Jaimie Monk and Natalie Allen

Mapping New Zealand's Housing System

understanding how housing shapes wellbeing

Abstract

Housing outcomes in Aotearoa New Zealand are deeply intertwined with wellbeing, yet public discussion often focuses on isolated issues, rather than the housing system as a whole. This article offers a transdisciplinary, plain-language systems model to make visible the interconnections and trade-offs that complicate housing policy. Our Housing Outcomes and Multi-system Effects (HOME) model begins with a wellbeing lens by identifying how housing affordability, agency, place and house quality affect wellbeing, and progressively builds outwards to show how economic, social and regulatory systems shape these foundations. By emphasising system-wide relationships rather than single-lever fixes, the model provides a tool for those working across housing, social policy, urban development and infrastructure seeking deeper insight into how New Zealand's housing system operates and where opportunities for more effective policy and practice may lie.

Keywords housing, wellbeing, systems thinking, housing policy, inequality

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Housing is central to wellbeing and economic functioning in Aotearoa New Zealand, yet it has become a persistent source of inequality and policy tension. Approximately one in four renting households now spend more than 40% of their income on housing (Statistics New Zealand, 2025), while poor housing quality continues to generate well-documented social and health impacts (Howden-Chapman et al., 2023; Riggs et al., 2021). These pressures affect not only where people live, but how they live, shaping consumption patterns, relationships, and the quality of neighbourhoods and communities. These burdens fall most heavily on low-income households, who face the greatest trade-offs between housing costs and other essentials (Urban Advisory, 2025), deepening cycles of poverty and limiting opportunities for social mobility (Statistics New Zealand, 2025). Wealth disparities between homeowners and renters have also become entrenched, with Māori and Pacific households disproportionately affected by poor housing quality and insecure tenure (Goodyear, 2017; Statistics New Zealand, 2023).

There is broad agreement that New Zealand's housing system is not working as it should. The more difficult question is why has it proved so difficult to fix? This article argues that housing outcomes are shaped by complex interactions between economic, social and institutional forces, yet policy debates often approach the system from a single perspective, in search of simple solutions. In response, the article introduces a model of New Zealand's housing system designed to make these interactions visible, anchored around the central question: how does housing enable wellbeing?

The model begins with wellbeing and the housing trade-offs households face, before layering in the economic, political and institutional systems that shape housing outcomes. It is intended to offer a shared analytical and practical framework for policymakers, analysts and practitioners working across housing, social policy, urban development and infrastructure. While prior work has mapped specific components of the housing system (e.g., Albsoul et al., 2024 on the economic system), to our knowledge this is the first

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comprehensive map of New Zealand's housing system designed for a general policy audience.

This model was developed originally by Jaimie Monk for the Home Foundation, but this work has its origins in the Public Housing and Urban Regeneration programme, where the authors collaborated on research spanning the governance of public housing-led regeneration to understanding the diversity of tenant wellbeing. Through iterative refinement and cross-sector engagement, the model has evolved from a multi-disciplinary framework into a transdisciplinary tool (Moore et al., 2021) intended to support cross-portfolio reasoning and help decision makers anticipate tradeoffs, feedback loops and distributional consequences that are often obscured by single sector approaches.

Background

To frame the systems analysis in this article, this section summarises key features of New Zealand's housing context and housing as a complex system.

New Zealand's housing context

Housing has long been central to social stability and prosperity in Aotearoa New Zealand. During the mid-20th century, state housing programmes provided affordable homes and embodied egalitarian ideals, with suburban stand-alone houses symbolising welfare provision and family wellbeing (Schrader, 2005). These initiatives coexisted with a growing private market which expanded alongside post-war urbanisation.

