

New Zealand: Thousands forced to live in accommodation “outside the norm”

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Nearly 100,000 people in New Zealand—2.3 percent of the population—are living in institutions, hotels, caravans, motor camps, boarding houses, garages and other “alternative” accommodation, according to a report released by Statistics NZ last week.

The report, “Living Outside the Norm,” uses 2013 census figures to identify those living in other than traditional private dwellings. It points to a sharp increase in the number of people trapped between growing poverty and escalating house and rental prices.

Home ownership has been declining since peaking at nearly 76 percent of households in the 1991 census. In a major social reversal, almost half of all people now live in rented accommodation. Since the 1930s, home ownership has been widely regarded in New Zealand as central to family security. However, particularly in Auckland, the country’s major city and home to over a quarter of the population, even renting is becoming unviable for many.

The housing crisis is a product of the austerity program imposed on the working class since the 2008 financial crisis. Social inequality is being driven by attacks on wage levels and social rights, including the right to decent housing, while the wealthy are profiting from rampant speculation that has produced an out-of-control property bubble.

According to a new report, “Asia-Pacific Residential Review,” issued last month by the global property consultancy Knight Frank, New Zealand ranks second only to Hong Kong in last year’s Asia-Pacific index of percentage increases in house and apartment prices. Skyrocketing Auckland property prices have risen 16.1 percent in 12 months and 51.6 percent since 2007.

The average house in the Auckland area in May cost \$NZ828,502. Last October, the Ministry of Business, Innovation and Employment estimated a shortfall of

18,000 dwellings in Auckland and predicted the figure would rise to 25,000 by the end of this year.

The Statistics NZ report points to housing costs pushing more people into motor camps, almost doubling from 2,220 people in 2006 to 4,059 in 2013, and boarding houses, up from 1,602 to 2,718. “[T]he key reasons people lived in boarding houses included a lack of affordable housing (especially for un-partnered people), debt and housing discrimination,” the report explained. Half of all those in boarding houses (1,362) were in Auckland.

Census manager Gareth Meech pointed out that people living “outside the norm” had lower incomes but similar rates of unemployment to those in conventional dwellings. In other words, the figures reflect the increasingly dire social situation facing the “working poor.”

The count includes 11,589 people who said their “usual residence” was a hotel, motel or other guest accommodation. Meech said they were a mix of students, seasonal workers and workers on business, professional and labouring contracts. More than a third of them (4,290) were in Auckland. There was also continued growth in aged residential care, up from 27,966 to 31,899.

Behind the bald statistics lies a growing social catastrophe.

More welfare beneficiaries are eking out a living in caravan parks. Over half of the 4,059 people counted as long-term residents of motor camps were aged 50 or older and included 42 aged 85-plus. The manager of Auckland’s Otahuhu Caravan Park, Richard Garthwaite, told the *New Zealand Herald* that people could not afford private rentals “at \$400, \$500 or \$600 a week.” Park resident Robert Nahi, 60, said he was referred by the Auckland City Mission after a period of

sleeping rough. He pays \$170 a week for a caravan and has just \$85 left over from his sickness benefit for living costs.

The conditions are often dismal. The *Herald* reported on July 5 that Auckland Council inspectors identified compliance issues in 17 of 19 boarding houses in the working class areas of Manukau and Mangere. Inspectors found shortfalls ranging from dangerous buildings to inadequate fire safety measures. Overcrowding and unsanitary and dangerous conditions were common, including mouldy ceilings, missing fire hoses and unsafe, unconsented building extensions. Inspectors also found tenants squeezed into caravans and portable rooms. Two properties were issued urgent dangerous and unsanitary building notices. With an estimated 160 boarding houses in Auckland and more than 500 nationally, council officers warned such problems were just the tip of the iceberg.

According to charities, record numbers of people are sleeping rough or in cars this winter due to the housing shortage. People are sleeping outside heating vents at all-night supermarkets and anywhere else they can get some shelter from the cold. Auckland City Mission head Diane Robertson said the incidence of homelessness is “higher than it has ever been, and it is much more visible than it has ever been.”

Profiteering is also rife. Auckland rents rose 4.6 percent last year—an average of \$21 a week. Figures released to the *Herald* earlier this year by property agents Barfoot & Thompson showed the average weekly rent rose \$19 to \$476 for a three-bedroom house, \$17 to \$499 for a four-bedroom home and \$40 to \$749 for five bedrooms. One Manurewa household saw its rent jump from \$380 a week to \$500 in 18 months. Two families with up to 10 people were squeezed into the single-bathroom house.

Auckland’s 50,000 tertiary students are badly affected by the housing shortage. Paul Smith of Auckland University Students Association said he knew of one house where 95 students applied for a single room advertised at \$160 a week.

Far from alleviating the burgeoning social disaster, the ruling elite is doing everything in its power to take advantage of opportunities for speculation, property deals, capital gains, tax breaks for landlords and rack renting. Finance Minister Bill English told National Radio on July 10 that the National Party government’s

position was that the housing situation was a “supply” problem that would be resolved by “the market.”

The government recently moved to free-up 500 hectares of public land in Auckland for housing developers. Not to miss out on the bonanza, Maori business leaders of the local Ngati Whatua tribe immediately went to court to claim first right of refusal on the land under the terms of their Treaty of Waitangi land settlement. The government also plans to sell off thousands of state-owned Housing New Zealand homes in order to create a private sector market in the provision of “social” housing.

To divert public hostility over the social crisis, Labour, the Greens and the anti-immigrant NZ First have each attacked National from the right, attempting to whip up xenophobia by calling for bans on foreigners buying houses. Labour’s housing spokesman Phil Twyford told TV3’s “The Nation” on Saturday that a “tsunami of Chinese investment” was looming. Twyford claimed Labour had obtained evidence from an unnamed property agent that 40 percent of Auckland house sales between February and April went to people with Chinese surnames.

Twyford’s assertions were promptly refuted by NZ Institute of Economic Research principal economist Shamubeel Eaqub, who said that lack of legitimate data about foreign buyers underpinned the “half-baked” information that was “verging on racism.”



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