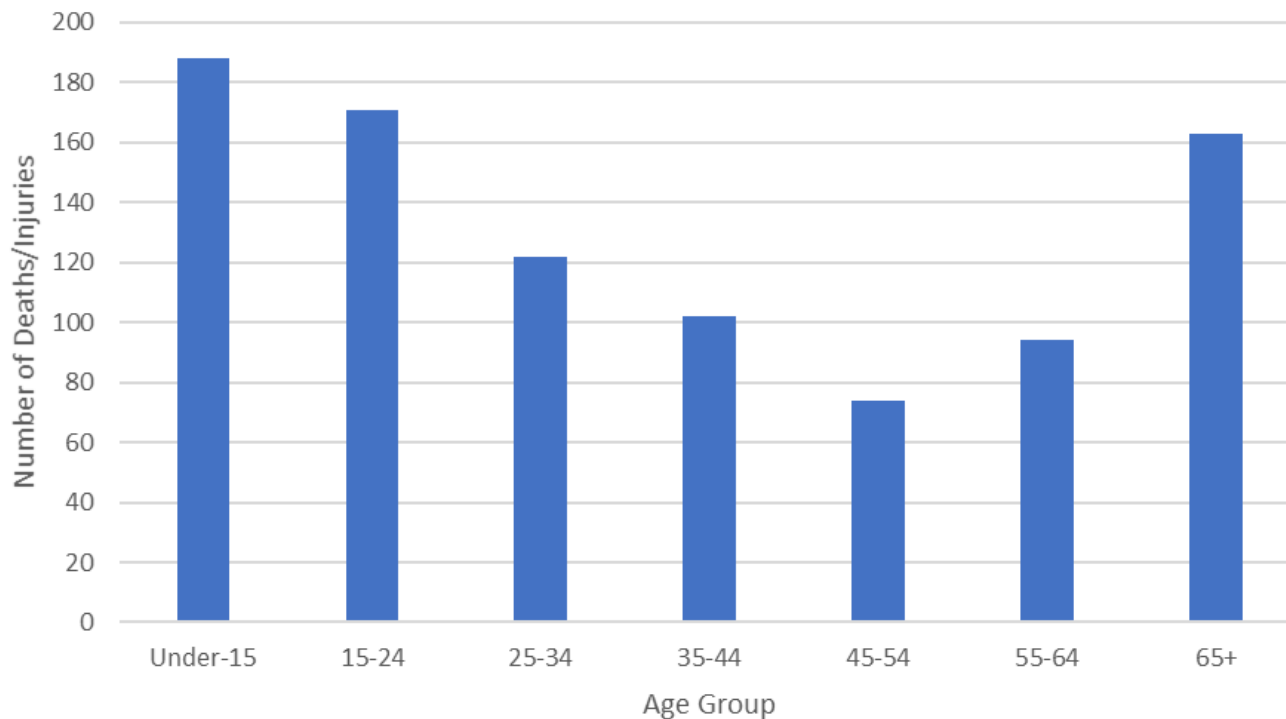
# Demographically Dysfunctional

- ‘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

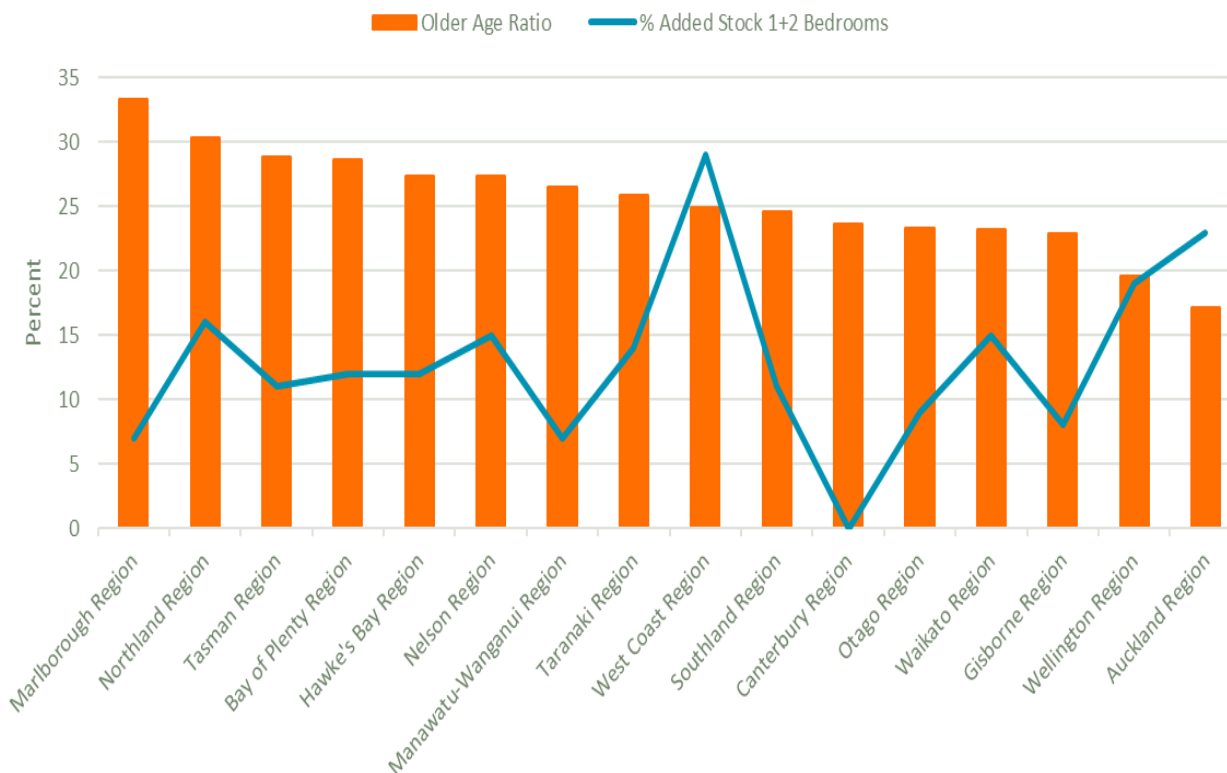
- Cities contain most of our housing stock
  - Stocks are marked by:
    - Little diversity
    - Increasing size and misalignment with household size and needs
    - Under-maintenance
    - Lack of functionality
  - New builds and renovations:
    - Built under a partial and inadequate code with accessibility 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 value
