

Raglan

a community in
housing distress



Changing housing landscape

2016 to 2018

25 – 30% loss of rental housing stock*

To online nightly rentals + owner occupation

*Raglan Real Estate rental property managers

2013 – 2018

Median purchase price increase by 25% *

* Raglan Real Estate agents



Changing housing landscape

Population approx. 3,115 (2016)

Housing stock 1700

Vacant houses 500

Nightly rental property listings 480 (~ 300 AirBnB + 180 BookaBach)

* Raglan Visitor Infrastructure Study Strateg.Ease July 2017



Cost to buy

Median house purchase price
\$668,000

QV NZ 4 Nov 2019

20% deposit = \$133,600

Mortgage repayments on \$534,400
\$34,424 per annum

*\$662/week BNZ @ 5% interest over 30 years

Annual cost to rent

Average 3 bedroom house
\$19,700 - \$20,800

*Ave. weekly rent \$380 - \$400/week new rentals

Newer 4 bedroom
\$22,880 +

*\$440+/week

Income - Raglan

Median annual gross household income
\$55,600

*2103 census data adjusted by income increase of 17% @ 2018

Raglan Housing Study 2018

No significant wage/salary increases since 2013

Affordability household income @ \$55,600

Median Multiple 12.2

Ratio of purchase price to gross annual household income

Purchasing (DSR) 68% cost of mortgage/income (\$662/\$1069)

Renting 35% to 37.4 % average 3 bed

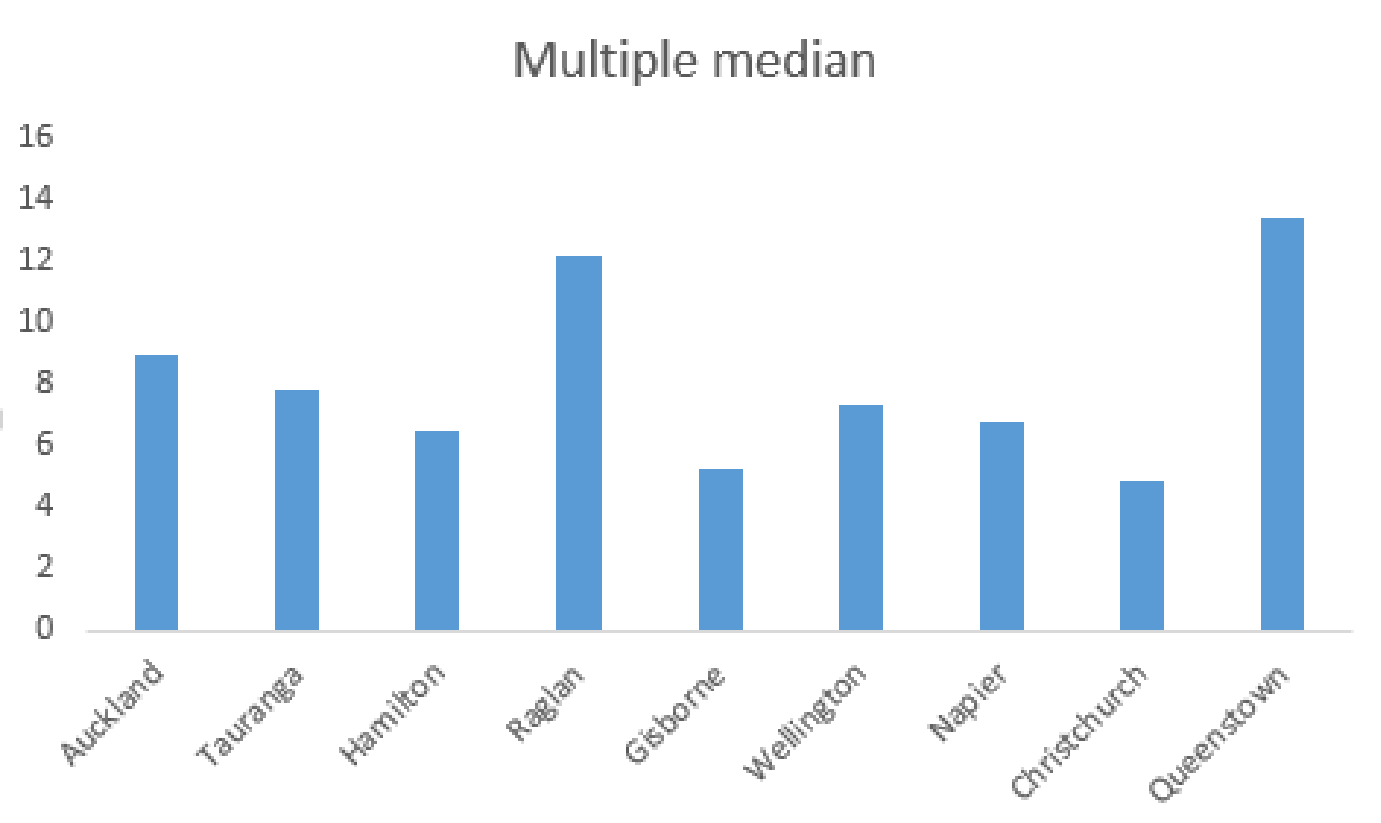
Affordability = Median Multiple less than 3 WHO

