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press clip

The great disappearing home

New Zealand's biggest city will be all full up — with no more room for houses — in as little as 15 years.

By Kieran Nash and Andre Hueber

AUCKLAND IS facing a major housing crisis if current development trends continue.

Local officials predict that, at the current rate of development, there will be a shortage of 50,000 homes in 30 years — equivalent to all the homes in Hamilton.

Auckland Council chief planning officer Dr Roger Blakeley warned that Auckland needs to be proactive by subdividing smaller properties and expanding into semi-rural areas if it is to avoid a major housing crisis.

“The question is, how do we accommodate those 50,000 dwellings?”

Although the council would focus on more intensive development within the city limits, there were plans to expand development west of

Massey, west of Manukau, and south of Papakura and Karaka. More development is likely to include rezoning existing land and changing regulations to allow subdivision of smaller sections.

But Blakeley could not comment on what would be changed until Auckland's major planning document, the Auckland Plan, is released in December. A discussion document on the plan, released last week, said over the past three years Auckland had “already fallen short by approximately 10,000 new homes — the equivalent of a town the size of Blenheim”.

It also said that renters would leap to 40 per cent of households — either by choice or because they could not afford to get on the property ladder.

Lisa Phillips, director of

property strategy company Erskine+Owen, said Auckland would be at capacity in 15 years, and some areas could be full in as little as seven years.

“The concern is how we're going to address this,” she said.

Many people would be forced into terraced housing and apartments, causing flow-on effects for housing costs.

“Prices will surge as more and more people compete for an ever-dwindling supply of dwellings,” said Phillips.

Auckland mayor Len Brown said high-density housing would certainly become a more prominent feature of the urban landscape in the future.

“The answer certainly isn't more urban sprawl. We know we'll face a crisis in coming decades if we do nothing. The signs are already out there.”

Brown said the first thing he

did in council was to halt the sale of council housing stock and he had already announced plans to clear the red tape for people wanting to build new houses.

Registered Master Builders Association chief executive Warwick Quinn said there would not be enough builders in the coming years to build all the necessary houses, because of the demands posed by the Christchurch rebuild and leaky building repairs in Auckland.

“The industry is continuing to shrink but we can see the looming shortfall will hit us sometime next year. We may have to look at bringing tradesmen over from China, Philippines or Malaysia — but it's likely Japan and Australia will be trying to attract them as well.”

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Still hasn't found what he's looking for

ANDREW BATTERTON of St Heliers has been looking for a property worth around \$400,000 in the central suburbs for several months.

He still hasn't found what he's looking for.

He was surprised at the scale of the predicted crisis and said banks would

become more picky, properties would cost more and first-home buyers would have to come up with bigger deposits.

"Dynamics will change and homes won't get listed," he said. "The only way you'll hear about a property is if you have dealings with an

agent and if they are listed there'll be a queue to see them and a price war."

Batterton imagined there would be more mortgage sales as people struggled to keep up payments, and young people would stay living with their families until they were in their 40s.