    - 2003 8% new builds lowest quartile with >40% in upper quartiles
  - Declining investment in affordable rental stock
- Neglect of ADUs and Partition Dwellings

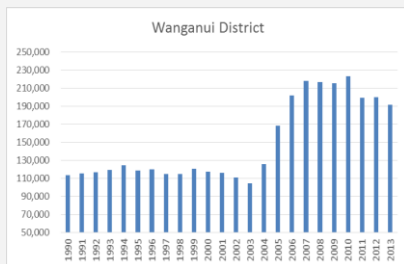
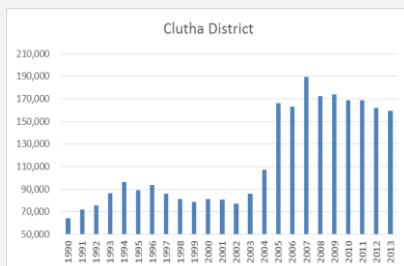
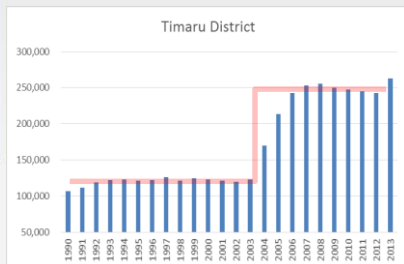
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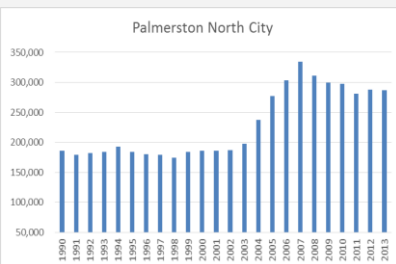
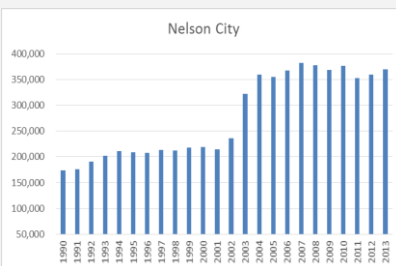
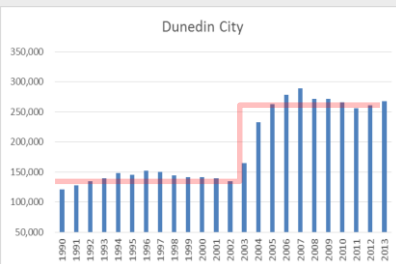
Professor Larry Murphy and Dr Michael Rehm,  
University of Auckland

