

Waiheke's housing woes worsen as costs push another social housing project off island

LAWRENCE SMITH/*Stuff*

Jan 09 2023

Waiheke exodus driven by lack of housing and cost of living

Long-term Waiheke residents are finding it harder to cope with rising prices and a lack of affordable housing on the island in Auckland's Hauraki Gulf.

A social housing group is walking away from a six-year project to provide homes for seniors on [Waiheke Island](#).

Auckland Housing Association's exit comes [just weeks after another community housing project](#) on the island sold its development in the face of insurmountable costs.

Auckland Housing Association chairperson and former Auckland Central MP Judith Tizard said she was terribly disappointed the Putiki Rd, Ostend development was not going ahead, but the funds didn't stack up.

The association bought the property in 2017 for \$883,000 with the intention of developing social housing on the 1963sqm site.

READ MORE:

- * [Waiheke wipeout: What do housing and transport woes mean for island's future?](#)
- * [Nelson social housing project led by iwi one step closer to fruition](#)
- * [Housing intensification: Iwi's cautious approach is paying off](#)

"We had hoped that we could get something built and get people in there," Tizard said.

But after much work to adhere to wastewater rules and with resource and building consents in place to add three units to the site, the association pulled the pin on the project and put the property on the market for \$1.55m in December.

The association's proposal includes building three separate units and refurbishing the existing cottage, but once the quotes came in it was way out of the association's price range, Tizard said.



Erin Johnson/Stuff

The Auckland Housing Association has deemed it too expensive to renovate the existing cottage and add three units at the Putiki Rd, Waiheke Island property.

“Particularly with interest rates going up, we estimated on what we had to borrow it would be \$10,000 per month in repayments,” she said, adding that rental income from tenants would need to cover project costs.

“The purpose of the housing trust is to help people with housing need. We can’t put those costs onto existing tenants.”

Formed in 2000, the association helped Auckland Council tenants buy Freemans Bay apartments and townhouses when the council sold them.

The association bought several units and rented them back to tenants who couldn’t afford to buy. Tizard said after the association sold a Freemans Bay townhouse, it bought the commercial-zoned Waiheke site with the intention of easing [housing troubles on the island](#).

However, the cost of building materials on the island was “ludicrous” and “the project is not economic”, she said.

“There is no cheap way to do it ... I would love to see someone who has the Waiheke knowledge do something with it.”

Paul Carew, the chairperson of Waiheke Community Housing Trust, is all too familiar with the situation.

In November, faced with construction and consenting cost overruns and rising interest rates, the trust sold its three-unit community housing project in Onetangi.

The move came less than six months after the project was officially opened.

“It is deeply saddening to see yet another attempt to provide affordable housing on Waiheke fail due to astonishing construction costs, the complete unavailability of bank funding and our oppressive wastewater restrictions,” Carew said.

“Self help is just not possible any longer.”



Supplied

Katy Soljak and Anne Bailey had set their hopes on living in a social housing development that will no longer go ahead on Waiheke Island.

Carew said the trust looked carefully at taking over the Ostend project but could not make it work financially.

The social housing project’s departure is another blow for [Waiheke residents Katy Soljak and Anne Bailey](#), who were hoping to move in and now feel abandoned.

”There are architectural plans with our names on each unit. Yes, we really believed they were going to be built, I even had consent for a fireplace,” Soljak said.

Bailey, 78, has moved six times in the past six years and lived in a van for several weeks. She said rent increased every time she moved.

Bailey said government intervention was essential to support community housing efforts.

This is a Public Interest Journalism funded role through NZ On Air