Doc 4

To: **Minister for Canterbury Earthquake Recovery**

Department of Building and Housing
Te Tari Kaupapa Whare

CERA
Canterbury Earthquake Recovery Authority

Rebuild Workforce and Displaced Resident Accommodation

Date	25 May 2012	Priority	High
Report No	M/12/0397 (CERA) 380 11-12 (DBH)	File Reference	M/12/0397 (CERA 380 11-12 (DBH)

Action Sought

		Deadline
Hon Gerry Brownlee *Minister for Canterbury Earthquake Recovery*	Agree recommendations Forward this briefing to the Prime Minister, Minister of Finance, Minister for Tertiary Education, Skills and Employment, Minister of Immigration, Minister of Social Development, Minister of Housing and Minister for Building and Construction	8 June 2012

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
Diane Turner	General Manager Strategy Planning and Policy, CERA	**Withheld under section 9(2)(a)**	☑
Suzanne Townsend	Deputy Chief Executive Sector Policy, DBH		

Minister's office comments

- ☐ Noted
- ☐ Seen
- ☐ Approved
- ☐ Needs change
- ☐ Withdrawn
- ☐ Not seen by Minister
- ☐ Overtaken by events
- ☐ Referred to

Comments

Rebuild Workforce and Displaced Resident Accommodation

Purpose

1 This paper considers the expected increase in demand for housing from incoming workers and temporarily displaced residents during the greater Christchurch rebuild. It suggests actions to assist an effective market response.

Executive Summary

2 The earthquake rebuild, and particularly its labour-intensive residential component, will have important implications for the greater Christchurch housing and accommodation market.

3 The residential rebuild is now in its early stages and people from within and outside the region are moving to newly created jobs across a range of occupations and salary bands.

4 Insurers' project management offices (PMOs) and construction industry leaders expect an increase in rebuild momentum from the fourth quarter of calendar 2012, with a related increase in demand for housing. The key driver will be an influx of workers from outside of greater Christchurch - potentially several thousand household equivalents at peak - and there will be new demand from households who need to temporarily leave their homes while work is carried out.

5 Rents and house prices have risen in parts of the city, reflecting demand from red zone residents seeking new housing and from the two new market segments mentioned above: workers new to the area, and temporarily displaced residents. Should demand increase as expected, this will provide opportunities for supply responses ranging from commercial investment in new housing and other forms of accommodation, through to individual households taking in boarders.

6 Withheld under section 9(2)(g)(i)

7 The latter category is likely to include a range of innovative solutions to the demand for accommodation, in addition to conventional residential development on green or brownfields sites. Examples include the development of hostel-style accommodation and multi-purpose facilities which could house workers through the rebuild and then take on a 'second life' as tourist or student accommodation, office space, or some other productive use.

8 CERA's and DBH's initial conversations with potential investors, developers and other interested parties have highlighted a number of potential barriers to the private sector response to the emerging demand for accommodation from workers and temporarily displaced residents:

- Lack of information on the timing, scale and nature of the potential demand
- Uncertainty about the potential for an adequate return on investment over a relatively short life
- Uncertainty about the potential for new accommodation developments to have a 'second life' beyond the rebuild

- Uncertainty regarding key dependencies for new developments, including consenting requirements, planning objectives and the location and timing of new infrastructure and community facilities

- Among individual households, lack of information about how to enter into a boarding arrangement

- Reluctance from some landlords to let rental housing for short periods.

9 CERA and DBH propose steps the Government can take to help mitigate barriers and create the conditions for a timely market response for rebuild worker accommodation and the needs of temporarily displaced residents.

10 To mitigate against a slow housing market response that would be a recovery constraint, this paper recommends measures to:

- Provide information on the emerging opportunities for workforce and displaced resident housing

- Connect parties with common interests

- Support utilisation of existing 'spare' capacity through boarding arrangements

- Encourage rental property investors and managers to take a more flexible approach to tenant selection and management practices through the rebuild

- Encourage practices that will minimise the peak in housing demand.

11 A number of other accommodation-related workstreams are already underway (see diagram at Appendix 2). Progressing the recovery programmes contained in the revised draft Recovery Strategy, and the Blueprint and Recovery Plan for the Central City, will provide greater certainty regarding future zoning, including residential, and the timing and location of supporting social and economic infrastructure. CERA recently briefed you on options for streamlining the consenting process for worker accommodation proposals (refer M/12/0368).

12 The Department of Building and Housing (DBH) and CERA will shortly provide advice on social, supported and affordable housing to meet the needs of vulnerable population groups, including the role of HNZC and non-government providers.

Consultation

13 This briefing was prepared by CERA and DBH, in collaboration with the Department of Labour and the Treasury. The Ministry of Social Development and the Canterbury Earthquake Temporary Accommodation Service reviewed a draft of the briefing. The Department of Prime Minister and Cabinet has received a draft.

14 The briefing has been informed by ongoing dialogue between CERA, the Christchurch City Council, and the Waimakariri and Selwyn District Councils.

Recommendations

15 It is recommended that you:

1 **Note** the greater Christchurch housing and accommodation market is starting to experience the front-end of an increase in demand from two new market segments – the rebuild workforce moving to Christchurch to take up new employment opportunities, and resident households temporarily displaced while their house is repaired or rebuilt

2 **Note** undersupply of accommodation has the potential to be a constraint on the pace of the Canterbury earthquake rebuild, and could have an adverse impact on households seeking affordable rentals

3 **Note** identified barriers to a timely market adjustment include inadequate market information, uncertainty about financial viability and prospects beyond the rebuild, consenting requirements and timeframes, uncertainty regarding planning objectives and infrastructure provision, and, for households with spare capacity, uncertainty regarding boarding arrangements

4 **Note** separate briefings provide advice on:

- A supportive planning and consenting regime for worker accommodation (M/12/0368 refers)
- Social, supported and affordable housing to meet the needs of vulnerable population groups, including the role of Housing New Zealand Corporation and non-government providers (forthcoming)

5 **Agree** CERA, working with DBH and others, will provide interested parties with information on emerging opportunities to deliver workforce and displaced resident housing, to encourage private sector investment **YES/NO**