In 1974 the Housing Corporation of New Zealand was established, expanding inner-city housing projects and experimenting with new typologies. This broad consensus around housing as a social good shifted markedly in the 1980s, when neoliberal reforms curtailed the state's role, required housing agencies to operate on a profit basis, and led to the large-scale sale of public housing stock (Murphy, 2020). Housing provision was increasingly reframed around market efficiency rather than social equity, transforming housing into a primary investment asset and wealth-building mechanism. Combined with rising urban demand, these changes drove house price growth and entrenched affordability pressures and inequality.

At an aggregate level, housing affordability has also been shaped by macroeconomic and labour-market policy. Historically, New Zealand relied on high employment and stable wage growth as implicit pillars of social security, enabling households to afford housing, alongside high rates of home ownership (Castles, 1985).

By the early 2000s, governments began to reintroduce social priorities. The fifth Labour government (1999–2008) merged agencies to repackage the 'Housing New Zealand Corporation', influenced by Third Way philosophy which sought to balance social justice with economic efficiency (Nolan, 2010). Large-scale regeneration projects in Auckland and Wellington were announced, often structured as public–private partnerships, while the fifth National government (2008–17) later capped state housing numbers and expanded the role of community housing providers through the income-related rent subsidy. Affordability pressures intensified during this period and Labour's 2017 election campaign pledged to restore the state's role, leading to the establishment of Kāinga Ora – Homes and Communities,

an entity with an explicit wellbeing mandate. Much of that work has been paused under the present National government, which has overseen a large-scale review of Kāinga Ora (English, McNeil and Allen, 2024) alongside a focus on legislative change to make it easier and cheaper to build through market mechanisms.

Across this history, structural forces such as colonisation, urbanisation and financialisation have entrenched inequities for Māori, Pacific peoples and low-income households (Paul et al., 2020). These inequities are compounded by systemic challenges: affordability has deteriorated as house prices have outpaced incomes (Nunns, 2021); supply constraints linked to restrictive land use planning, infrastructure deficits and slow construction responsiveness have created bottlenecks (New Zealand Infrastructure Commission, 2022; Household Technical Working Group, 2022); and renters continue to face poorer quality homes and higher health risks compared to owner-occupiers (Howden-Chapman et al., 2023)

Together these dynamics underscore that New Zealand's housing challenges reflect structural and systemic misalignment rather than simple scarcity, with policy interventions in one domain often generating ripple effects elsewhere.

Housing as a complex system
Housing systems are complex, adaptive structures shaped by interacting economic, social, political and cultural forces. Housing outcomes cannot be understood in isolation, but emerge from interconnected sub-systems such as markets, finance, planning, infrastructure and social norms, which interact dynamically over time (Paul et al., 2020; Murphy, 2020). A systems perspective highlights feedback loops: for example, rising house prices increase wealth for owners but simultaneously deepen affordability stress for renters, reinforcing inequality and shaping political responses. Systems theory therefore positions housing not as a discrete policy domain but as a dynamic system in which outcomes emerge from multiple interdependencies, producing non-linear effects across society (Pagani and Binder, 2023; Scottish Government, 2011).

> ... in New Zealand, housing systems are deeply embedded in historical and cultural contexts, making equity and wellbeing central to any systems-based analysis.

International research frames housing as a system with resilience and vulnerability dimensions. Housing outcomes are shaped by exposure to shocks such as financial crises, demographic shifts or natural disasters, which reveal interdependencies between physical dwellings, financial markets and social wellbeing (Wang et al., 2025). Earley (2021) similarly notes that housing institutions operate within hybrid governance contexts, where state, market and community actors share overlapping responsibilities.

This hybridity creates both opportunities for innovation and risks of fragmentation, requiring governance approaches that can coordinate across scales. Marsh et al. (2025) emphasise that housing connects directly and indirectly to health, education, labour markets, personal finances and social cohesion. Poor housing quality contributes to respiratory illness and educational disadvantage, while high housing costs constrain consumption and reduce labour mobility.

