Growing homelessness in New Zealand

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The latest Knight Frank Global House Price Index showed that New Zealand house prices in the first quarter of 2021 were an astonishing 22.1 percent higher than 12 months earlier. The average global increase was 7.3 percent, the fastest rise recorded since 2006, in the lead-up to the 2007–2008 global financial crisis.

According to the Real Estate Institute of NZ, the situation is even worse: house prices increased by a median $200,000 between May 2020 and May 2021, 32.3 percent, to reach $820,000. In Auckland, one of the least affordable cities in the world, the median price is now $1.148 million.

Since 2017, when Jacinda Ardern's Labour Party-led government was first elected, its promises to address New Zealand's housing crisis have proven again and again to be completely fraudulent. In fact, the out-of-control bubble is fuelled by the government's policies, including ultra-low taxes for property investors, along with the Reserve Bank's record low interest rates and quantitative easing policies that have pumped billions of dollars into the commercial banks over the past year.

KPMG reported that NZ banks made a record $1.64 billion in total profits in the first quarter of 2021, largely driven by home lending. Meanwhile, it has become impossible for most working-class people to save for a deposit on a house. Home ownership has dropped from 74 percent of households in 1991 to just 64.5 percent in 2018, the lowest level since 1951.

Rents are also soaring. The *New Zealand Herald* recently reported that, adjusted for inflation, residential rents in Auckland have risen by 45 percent since the year 2000, reaching an average rent of $564 a week in March this year. In Wellington, the increase was 53 percent, to an average of $517.

The lack of affordable housing is a major factor fuelling anger among workers, including nurses and healthcare workers who recently held a nationwide strike against the government's pay freeze.

The number of people waiting for public housing has quadrupled under Labour to 23,687 households. The real extent of homelessness, however, is much greater. Estimates based on the 2018 census, by University of Otago researchers and the Ministry of Housing, found that 102,123 people, 2.2 percent of the population, are "severely housing deprived," almost half of them under the age of 25.

This included 41,724 people "living without shelter, in temporary accommodation or sharing accommodation," and 60,399 "in uninhabitable housing that was lacking one of six basic amenities: tap water that is safe to drink; electricity; cooking facilities; a kitchen sink; a bath or shower; a toilet." Researchers said the figures were likely to be underestimated, given that homeless people would have had difficulty taking part in the mostly-online census.

In March (the most recent available figures), 5,315 homeless people were living in motel rooms subsidised by the government as "emergency housing."

The *World Socialist Web Site* spoke with Carol (not her real name), who is in her fifties and has been living in a two-room motel unit with her adult son for seven months. She explained that she lost her house following the 2011 Christchurch earthquake. Like thousands of other people, the money she received from the government insurer, the Earthquake Commission, was not enough to pay for repairs.

After also losing her job, Carol said, "I went all around Canterbury looking for work. I did everything I could to keep my house." Finally, "I sold my house of 30 years that was valued, pre-quake, at $350,000. I walked away with $150,000, and $20,000 went to pay bills. I'm just one of many who got ripped off." In the years since then, she has suffered serious mental health issues, and spent some time living with family before eventually moving into emergency housing.

The government deducts one quarter of the income of

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every adult in emergency housing, and provides large subsidies to motel owners. Carol said the owner was "making at least $1000 per room a week," but refused to provide decent services. "Even though we've asked for extra things like washing machines, we don't get it. You pay for your storage, you pay for your laundry. The fridge is a minibar fridge, you can't freeze anything." The motel has just one washing machine shared between more than 20 units, several of which have more than one occupant.

Carol continued: "People in emergency housing have no rights. They can change the rules whenever they want… many people here feel like this place is nothing more than a prison." She said the owner, as well as getting thousands of dollars from the government, is hoarding food and other items donated by locals to help the residents.

"The people here are no different from other people, we come from all walks of life," Carol said. "Some of us work, some don't, one woman has just split up from a violent relationship. It annoys me when people say everybody in emergency housing deserves to be there. We're just an unlucky bunch."

Carol's son works for just $21 an hour; barely above the minimum wage and not enough to pay for a private rental. They are also spending nearly $100 a week to store their belongings. Both are on the waiting list for public housing, but Carol had no idea when, or if, they would be given a place.

Carol said she preferred the Labour Party to the National Party, but added that Labour was "offering people a bandaid for a broken leg." She said Prime Minister Ardern should learn from the first Labour government, which built tens of thousands of state houses during the 1930s and 40s.

The Labour Party long ago abandoned such reformist policies, which were enacted to stave off the very real threat of a revolutionary movement of the working class. The government says it will increase public housing from 67,200 units in 2018 to 81,300 in 2024; but even if the target is reached, this would only accommodate just over half those currently on the waiting list.

Another resident and former staff member at the motel, who we will call Valerie, told the WSWS: "I worked here for about six months as a cleaner on minimum wage. It started out good but then it got sloppy. We weren't being paid on time and we'd go for days without pay… My automatic payments weren't being honoured, and [the owner] just didn't really care."

She said people in emergency housing were "looked down upon like we are scumbags, and we're not. We're just stuck in a rut and there's nothing for us to rent." Valerie had applied for public housing "but because I'm a single person with no dependent children, I'm not a priority."

The motel residents included a mother with six children, who had been there for several months. Valerie explained that the overcrowded environment was totally unsuitable for children. "Not everybody gets along… The kids are exposed to violence and it's hard for kids to watch domestic arguments going on left, right and centre. You've got nowhere to shelter your children from this."

Valerie said she had "given up following what the government is doing." She felt that the rich were getting richer, and the government was giving too much taxpayers' money to property owners who were exploiting the emergency housing system for profit.

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