6 **Agree** CERA, working with DBH and others, will discuss with parties (eg insurers, project management offices, construction firms and investors) opportunities for new accommodation, including facilities with a potential 'second life', and identify where Government can remove barriers **YES/NO**

7 **Agree** DBH will support using existing spare capacity through boarding arrangements by developing and making available information including template agreements, tax and benefit implications, and other information to assist parties entering into boarding arrangements **YES/NO**

8 **Agree** to extend the CETAS facilitation service to enable households with rooms to rent to connect with people looking for accommodation **YES/NO**

9 **Agree** DBH, with input from CERA, will engage with rental property investors and managers to provide information and encourage a more flexible approach to tenant selection and tenancy management that would better meet the needs of temporarily displaced households **YES/NO**

10 **Agree** CERA, working with others, will help support an efficient rebuild by:

- Working with insurers' project management offices to encourage efficient scheduling practices that, where practical, minimise household displacement **YES/NO**

- Supporting the efforts of other departments and private sector organisations to encourage greater Christchurch residents who have the necessary skills, and are currently outside the workforce, to participate in the rebuild **YES/NO**

11 **Note** CERA and DBH will continue to work with industry and councils to gather information, monitor and model patterns of housing demand and supply, and report to you and the Minister of Housing on emerging trends and issues

12 **Forward** this briefing to the Prime Minister, Minister of Finance, Minister for Tertiary Education, Skills and Employment, Minister of Immigration, Minister of Social Development, Minister of Housing and Minister for Building and Construction. **YES/NO**

Diane Turner
General Manager Strategy Planning and Policy, CERA

Suzanne Townsend
Deputy Chief Executive, Sector Policy
Department of Building and Housing

NOTED / APPROVED / NOT APPROVED

Hon Gerry Brownlee
Minister for Canterbury Earthquake Recovery
Date: / / 2012

Background

13 In January this year, DBH and CERA analysis of housing market data and related information showed evidence of rising demand, and opportunity for new supply. In February we briefed you on those emerging trends and indicated further work was underway, in collaboration with the Department of Labour and the Treasury, to forecast the likely changes in supply and demand arising from the rebuild, and explore their implications.

Scope

14 This briefing focuses on the expected temporary increase in demand for housing as the greater Christchurch rebuild gathers momentum. This increase in demand will be driven by two population groups which would not be present in the city under normal conditions:

- Construction and other workers (and in some cases their households) moving to greater Christchurch to take up opportunities to participate in the rebuild
- Christchurch residents currently living in damaged homes who need to temporarily move out so that repairs or rebuilding can be carried out.

15 The housing market's response to this demand will be important to the pace of the rebuild. It will also have an impact on the resident population, creating opportunities for some and difficulties for others that could potentially increase demand for government assistance such as HNZC housing.

16 The diagram at Appendix 1 shows how the advent of the two subgroups described above has altered the dynamics of the wider housing market in greater Christchurch. Appendix 2 places this briefing in the context of the various housing-related workstreams underway across government. Appendix 3 lists recent and forthcoming housing-related briefings.

17

"Not relevant to your request"

Comment / Discussion

Rebuild activity is in its early stages, but increasing

18 The rebuild of greater Christchurch is in its early stages. EQC repair work focused on the lower value damage bands is underway and all insurers' project management offices (PMOs) are expecting to increase their level of activity over the next three months, albeit from low bases.

19 Construction industry expectations are that the residential rebuild will gain momentum in the fourth quarter of calendar 2012.

Housing market price signals indicate an opportunity for new supply

20 The greater Christchurch housing market is now demonstrating:

- Increasing average weekly rents, particularly in the western and north-western suburbs. DBH's Canterbury Indicators report for April 2012 (attached as Appendix 4) shows strong rent increases for Yaldhurst, Broomfield and Wigram, while rents have fallen in some eastern suburbs such as New Brighton and Ferrymead.

- Annual house price growth rates in Christchurch city and Selwyn and Waimakariri districts are tracking above the national rate. Waimakariri and Selwyn have seen sharp increases in house prices since the February 2011 earthquake. This data is supported by anecdotal evidence that people are looking to relocate to areas within commuting distance of Christchurch City. This additional demand is likely to be contributing to the increase in prices.

The emerging unprecedented demand can drive innovative supply responses

21 Over the next few years, the biggest components of growth in demand for accommodation are expected to be:

- Incoming workers, many of whom are likely to be single people (or with families elsewhere) with a preference for shared rental or hostel-style accommodation across a range of price brackets; others will wish to buy or rent a more conventional family home for the medium to long term

- Christchurch residents who need short-term accommodation while their home is repaired or rebuilt, which in many cases will be paid for by their insurer.

22 Providing housing for these two market segments will generate opportunities for commercial investors, 'mum and dad' landlords, and individual households with the capacity to take in boarders. Innovative solutions will be needed that challenge the common staged approach to developing new housing for owner occupiers.

The scale of the potential demand is uncertain, but significant

23 To assist agencies understand the extent of likely future demand for worker and displaced resident housing, CERA, DBH, the Department of Labour and the Treasury have jointly commissioned the development of a model to forecast the timing and magnitude of changes in housing demand and supply through the rebuild.

24 On the demand side, a key area of uncertainty is how quickly the rebuild will progress and the size of the incoming workforce. Our working scenario is based on advice from industry leaders and PMOs in late 2011 and would involve a four year residential rebuild, six years for infrastructure and 15 years for commercial. Under that scenario an additional 24,000 construction workers and 12,000 other workers across a wide range of occupations would be required on top of the present Canterbury workforce. Some of these additional workers will already be Canterbury residents currently unemployed or outside the workforce, but others will be drawn from elsewhere.

25 As with all models, the output is highly dependent on the input data. Work to progress the modelling is underway (ie update assumptions given debate about timeframes).

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Withheld under section 9(2)(g)(i)

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Withheld under section 9(2)(g)(i)

A comprehensive and timely private sector response is important

28 The housing market's ability to meet the demand from incoming workers and temporarily displaced residents will be a key enabler of rebuild activity. An effective and timely response will address the risk of accommodation becoming a constraint on the pace of the rebuild. It will also provide a stimulus to the housing market and benefits to greater Christchurch and the wider economy.