Systems perspectives also foreground the functions housing performs in supporting wellbeing. Pagani and Binder (2023) conceptualise housing as a socio-spatial system whose functions, such as providing stability, cultural identity or economic security, shape both residential preferences and dwelling forms. This lens highlights how mismatches between household aspirations and available

housing stock drive residential mobility and inequity. As a result, housing must be treated as critical infrastructure with long-term systemic impacts (Scottish Housing Investment Taskforce, 2025).

Resilience and adaptability are therefore central to understanding housing systems. Meerow and Newell (2019) argue that urban resilience requires asking 'resilience for whom, what, when, where, and why', recognising that housing systems embed trade-offs across time and space. Housing systems must thus be understood as dynamic, contested and political, where governance arrangements, investment flows and cultural values interact to produce uneven outcomes.

In Aotearoa New Zealand, systems thinking has been used to highlight how poor-quality housing interacts with health outcomes (Howden-Chapman et al., 2023; Riggs et al., 2021) and how supply constraints and planning frameworks amplify affordability pressures (Nunns, 2021; Household Technical Working Group, 2022). Māori and Pacific perspectives further emphasise that housing systems are embedded in cultural and historical dimensions, where colonisation and dispossession continue to influence tenure, wellbeing and equity (Penny et al., 2024).

Overall, the literature converges on three key insights: housing systems are non-linear and interdependent, with outcomes shaped by feedback loops across economic, social, and institutional domains; they are resilient yet vulnerable to shocks; and, in New Zealand, housing systems are deeply embedded in historical and cultural contexts, making equity and wellbeing central to any systems-based analysis.

A model of New Zealand's housing system
Purpose and intention
This section will introduce the Housing Outcomes and Multi-system Effects (HOME) model of New Zealand's housing system (Figure 1), before explaining the central wellbeing framework and each of the eight sub-systems.

The HOME model is intentionally designed to strike a balance between simplicity and usefulness, including enough detail to be helpful, while not being unnecessarily complex. Many of the elements shown here could be expanded

Figure 1: The HOME model of New Zealand's housing system
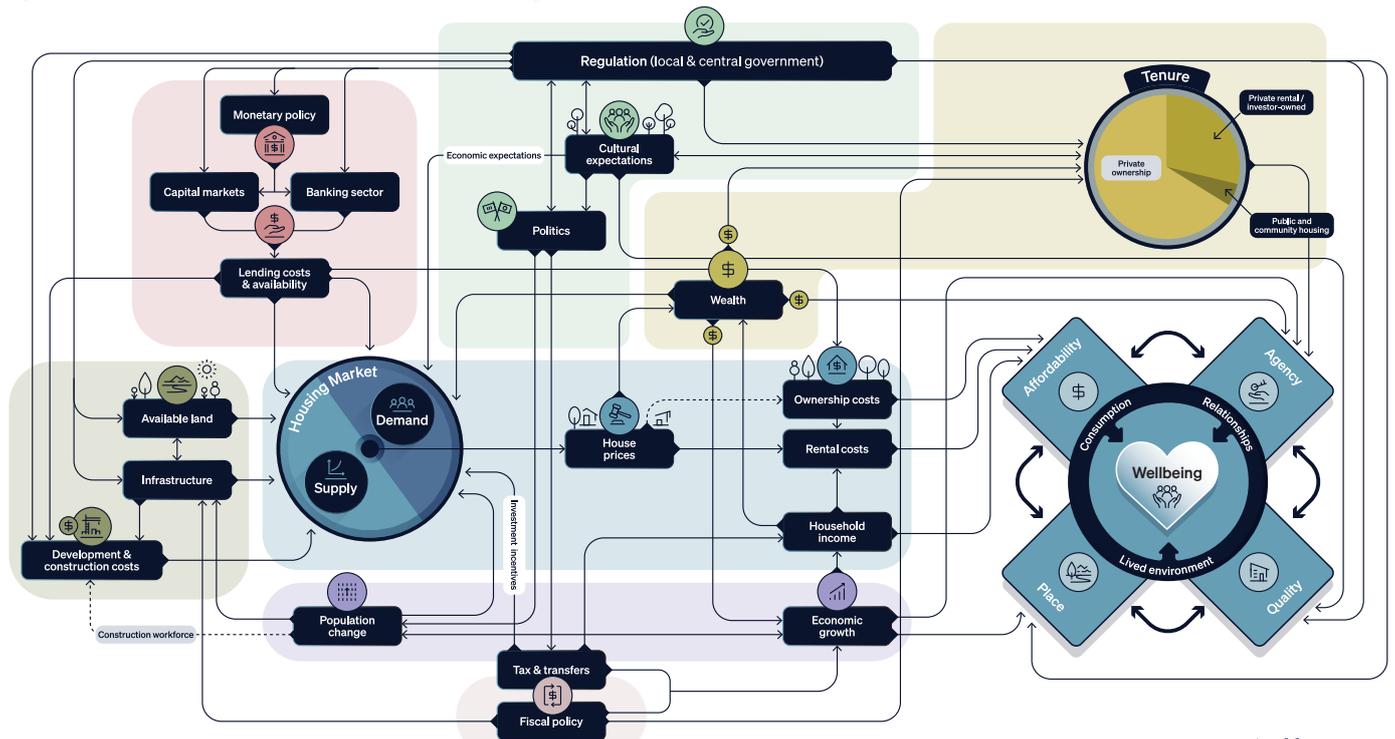
out into full systems in their own right; the model should therefore be considered an overview and starting point for understanding the system as a whole.