Affordability = Debt servicing ration < 30%

Household income calculated as 2 x median income earners in household



Multiple median comparison – Sep 2019



<https://www.interest.co.nz/property/house-price-income-multiples>

Amendment requested

- Amend Objective:

4.1.1 (a) Strategic, to read as follows:

(a) Liveable, thriving, and connected communities that are sustainable, *affordable*, efficient and co-ordinated.

(b) Insert word *affordable*

Medium term growth – to 2026

- Predicted growth rate of 21%
- Demand to meet ~ 420 new buildings (Raglan Housing Study 2018)

- Rangitahi 500 sections over 30 years
- Priced ~ \$400,000 plus
- Won't meet demand

- 75% of demand is in emergency, social, affordable housing
(Waikato Plan Housing Stocktake 2018)

Lack of affordable housing

- Threatens our economy
 - Successful recruitment of skilled staff failing due to lack of housing
 - Seasonal workforce unable to be accommodated
 - Tourism + municipal operators struggling to maintain workforce
- Threatens our diversity
 - Lower income families moving out of town
 - New land releases only affordable by the wealthy or those already in home ownership
 - Social structure likely to be altered by the housing crisis

District Plan Review

Hearing 3: Section B Objectives and Policies 4.1.18 (iii)

Rangitahi is the *only* area that provides for the medium term future growth and is developed in a manner that connects to the existing town and maintains and enhances the natural environment;'



Retaining the word '*only*' in 4.1.18 (iii)

Creates

- a bias in affordability only attainable for household income above **\$90,500** (Chief Economist Unit, Auckland Council, Statistics NZ, Raglan Housing Study August 2018)
- **~ 1.63 x median Raglan household income @ 2018**
- a monopoly for land development
- barriers to other land use change for 5 – 20 years



Amendment requested

- Amend Policy 4.1.18 (iii)- Raglan to read as follows:
- Rangitahi is the only area that will provides for the medium term future growth and **is above the multiple median**
- Developments that propose affordable housing to cater for the quartiles below the multiple median and that are developed in a manner than connects to the existing town and maintains and enhances the natural environment will be considered as preferred options for additional green fields development.

Affordable housing development

- Need proven + urgent
- No requirement or agreed solution in Rangitahi
- Alternate development solutions
 - Multiple willing land owners
 - Blocked due to this clause



Raglan needs a housing solution

WRAP – Whaingaroa Raglan Affordable (Housing) Project

Formed 2017

- recognises problem
- seeking a community led solution
- support and funding from:
 - WEL Energy Trust, Waikato DC, Waikato region Housing Initiative



Would like to work collaboratively with local and central government to explore a community model of self sufficiency for smart, eco housing solutions designed to have zero energy costs to maintain

Whaingaroa Raglan Affordable (Housing) Project

WRAPing housing solutions around the community of Raglan

A coalition of local leaders and community organisations.

Raglan Community Board

Raglan Community House (Inc.)

Raglans Lions

Raglan Chamber of Commerce

Raglan Residents and Ratepayers

Developing partnerships with

WEL Energy Network

Wintec

Waikato District Council

Waikato University

Local iwi

Local landowners



“Living in a place means having a place to live”

Our unique diverse culture and community is under threat

We need partnership and support in the District Plan

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