29 There is potential for the new supply developed to support the rebuild to leave a positive legacy of quality housing.

30 There is also potential for innovative housing solutions that will contribute to the achievement of wider recovery objectives. Examples include worker accommodation facilities that transition to a second life as visitor or student accommodation, or some other productive use.

31 Conversely, a slow or inadequate response could result in a slower and/or more costly rebuild, further reduction in the Christchurch resident population, and hardship for specific groups such as low-income families, people with disabilities, and older people.

Private sector interest is emerging, but a more decisive response is desirable

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Withheld under section 9(2)(g)(i)

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Withheld under section 9(2)(g)(i)

34 Some construction firms and at least one recruitment firm have begun buying or leasing existing houses which can then be sub-let. This solution which may work well and limit risk for individual firms but has the consequence of increasing pressure on other segments of the market. Commercial motel type accommodation is also being drawn on to house workers or temporarily displaced households.

35 A number of small scale initiatives are increasing the accommodation supply, such as resident households offering spare rooms to boarders, and caravan rentals.

36 Despite these initiatives, the response to date is not yet sufficient to meet estimates of the amount of additional accommodation that will be needed. While some of the likely solutions, such as boarding, are highly flexible and could grow in number very quickly, the development of additional housing or multi-purpose facilities with a potential 'second life' beyond the rebuild will necessarily involve some lead time.

37 Most of the accommodation initiatives CERA is aware of are aimed at single workers. There may be gaps emerging in relation to incoming workers with families. Demand from displaced residents will be beyond the capacity of the Government's villages at Kaiapoi, Linwood and shortly Rawhiti Domain.

Discussions with market players have indicated a number of barriers

38 In discussions with CERA, PMOs, developers and other parties interested in the development of new accommodation have indicated a number of barriers to a stronger market response.

Type of provision	Barriers to a market response
New multi-unit supply eg worker 'camps', with an intended 'second life' beyond the rebuild	Lack of information on the timing, scale and nature of the potential demand Uncertainty about potential for a 'second life' or connections with interested parties Uncertainty over consenting requirements and timeframes / holding costs Specific consenting requirements eg car park spaces Uncertainty regarding planning objectives and the shape of future Christchurch, including essential infrastructure and facilities such as schools, shops, and transport links
New multi-unit supply, to be removed once no longer required for the rebuild	Lack of information on the timing, scale and nature of the potential demand Potential for an adequate return on investment over a relatively short life Uncertainty over consenting requirements and timeframes / holding costs Specific consenting requirements eg disabled persons' access Lack of information on locations that would be considered suitable and are, or will be, serviced with essential infrastructure
Conventional rental housing	Newly built properties typically provide low yields 'Mum and dad' landlords risk averse as a result of earthquakes Reluctance to let on a short-term basis
Under-utilised capacity within the existing housing stock (eg spare bedrooms)	Lack of information including the types of agreements which can be put in place, tax and benefit implications, insurance implications, what happens if things don't work out. Lack of information on the facilities and services which might be expected, and on how to set a reasonable price Difficulties for householders and individuals seeking accommodation in making contact with each other.

39 Subject to your decisions on this paper, officials would seek to engage more proactively with potential housing developers, investors and related parties in order to improve our understanding of barriers which may be deterring or delaying a response.

The Government is well placed to remove barriers and enable private sector initiative

40 The emerging demand for housing for a temporary workforce and displaced residents is a highly unusual situation. This creates uncertainty and makes the way forward for private sector parties less clear than in a 'business as usual' environment.

41 The Government is well placed to remove some of the identified barriers and provide a more solid foundation for decision-makers. We consider that this would be an appropriate role given the importance of an effective housing market to the rebuild and achievement of wider recovery objectives.

42 The barriers outlined above provide the framework for our recommendations on the key areas where Government could play a role and what this might involve. These are outlined below, with the exception of actions to streamline the consenting process and provide greater certainty about planning considerations for multi-unit worker accommodation, which is the subject of a separate briefing (M/12/0368 refers).

a) Provide information on the emerging opportunities for workforce and displaced resident housing

43 The Government's leadership role in the recovery effort means it has a wide range of information and a unique 'helicopter' view of emerging opportunities. DBH and CERA consider there would be value in sharing relevant information with interested private sector parties from the commercial and non-government sectors, and articulating the potential for a range of innovative market responses.

44 Relevant information would cover market trends, the expected nature, scale and timing of demand from incoming workers and displaced households, opportunities for new supply initiatives, and contextual information including recovery and planning objectives, infrastructure provision, and key elements of the central city blueprint, when developed. DBH and CERA envisage a proactive approach that would draw together key information from multiple sources and present this through targeted discussions and presentations, supported by written material where appropriate.

45 Messages to be delivered through such engagement would also reaffirm that the Government does not intend to crowd out private sector initiative through the direct provision of housing (other than the carefully targeted measures already in place through HNZC and the villages). There would also be an opportunity to articulate that while the Government supports private sector initiative, it has certain preferences and 'bottom lines', for example:

- A desire to avoid responses which would leave an over-supply of accommodation after the rebuild
- A legacy of poor quality temporary housing would be unacceptable
- Housing solutions with the potential for a productive second life in line with recovery objectives are preferred over those which are genuinely temporary and would be demolished or removed.

46 Target audiences would include the range of parties who might be involved in the provision of additional accommodation – investors, financiers, developers, landowners, recruitment firms, property managers, tenancy managers, and related service providers.

47 The aim would be to build confidence in the investment potential and encourage a balanced response that includes a mix of housing forms, tenures and price ranges to meet the needs of different household types.

b) Connect parties with common interests

48 CERA and DBH are able to bring together parties with a common interest in housing initiatives. A particular focus for such a role could be to enable the development of facilities which could initially be used to house workers or displaced households and then transitioned to other productive uses such as tourist or student accommodation, or office space.

49 Proactive engagement with a range of interested parties would enable officials to better understand private sector motivations and decision processes in this unusual market, and identify any unforeseen barriers.