# House Prices – Auckland and Other Markets

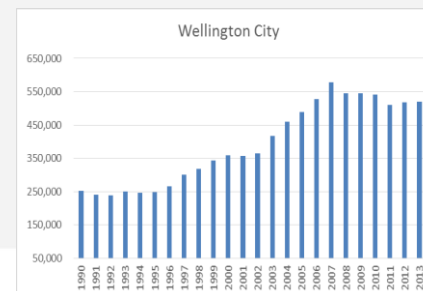
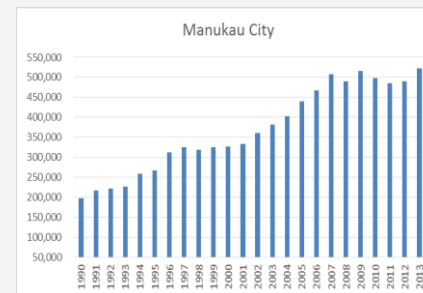
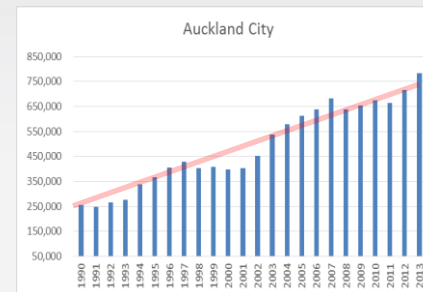
## Rural Areas