There are two key intentions built into the design of this model. First, the model is intentionally person-centred rather than house-centred. This contrasts with conceptualisations such as the housing continuum, which is organised around categories of dwellings or tenure. Here, the emphasis is instead on how homes shape the lives of those living within them. Homes are places for human relationships rather than simply shelter.

Second, the model is intended as a tool for understanding relationships between different parts of the housing system, not strictly as a causal diagram. Each connection shown has a degree of empirical grounding, although the strength of these relationships and the mechanisms that link them are often debated within the literature. The model's value lies in making explicit the connections between the parts to see how actions in one part of the system can reverberate through others.

Arrows indicate direction of influence rather than causal certainty, with bi-directional arrows reflecting feedback loops; coloured groupings denote sub-systems, and dotted connections indicate indirect or mediated relationships.

How housing affects wellbeing

At the core of Figure 2 we have wellbeing. Wellbeing can be considered at an individual, whānau or wider collective level and has been chosen in this model for its conceptual flexibility. It can encompass objective outcomes such as material wellbeing and physical health, but also subjective experiences of life satisfaction, utility, belonging and security, and can be considered within a wider capabilities approach (Sen, 1999; Treasury, 2018).

Housing affects wellbeing through three interconnected pathways. Relationships or whanaungatanga captures how housing supports family stability and connection within households, families and neighbourhoods (Penny et al., 2024). Positive relationships are important for adult wellbeing, and especially for child development (Bronfenbrenner and Morris, 2007; Diener and Seligman, 2002).

Figure 2: Our housing and wellbeing framework

Consumption relates to the share of income left over after housing costs, which shapes access to food, clothing, transport and other things important for wellbeing, such as the ability to financially support relatives, provide hospitality or to have holidays. The lived environment encompasses the physical location and qualities of homes and communities that influence belonging, health, safety and connection.

When an individual or family makes a housing decision, they typically make trade-offs, forming their own trade-off hierarchy (Allen, 2016), sacrificing on some elements of housing in favour of another they deem more important. A household with an elderly person may choose to spend more to live somewhere warm and dry, or a large multi-generational family may sacrifice location to find a home where they can all live together.