50 We expect that one area of investor uncertainty will be the financial viability of developing new supply to meet a surge in demand that may be relatively short-lived. To explore this further CERA could develop and share example business cases to test the potential of alternative models, including worker accommodation facilities with a 'second life' beyond the rebuild. Such analysis would inform our understanding of the factors driving, or inhibiting, investor interest in this market. It would not, of course, be a substitute for investors' own analysis of specific proposals.

51 None of the activity outlined above would involve the Government becoming a party to, or undertaking to support, any ventures which may emerge.

c) Support utilisation of existing 'spare' capacity through boarding arrangements

52 CERA has received a number of enquiries from residents interested in taking in a rebuild worker as a boarder, and wondering how they should go about this. Some households have taken the initiative and already done so. There would be value in the Government, through DBH, providing authoritative information and guidance to such households and intending boarders. Such information may give confidence to some householders who would not otherwise consider this option, and at the same time reduce the risk of misunderstandings and disputes.

53 DBH would develop or provide links to existing material including template agreements between householder and boarder, information on tax and benefit implications, and other such information as may be helpful.

54 CERA and DBH also suggest extending the CETAS facilitation service to provide a 'marketplace' that enables households with rooms to rent to connect with people looking for accommodation. This could be done on the same basis as the service CETAS already provides for landlords and tenants. This service enables the parties to connect and does not get involved in individual placements.

d) Encourage rental property investors and managers to take a more flexible approach to tenant selection and management practices through the rebuild

55 Many property investors and managers have clear preferences regarding tenant selection and tenancy management.

56 Often there is a reluctance to take on short-term tenancies, and there may be rules prohibiting certain activities, such as keeping pets. Such preferences will make it difficult for many displaced households to find private rental accommodation while their home is repaired.

57 CERA and DBH consider there would be value in officials engaging with current and potential rental investors and property managers to provide information and encourage a more flexible approach that would better meet the needs of displaced households.

e) Encourage practices that will minimise the peak in housing demand

58 To complement to the activities outlined above, which focus on stimulating a supply response, there are some steps the Government could take to encourage a more sustainable increase in housing demand (as opposed to a short-lived 'spike'). CERA could:

- Support the efforts of other departments and private sector organisations to encourage greater Christchurch residents who have the necessary skills and are currently outside the workforce to participate in the rebuild. This would provide opportunities for those people and reduce the need to recruit workers from other areas.

- Work with PMOs to encourage them to take advantage of any opportunities to better coordinate work scheduling and prioritise returning houses to habitability over cosmetic repairs.

We will continue to gather information and report back

59 CERA and DBH will continue to work with industry and councils to gather information and monitor and model patterns of housing demand and supply. We will report to you and the Minister of Housing as trends and issues emerge.

Appendix 1: The Greater Christchurch Housing Market

See diagram attached.

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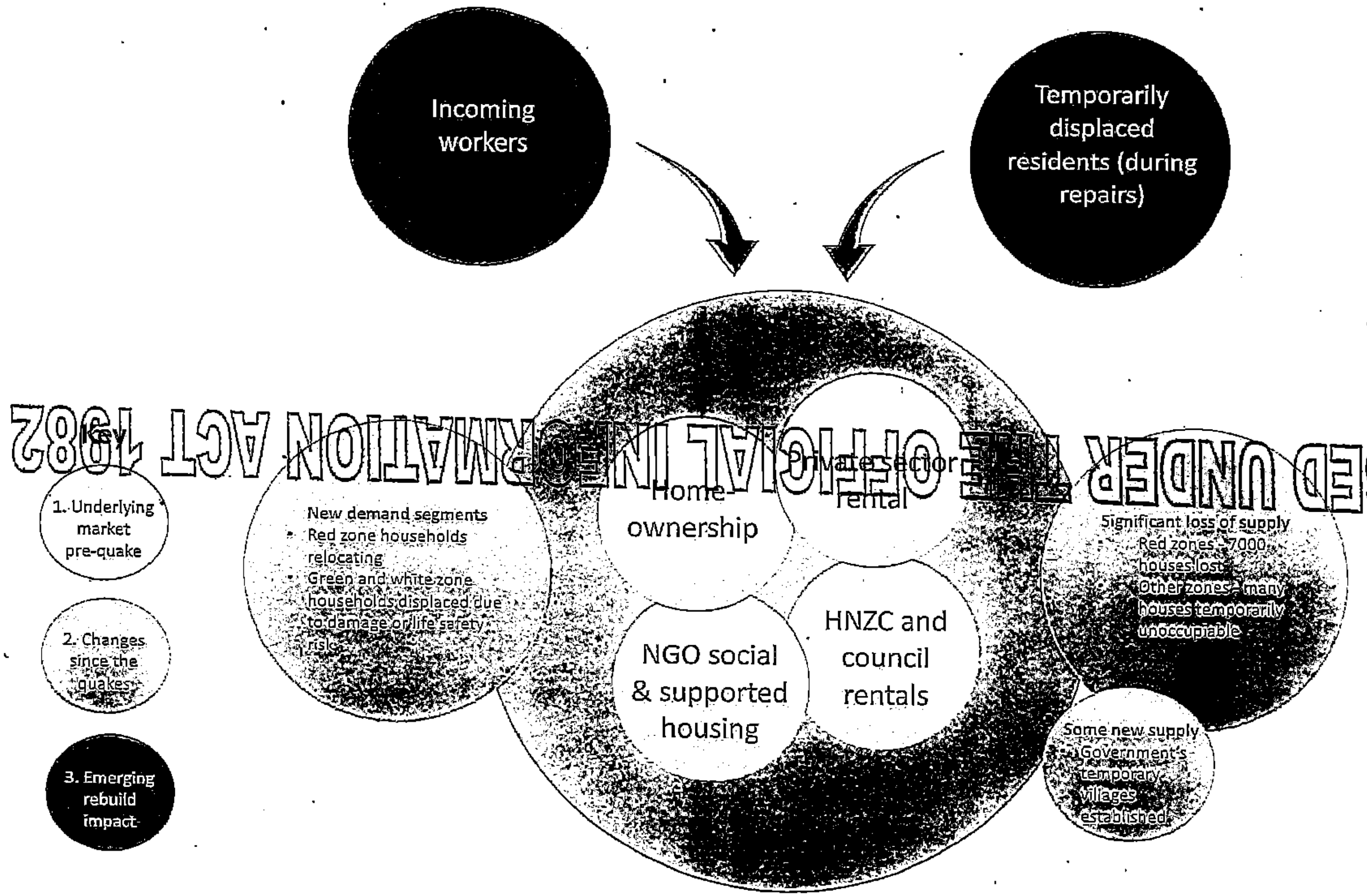
Appendix 1: Greater Christchurch Housing Market: New types of demand



