

Home dreams fading

Napier and Hastings 'severely unaffordable' as shortage of supply has major impact



Sahiban Hyde

A "perfect storm" has hit housing prices in Napier and Hastings to the point where they are now classified as "severely unaffordable".

The twin cities were ranked together as the sixth most unaffordable city in New Zealand to buy a home, in the 16th Annual Demographia International Housing Affordability Survey.

The survey of 309 cities around the world showed the median house price) for Napier-Hastings (\$505,000) is now more than seven times the median income (\$68,000).

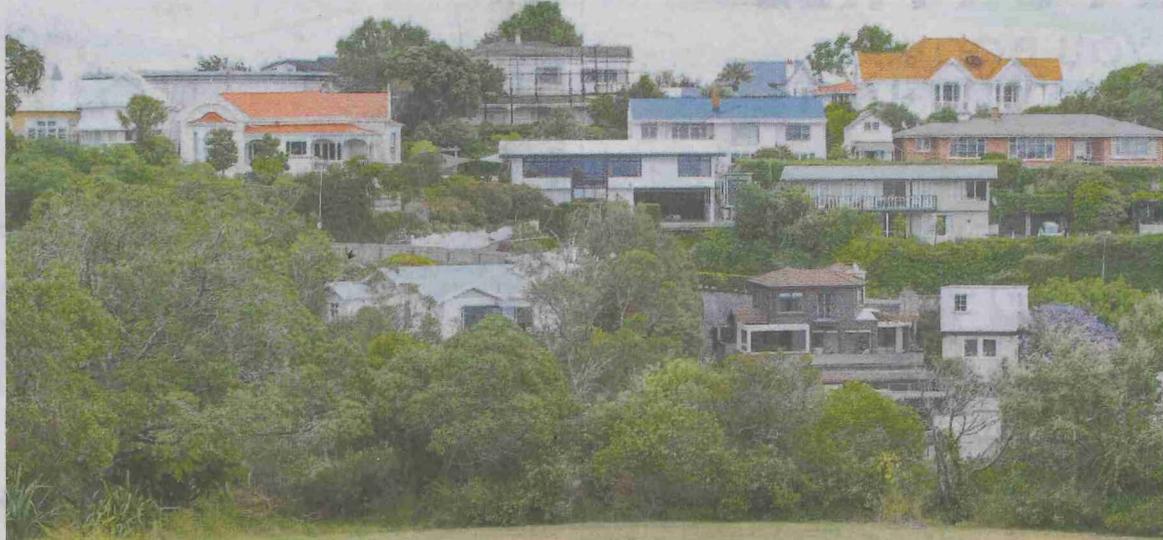
Pat Turley, principal for land economists and valuers Hawke's Bay's Turley & Co, said the primary cause of declining housing affordability was very low interest rates and a surge in people wanting to live in the region.

"A shortage of houses due to still lagging supply, mainly due to high net migration and coupling with good economic performance and confidence ... it's a perfect storm."

Hastings Mayor Sandra Hazlehurst said the lack of affordable housing in the community had been a challenge in the last four to five years, and many factors contributed to the shortage, from low interest rates to high rents.

But it was being addressed, she said.

"Our council presented a housing



Houses on Napier Hill, one of Napier's most expensive suburbs.

Photo / File

plan to the government and Housing Minister Megan Woods has chosen Hastings for a place-based pilot housing programme.

"This will firstly deal with the issue of homelessness and our severe housing shortage in the short term and secondly, to ensure the housing market works for everyone so that home ownership is possible for the whole community in the medium to long term."

The plan will ultimately deliver an additional 200 houses for low-moderate income families over the next 18 months, she said.

"We have also partnered with Te Taiwhenua o Heretaunga to help

build their new Waingakau Village in Flaxmere, one of only two shared equity housing developments in New Zealand which will bring close to 120 quality affordable homes to families.

"This year we will be looking at different models to make it easier for our young people and first time home buyers to get into the market and buy a property and we're working with developers to address this problem," Hazlehurst said.

"Housing is a major priority of all of the region's leaders and we aim for everyone to have a home to call their own."

Napier City Councillor Maxine Boag said the lack of social housing

was her main concern.

"The need for social housing has skyrocketed, and the demand far exceeds the supply."

She said the fact that Napier and Hastings were both lower-wage economies didn't help matters.

"We have seasonal, lower paid, labour. That's where the rubber meets the road."

A way to address the issue would be for local businesses to make it a priority to pay their workers the living wage, she said.

"That would help. House prices and rents are spiralling up and the only thing we can do is increase supply."