This wellbeing framework captures these trade-offs as they relate to four housing foundations: affordability, agency, place and quality. Affordability determines financial security and freedom of choice. Housing agency reflects individual and whānau ability to create the lives they want through housing. Agency encompasses security of tenure, but also the freedom to move for opportunities, or to live as desired within a home. Place connects housing to whenua and community, strengthens identity and includes access to employment opportunities, marae, and amenities like schools, transport and social services. Finally, house quality covers the adequacy, size and condition of homes that support health, accessibility and the ability to live in culturally appropriate ways in a home.

Ultimately, the fewer economic resources a household has, the narrower the set of housing options available to them and the greater the tradeoffs they must make. These constraints are not simply financial: limited income typically restricts access to secure tenure, reduces bargaining power within the housing market, and increases exposure to poor quality housing. Households with fewer resources often face heightened time and cognitive burdens, such as longer commutes, frequent relocations, or the need to secure accommodation at short notice. In addition, lower income households generally carry higher levels of risk, with

> Migration and economic growth reinforce one another: growth attracts migrants, while migration increases labour supply, productivity and consumption, contributing to further growth.

less capacity to absorb rent increases, respond to changing employment conditions, or recover from housing shocks. Together, these constraints mean that tradeoffs between affordability, place, agency and quality are not freely chosen but structurally imposed, shaping wellbeing outcomes well beyond the question of housing costs alone.

Sub-systems within the model
The eight sub-systems described below shape housing outcomes by influencing the trade-offs households make between affordability, agency, place and quality.

The housing market and affordability
Each sub-system affects the others, but the economic system, driven by the housing market, provides a good starting point. The market is a balancing mechanism in a dynamic system translating pressures from supply and demand into house prices. When supply is constrained, demand pressures accumulate as rising costs; when supply is responsive, the demand for housing is met by builders and developers looking to generate profit and prices remain constant.

From within our wellbeing model, housing affordability is understood as the

ratio of housing costs to household income. Housing costs are defined broadly here as either rental costs (rent paid to a homeowner), or ownership costs, which are chiefly driven by mortgage costs, but also include rates, insurance and maintenance costs.

Rental costs in New Zealand are driven primarily by wage rates, or broader household incomes, and the cost of housing as a function of the relative supply and demand of dwellings (Bentley, Cassino and Ngo, 2023). An increase in house prices directly affects ownership costs for those entering the housing market or those buying a more expensive property who will have to take on a larger mortgage.

New Zealand has an unresponsive land and housing supply system, which is less responsive now than in the past (New Zealand Infrastructure Commission, 2022), meaning that when there is an increase in demand for housing, prices generally go up. The housing market directly affects wellbeing through affordability, while indirectly affecting agency, place and quality by influencing where households live and how stable their choices can be.

Wealth and tenure
Rising house prices also increase the wealth of current homeowners and this increases homeowners' agency, but deepens the barriers to purchase for first-home buyers, resulting in lower wellbeing for renters compared with homeowners (Blamey, Grimes and Gemmell, 2025). As housing wealth grows, demand for housing as an investment increases, creating a reinforcing cycle.

In a system where home ownership is the primary pathway to asset accumulation, access to ownership is strongly shaped by intergenerational housing wealth. Individuals whose parents own a home are 30% more likely to enter ownership themselves (Choi, Zhu and Goodman, 2018; Wold et al., 2024.), often earlier and with lower debt burdens. These advantages reduce exposure to market risk, widen location and dwelling choices, and increase resilience to income shocks. By contrast, households without access to intergenerational wealth must rely almost entirely on earned income while facing high rental costs, making it harder to save and

increasing the likelihood of long-term renting. Over time, tenure outcomes increasingly reflect inherited advantage rather than labour market participation alone, reinforcing inequality and shaping wellbeing across the life course.