Appendix 2: Housing-related Workstreams Across Government

See diagram attached.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(f)(iv)

Appendix 3: Recent and Forthcoming Housing-related Briefings

Withheld under section 9(2)(f)(iv)

Appendix 4: Department of Building and Housing Canterbury Indicators Report April 2012

See attached A3 sheet.

Earthquake Indicators Report: April 2012

Qualitative Data: Christchurch Rental Market

- Some landlords are issuing 90 day notices to end tenancies in anticipation of the influx of construction workers, when they intend to charge higher rents. This is affecting families on lower incomes who are now being forced out of their long-term tenancies.
- Some landlords are putting those homes with a large number of bedrooms onto the market fully furnished at higher rents (e.g. $1,500 per week on a short-term basis). This is more than some families can afford. These properties are being occupied by student groups, which reduces costs for them but may also lead to over-crowding issues.
- Vulnerable people, including the elderly and those with mental health and disability issues, are also affected by the shortage of appropriate housing. This is causing problems for hospitals where repair work is limiting their bed capacity.
- The earthquake destroyed most of the single unit accommodation (which includes boarding houses), which was primarily utilised by single men. Solo mothers are also reporting it can be hard to source single units and those that are available have high rents.
- There is some evidence of lower student numbers in Canterbury. Enrollment figures provided by the University of Canterbury show that the total number of students enrolled in 2011 was down 12% from 2010. This was largely driven by a 26% fall in the number of international students.
- A falling number of international students is further supported by data obtained from one English language school in Christchurch that shows the number of students enrolled in 2011 was down 52% from 2010 and 66% from 2009.

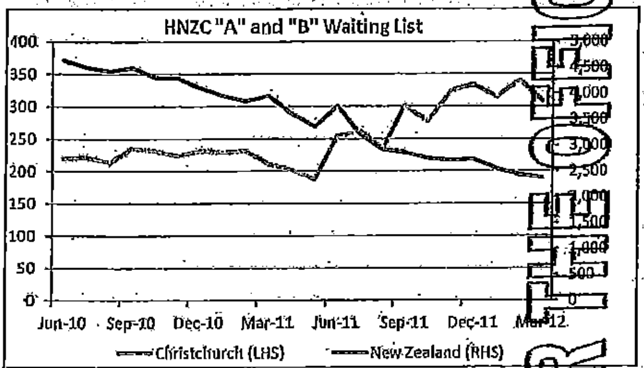
Critical Issues

- Some landlords are ending long-term tenancies in anticipation of the influx of construction workers.
- Average weekly rents continue to rise in the north-west and west of Christchurch City, indicating growing pressure in these suburbs.
- The earthquake destroyed most of the single unit accommodation which was primarily utilised by single men. Solo mothers are also reporting it can be hard to source single units.
- Migration in and out of Christchurch may not be starting to return to pre-earthquake levels as previously thought.
- Rising rents and increasing HNZC waitlists may be leading to overcrowding as some people cannot compete in the rental market. A project is currently being scoped on how to get a better understanding of what the current overcrowding situation is and what we might expect to happen in the medium and longer term.

Indicators to Watch

- Average weekly rents
- Building consents
- Migration data

Housing New Zealand Waiting List



As previously reported, the national waiting list for HNZC A and B clients has been falling steadily since mid-2010, with only a small increase in mid-2011.

In comparison the Christchurch waiting list has been rising since June 2011, however numbers fell in March 2012.

It is too early to conclude whether the fall in the Christchurch waiting list in March 2012 is the beginning of a downward trend.

CDHB reports they have patients ready for discharge who are remaining in hospital while they wait for Christchurch City Council or HNZC accommodation.

"Not relevant to your request"

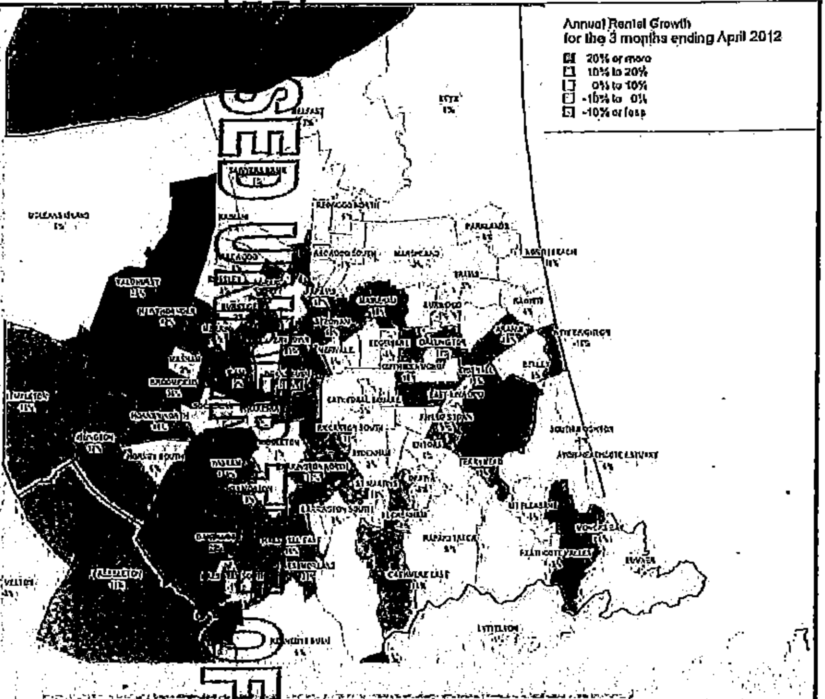
Earthquake Indicators Report: April 2012

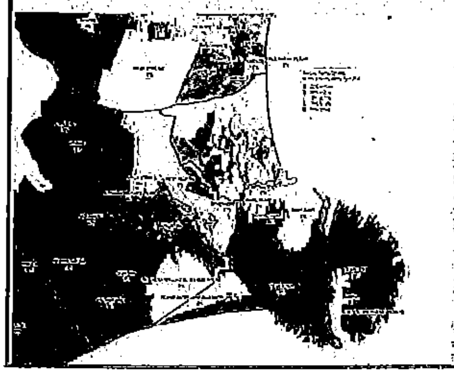
Market Rents Map

These maps show how the average weekly rent for the three months ending April 2012 has changed from the same time period in 2011.