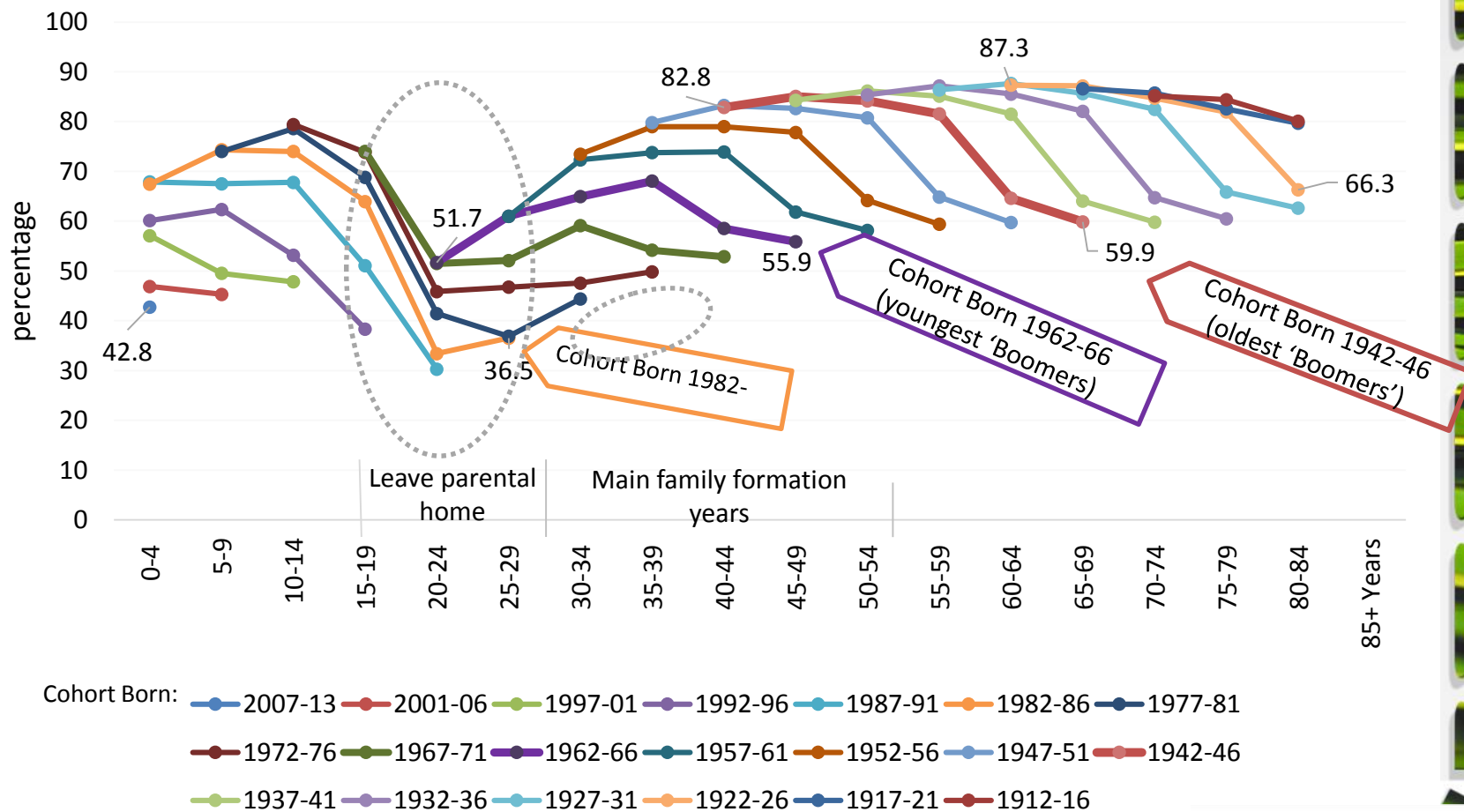


## Small Cities



## Large Cities



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

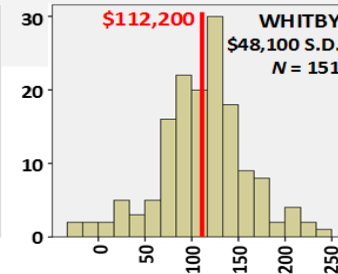
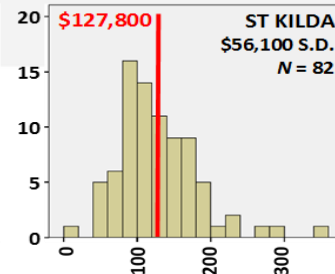
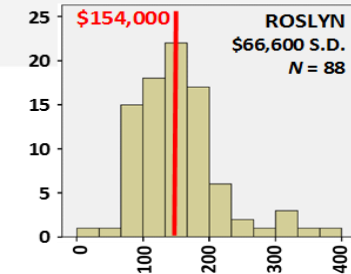
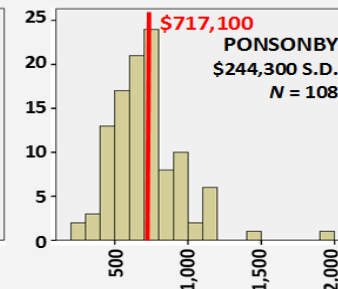
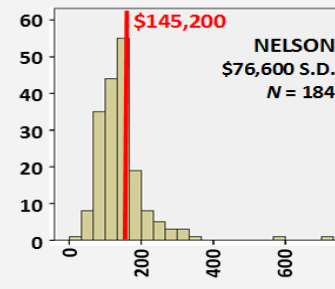
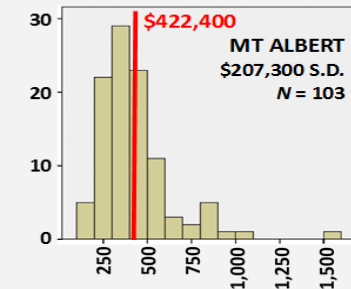
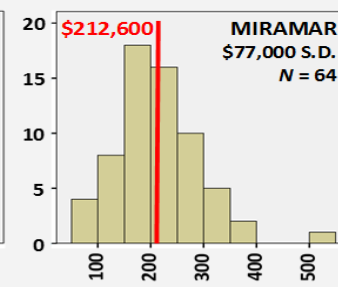
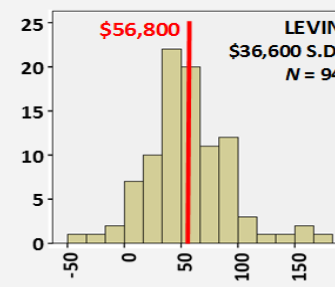
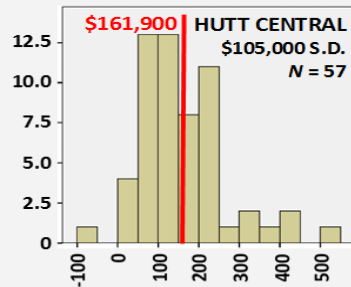
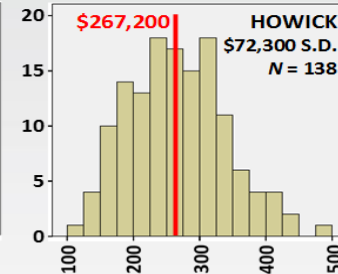
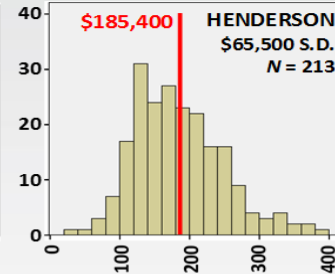
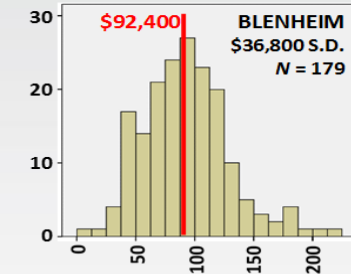


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## Pig's back? Capital Gain in Repeat House Sales

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