

**Presentation to Inclusionary Housing Plan Change 06.03.2024**  
**By Alistair Munro – Submitter 39**

I have made a number of points in my submission, such as that I believe the region contributes significantly to the national economy therefore Affordable Housing should be solved at a national level by central government. And that it is ironic that the one group of the business community that is helping to lower the increase in property prices, by creating more supply, is the one group that is being singled out to be hammered by the cost of this scheme.

In fact, in Plan Change 24, a link was established that the primary driver of the affordability issue was economic and business growth, largely due to the visitor market; and that housing development was a more indirect connection. Therefore, why not charge the tourism industry or tourists, being the root cause of the issue?

However, I am not advocating that. I am advocating that it should be addressed by central government.

But the main point I want to discuss today is a simple one. It is that this plan change will not meet it's objective.

I have two simple questions:

1. How much money will it take to resolve the issue of Affordable Housing? And
2. How much money will this Plan Change raise?

In all the hundreds of pages of reports and submissions, I could not find the answer to those two simple questions. The issue has been well documented in broad terms, but there is no proof that enough funds will be raised to solve the issue.

By my analysis, which I'll come to in a minute, the answer is that the money that this Plan Change will raise will only be a fraction of what is required, and therefore will not meet it's objective.

In the absence of evidence in the Plan Change to answer the 2 simple questions:

1. How much money is needed? And
2. How much money will be raised

I have done my own analysis based on the projections in the various reports.

I am now going to throw a few numbers at you, and I know it's almost lunch, but please hang in there. There are not too many, and they are not complex.

In section 7.3 of the Section 32, it estimates a shortfall of 7,000 dwellings by 2050.

Using a number of current value metrics from the documents submitted by Council, and as detailed in my submission, I calculate an average shortfall of \$420K per dwelling that requires to be funded.  $\$420K \times 7,000 = \$2.94\text{billion}$ ; therefore Council needs to raise approximately \$3bn to resolve the issue by 2050.

Note that it is likely to be much more than this, because it is likely that over time, the shortfall gap of \$420K will increase rather than decrease.

At 5% contribution, this would require \$58.8billion in new section sales from

subdivisions, to raise the minimum \$2.94billion required. And this is ignoring the cost to administer the scheme.

With the average section price currently at \$500K, 117,600 sections from new subdivisions would have to be sold to raise the \$3bn required, at today's prices.

There is no evidence in the Section 32 that forecasts 117,600 more section sales being achievable in the time period required. In fact, section 7.13 of the Section 32 predicts 17,000 new dwellings by 2050, rather than 117,600.

That is 14% of what is required. Leaving a massive 86% missing. This Plan Change will not even go close to resolving the issue. Where will the other \$2.5 billion come from?

As you can see from my analysis, the funds raised by this Plan Change will be only a fraction of what is required. You are going to all this time and effort, to barely scratch the surface. As a result, Council should go back to the drawing board, and come back to the community with a solution, or a series of solutions, that they can demonstrate is going to resolve the issue of Affordable Housing.

Now the Council response may be to say: "At least it will help." Well, I'm afraid that answer is simply not good enough. It will be too easy to get this Plan Change rejected by the Environment Court, because there is no evidence presented that shows that the Plan Change will meet its objective.

And the Council may also say: "We have a number of strategies that will all contribute to solving the problem". Well, if that is so, then let's see them. How much will each strategy contribute to the solution, and where is the final number showing that it is going to work?

I repeat:

1. How much money is required? And
2. How much money will this scheme generate?

BY my calculations, you are \$2.5 billion short.

Thank you.