Suburbs in the north-west and west of Christchurch City centre continue to show strong increases in average weekly rents. Yaldhurst (25%), Broomfield (30%), Bryndwr (29%) and Wigram (130%) have shown very high rent increases.

North of the city in Redwood South (1%), Marshland (2%) and North Beach (10%), rents are falling. To the east of the city rents have fallen significantly in Ferrymead (13%) and New Brighton (16%).

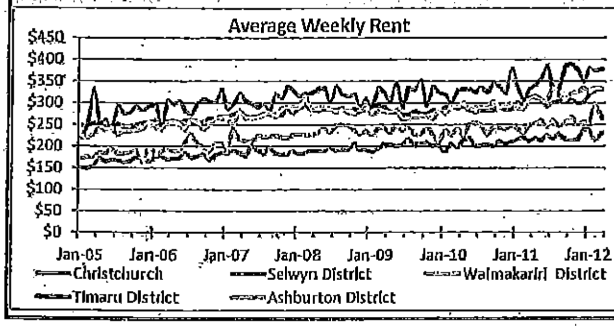




Rents have risen strongly throughout much of Selwyn District with the exception of West Melton (3%) and Taitapu (16%), the suburbs bordering the west of Christchurch City, where rents have fallen.

In Waimakariri District, rents have risen in the suburbs bordering the north of Christchurch City. Clarkville (35%), Kaiapoi West (15%) and Tuahiwi (47%) have shown very high rent increases. However rents have fallen in some northern suburbs such as Okuku (28%).

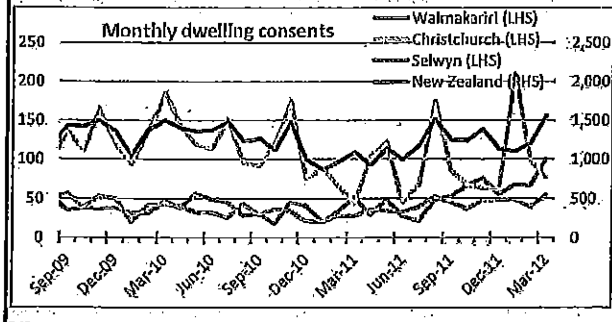
Market Rent



Rents in Christchurch City, Selwyn District and Waimakariri District have risen since the February 2011 earthquake and appear to be continuing to rise.

Average weekly rents in Ashburton District and Timaru District also rose following the earthquake although not to the same extent as in Christchurch, Selwyn and Waimakariri.

Residential Building Consents



In March 2012, consents were issued for 1,559 new dwellings in New Zealand, up from 1,204 in February 2012. This increase was largely driven by a large increase in consents in Auckland.

Consents were issued for 281 new dwellings in Canterbury in March 2012, of which 16 were identified as being earthquake-related. This compares to 27 earthquake-related dwelling consents in February 2012.

New dwelling consents for Christchurch in March 2012 were up 76.7% from March 2011 but down 22.4% from February 2012. This indicates that consent numbers in Christchurch remain volatile.

Consent numbers in Waimakariri District have risen 96.1% since March 2011. Consent numbers in Selwyn District increased by 100% over the same time period.

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Rebuild Workforce and Temporarily Displaced Resident Accommodation

Incoming Workers
- Potentially several thousand household equivalents
- Range of occupations and salary bands
- With and without families

Temporarily displaced residents (during repairs)
- Cross-section of household types
- Need alternative accommodation while house is repaired
- Weeks or months

Greater Christchurch Housing Market

1. Opportunities for a range of accommodation types, some short-term, others with potential to leave a positive legacy long-term:
- Worker camps / hostels
- Multipurpose facilities with a second life beyond the rebuild
- New conventional housing
- The existing rental market
- Government's temporary villages
- Boarding and billeting
- Doubling up with friends/ relatives
- Other solutions e.g caravans

2. For an effective response the market needs:
- Information – on emerging demand, potential beyond the rebuild, and return on investment
- Connections with other parties
- Certainty about planning and consenting requirements, and infrastructure priorities
- Information and a marketplace for boarding arrangements
- Streamlined consenting (separate briefing M/12/0368)

3. Recommended Actions
- Provide information on emerging opportunities
- Facilitate strategic partnerships
- Provide information on boarding and extend CERA's services to enable people to connect
- Engage with landlords/ property managers to encourage a flexible approach (e.g short-term lets)
- Encourage approaches to minimise unnecessary spikes in demand:
    - Productivity
    - Scheduling
    - Use of local labour

Doc 5

Relevant excerpts from Weekly Status Updates to the Minister for Canterbury Earthquake Recovery from CERA

18 January 2012

- p.6
- **Temporary Accommodation Assistance** - Temporary accommodation assistance is administered by the Ministry of Social Development and is currently paying 525 residents with 56 residents approved for payment at a future date. The Insurance Council of New Zealand has advised that currently 6,572 people are receiving temporary accommodation assistance from insurance companies and the projected number of total claims will be 9,814. It appears most insurance policies pay temporary costs for a period of 12 months. From this we anticipate a large increase in applications during February through March 2012.

- **Temporary Housing Villages** - The table below outlines the number of households who are booked to enter one of the two Temporary Villages while repairs are undertaken to their property.

	Number of households indicating that this is their first preference	**Number of households currently in the process of gaining tenancy but not yet in residence**	**Number of units with occupants**	**Number of units that are ready for occupation**	**Number of units in development but not yet available**	**Total number of units**	**Number of households that have completed a tenancy and moved on to other housing**
Kaiapoi	43	4	16	6	0	22	18
Linwood	83	6	24	17	0	41	26
Rawhiti	4	0	0	0	0	0	0

- Homeowners have registered for available accommodation on the Canterbury Earthquake Temporary Assistance Service (CETAS) system. These properties range from houses to rooms to holiday homes. Approximately 30% are outside of the Canterbury region. CETAS staff use these options when assisting people with accommodation issues. In addition to these properties full use is made of Trade-Me. Currently there are 933 properties in the Canterbury region (822 in Christchurch City) for rent on Trade-Me. This is a 40% reduction in available rentals on Trade-Me since 1 July 2011. In the Waimakariri District there are 15 available rentals with 3 in Kaiapoi.

- Most inquiries are from those who require a short term stay while repairs are undertaken. At this date 6 residents have signed up to move into the village before the end of January 2012. Residents are advising they are receiving start dates for repairs to their homes which will require them seeking temporary accommodation. This confirms an increase in repair work starting early 2012.

- Although there are some empty units at the villages many are "pre-booked" and both villages will be closer to capacity in a few weeks. All residents of the villages have a plan established to assist in identifying the needs of the resident and also help the resident to transition from the village either back to their own home or to more permanent accommodation.

1 February 2012

- p.6
- **Rebuild - emerging housing market trends** - A briefing will be provided to your office on Friday 10 February on emerging trends in the greater Christchurch housing market. The briefing will include price and volume data for rentals and sales, and consider what this might mean for the rebuild. We are working with Department of Building and Housing, the Treasury and the Department of Labour on forecasting the housing market's ability to support population movements during the rebuild. Further advice will be provided to your office as this work is progressed.

9 February 2012

- **Rebuild Resources and Co-ordination Liaison Group** – The forum last week ... [*irrelevant information*] ... There was also discussion on accommodation for visiting workers and displaced homeowners and concern that it may impede the rebuild. No firm proposals have come forward from the PMOs.

17 February 2012

- p.5
- **Temporary Accommodation villages** - Occupancy at the villages have now reached **92%.** Residents entering the villages are displaced from their homes but those [*information withheld under section 9(2)(g)(i)*]. Most people are awaiting repairs, but some have major repairs or rebuilds which could be over 12 months away, this leads to those entering the village staying for longer periods thus reducing turnover.

	Number of households indicating that this is their first preference	**Number of households currently in the process of gaining tenancy but not yet in residence**	**Number of units with occupants**	**Number of units that are ready for occupation**	**Number of units in development but not yet available**	**Total number of units**	**Number of households that have completed a tenancy and moved on to other housing**
Kaiapoi	41	0	19	3	0	22	20
Linwood	95	4	39	2	0	41	32
Rawhiti	6	0	0	0	0	0	0

- All residents of the villages will have a plan established. This plan will assist in identifying the needs of the resident and also help the residents to transition from the village to either, back to their own home or to more permanent accommodation.

- The current rental market in [*information withheld under section 9(2)(g)(i)*].

<u>29 February 2012</u>

- p.3
- **Expected acceleration in rebuild activity - housing issues** - CERA and DBH are working with the Department of Labour and the Treasury to explore the housing implications of the expected acceleration in rebuild activity, and will report to you on 23 March.

- p.12
- **Sustainable Homes Working Party** - This group of government, central government and not-for-profit groups are developing a roadmap this week towards establishing a coherent, credible and consistent message and set of activities to support the rebuild. This will provide a common stakeholder group to provide input into the rebuild.

<u>1 March 2012</u>

- [*information withheld under section 9(2)(g)(i)*]
- "... Current concerns remain labour supply and accommodation of visiting labour, with low market activity occurring regarding accommodation."

<u>16 March 2012</u>

- p.7
- **Women's Refuge** - [*information withheld under section 9(2)(g)(i)*].

- **Community Link** - [*information withheld under section 9(2)(g)(i)*].

- **Canterbury Wellbeing Index Report** - A comprehensive set of indicators of community wellbeing have been identified through meetings with stakeholders across 28 government agencies, universities and local government. These indicators will enable CERA and social agencies to track progress towards recovery and will provide an early indication of emerging trends and issues that may require agency responses. The Canterbury Wellbeing Index will also contribute to a higher level set of recovery indicators to be developed across CERA. These items of work are signalled in the Recovery Strategy.

- The Canterbury Wellbeing Index indicators are mapped against an outcomes framework that is informed by the work undertaken by the Social Sector Forum, and international best practice in disaster recovery. It will reflect the ability of individuals and families within the Greater Christchurch community to access social services and achieve positive housing, health, psycho-social, financial wellbeing and community outcomes.

- It is anticipated that the first iteration of the Canterbury Wellbeing Index will be ready for publication by June 2012. A briefing paper will follow later this month with further details.

<u>28 March 2012</u>

- p.2
- **LAND AND HOUSING AVAILABILITY**
- There are a number of escalating issues related to housing and the availability of land to meet housing demand. These include the relocation of red zoned houses and the availability of suitable temporary accommodation for those relocating and those needing temporary accommodation. We will forward you a report on 29 March discussing the relocation proposal for Crown-acquired dwellings for your consideration.

- There have been three enquiries from 'settled' Option One residents requesting to buy back their minimally damaged home so that they can be relocated to another site. Communication is ongoing with these residents, with advice being sought regarding the possibility of relocation. They have also been referred back to their insurance companies to understand the feasibility of relocation in each of their specific circumstances.

- p.3
- **Workers Accommodation** - [*Information withheld under section 9(2)(f)(iv)*].

- p.6
- **Supported, Social and Affordable Housing** - [*information withheld under section 9(2)(f)(iv)*].

<u>4 April 2012</u>

- p.4
- **Workers Accommodation** – [*Information withheld under section 9(2)(f)(iv)*].

- **Christchurch rebuild: Housing implications** – We are revising this paper and will get this to you for consideration on 16 April.

<u>18 April 2012</u>

- p.5
- **Worker accommodation** - We will provide advice to you about planning and consenting for proposals for workers accommodation in early May. [*Information withheld under section 9(2)(j)*]

- [*Information withheld under section 9(2)(j)*]

- p.9
- **Social, Affordable and Supported Housing** - [*Information withheld under section 9(2)(f)(iv)*].

- p.15
- **Residential Red Zone**
  - The squatter who was served an eviction notice remains in the property. The power has been disconnected, and the property is being scoped for demolition.
  - Two other illegal occupations are being investigated.

26 April 2012

- pp.3-4
- **SOCIAL, SUPPORTED AND AFFORDABLE HOUSING**
- [*Information withheld under section 9(2)(f)(iv)*].
- DBH are looking to identify and develop any other quick wins that may support the Canterbury situation.

- **Housing New Zealand Corporation (HNZC)** - We have held a number of conversations with HNZC [*information withheld under section 9(2)(f)(iv)*].

- We understand that HNZC have briefed Minister Heatley on their repair programme. HNZC aim to brief joint Ministers on their full repair programme of work on the 8 May. We will see the presentation prior to the briefing and can advise of any 'red flags'.

- **Christchurch City Council** - [*Information withheld under section 9(2)(j)*].

- **Waimakariri District Council (WDC)** - [*Information withheld under section 9(2)(j)*].

- **Methodist Mission** - [*Information withheld under section 9(2)(j)*].

- ComCare is probably the largest NGO supplier of social housing in greater Christchurch and they advise they do not have issues with repairs. For them the [*Information withheld under section 9(2)(g)(i)*]. ComCare reports they understand this is also the issue facing the Salvation Army. Accessible Properties advise they have only one vacant property due to damage and this is in the red zone. They do have tenants living in homes that are quite damaged, but they have plans to repair these houses, and plans to build new houses.

- **Worker accommodation** - [*Information withheld under section 9(2)(f)(iv)*].

- p.5
- **Worker accommodation** - [*Information withheld under section 9(2)(f)(iv)*].

3 May 2012

- p.5
- **Worker accommodation** - [*Information withheld under section 9(2)(f)(iv)*].

9 May 2012

- p.3
- **Social, Supported and Affordable Housing Innovations Workshop** - [*Information withheld under section 9(2)(f)(iv)*].

17 May 2012

- p.7
- **Social, Supported and Affordable Housing Innovations Workshop** - [*Information withheld under section 9(2)(f)(iv)*].

24 May 2012

- p.4
- **Supported, Social and Affordable Housing** - [*Information withheld under section 9(2)(f)(iv)*].

- **DBH** - Work at the Rawhiti Domain village site is progressing well. Ground works have commenced and the remaining units will be put in place this week. It is anticipated that the village will be ready for occupancy by mid July 2012. NZTU units remain used on Colombo Street storage site. (So far, 6 houses will be sold to government agencies (4 x HNZC and 2 x CDHB) to support the recovery effort).

15 June 2012

- p.4
- Work continues to establish the Rawhiti Domain village site and it is anticipated that the village will be ready for occupancy by mid-July. CETAS continues to support residents to find temporary accommodation and has put more than 1300 households in contact with landlords in the private rental market since February 2012.

- DBH has published guidance for Canterbury building owners to help them make informed decisions about the continued use of their buildings.

- **Worker Accommodation** - [*Information withheld under section 9(2)(j)*]

- **Housing Forum** - The Housing Forum hosted by the tenants' protection agency was held on 13 June. We provided an update on the housing recovery and land supply activities, including the social and affordable housing project. HNZC and CCC provided an update on their repair progress, while CDHB outlined their healthy housing initiatives. At the conclusion, the convenor commented it was the most positive communication on housing activities. The next forum in July will be on homelessness.

- [*Information withheld under section 9(2)(j)*]

- Councillor Glen Livingstone of CCC outlined his aim to deliver a housing plan in early September. Cr Livingstone has held two public Housing Summits. At the last summit on 1 June, attendees agreed to develop a housing plan, to be submitted to government by 8 September. Cr Livingstone stated this will be a "fully integrated housing plan for Christchurch, with national and local housing providers participating and resourcing".

- **Communications** - We are working on producing a communications over view of the DBH, CERA and Housing NZ positions on temporary accommodation, social housing and vacant housing.

- p.14
- **Housing OIA** - The Press has requested all correspondence and document pertaining to HNZ and CCC social housing in the residential red zone. They have also asked for all material held on housing affordability and availability. We are working with the requestor to look at further refining the second part of this request to make it more manageable.

21 June 2012

- pp.4-5
- **Temporary Housing** - [*Information withheld under section 9(2)(f)(iv)*].

- **Waimakariri Red Zone Housing Needs Survey** - The District Council has sent a survey to Waimakariri residents living in the Residential Red Zone to determine their housing needs. They are aware that developers, real estate agents and community organisations are interested in providing housing solutions in Waimakariri district, and want to be able to inform and influence these people with regards to the needs and requirements of the community.
- The survey is relevant to both renters and homeowners, and attempts to ascertain if residents have made decisions regarding their future housing needs, and, if they have not, what they anticipate these needs may be.
- We will continue to link with the Waimakariri District Council in regards to the findings of the survey and will provide details of the outcome on its conclusion.

- pp.9-10
- **Canterbury Earthquake Temporary Accommodation Service (CETAS) update -** As at 11 June, CETAS has received 1529 applications since its inception for Temporary Accommodation Assistance (TAA). The weekly amount being paid to households totals $339,155. At present the demand for temporary accommodation is stable, with temporary accommodation and rental properties meeting the present demand. We will continue to monitor this. The CETAS service has noted an increase in the number of enquiries relating to worker accommodation.

- **Homelessness and Crowding** - [*Information withheld under section 9(2)(g)(i)*].

- [*Information withheld under section 9(2)(g)(i)*].

- **Canterbury Community Trust** - [*Information withheld under section 9(2)(f)(iv)*].

29 June 2012

- p.9
- Work to establish the Rawhiti Domain Village is on-track. There is a public open day planned for Sunday 8 July, 11am to 3pm.
- [*Information withheld under section 9(2)(g)(i)*].