Economic growth and population change
Housing demand is strongly influenced by economic growth and population factors such as net migration, demographic changes and household formation. Migration and economic growth reinforce one another: growth attracts migrants, while migration increases labour supply, productivity and consumption, contributing to further growth. However, New Zealand's slow housing and infrastructure supply response means population growth often translates into higher house prices in the places migrants want to live (Nunns, 2021). Economic growth boosts employment and household incomes, providing households with more income to spend on housing, but whether there is a net benefit to wellbeing is likely to depend on whether a household owns or rents their home. Rental prices are influenced strongly by wage rates, so if incomes are rising, rents are likely to follow suit (Bentley, Cassino and Ngo, 2023).

Economic growth can expand agency by increasing employment opportunities, borrowing capacity and location choice. It can also strengthen a sense of place by supporting investment in infrastructure and amenities, and the presence of services and public spaces that foster neighbourhood vitality and identity. However, the extent to which these benefits are realised depends on how growth is spatially distributed and whether rising land and housing costs displace existing communities.

The effect of population change on housing demand is shaped not only by total numbers, but by household structure and life-course dynamics, including family size, ageing, the number of parents parenting across two homes, and how many income earners are in households. In the current context, many families require dual incomes to cover housing costs, yet a substantial share of households with children are supported by a single adult. This creates a 'wellbeing squeeze', where the lack of a second income severely limits a household's

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agency and choice of place. Furthermore, demographic shifts such as the rise of multi-generational living arrangements, particularly for Māori and Pacific whānau, demand a more diverse housing stock than the traditional suburban stand-alone house.

Supply response
Changes in house prices are ultimately determined by how effectively the market can respond to changes in demand. Key enablers of supply response include the availability of land, the quality and quantity of available infrastructure, and development and construction costs.

There is strong evidence that the availability of land for development in New Zealand has been restricted, and this distorts the market (Household Technical Working Group, 2022). Removing constraints on building on land in urban areas through changes in zoning laws appears to constrain price rises and keep rents stable (Donovan and Maltman, 2025). However, assessments of these decisions often focus narrowly on market outcomes, with limited attention given to their effect on the wider housing trade-offs made by households or flow-on effects on wellbeing.

The infrastructure picture in New Zealand is mixed. New Zealand spends more than the median OECD country on infrastructure as a percentage of GDP but is

in the bottom 10% of high-income countries for the efficiency of that spend (New Zealand Infrastructure Commission, 2024).

Construction and development costs further shape supply. Higher input costs (including labour and building materials) generally translate into higher house prices, if all else remains constant. However, this is a somewhat bi-directional relationship as when the price of houses rises due to external factors, then there is an increased profit incentive to build.

An emerging but critical pressure on the housing system is the increasing frequency of natural hazards and the requirement for environmental resilience. These events do not just have an impact on wellbeing during a crisis; they create systemic ripple effects through various subsystems. For example, increased flood or seismic risk alters regulation through more stringent building standards and zoning restrictions. This, in turn, inflates development and construction costs and ownership costs via rising insurance premiums. For households, the threat of natural hazards can erode wealth and compromise the safety and quality of the lived environment, forcing difficult trade-offs between safety and affordability.

Financial system
The financial system plays a pivotal role in shaping housing outcomes in Aotearoa New Zealand. It not only channels capital into the housing market, but also sets the conditions under which households, investors and developers can access credit. Monetary policy, capital markets and the banking sector together determine the cost and availability of finance, influencing both demand and supply dynamics.

At the household level, the availability of mortgage credit is one of the most significant determinants of affordability and access. Periods of low interest rates and abundant liquidity encourage borrowing, expand purchasing power and stimulate demand, often leading to house price inflation.

For developers, the financial system shapes the feasibility of new housing projects. Access to development finance, construction loans and capital market instruments determines whether supply can respond to demand pressures. High borrowing costs or limited credit

availability can delay or cancel projects, exacerbating supply constraints.

Fiscal policy
Central to the housing system is fiscal policy and the tax and transfer system. Fiscal policy captures what the government chooses to invest in and how it chooses to fund this spending. Government investment in infrastructure such as transport networks, water and schooling supports the building of new housing. In some cases, the state can choose to build housing directly, particularly social and affordable homes that the private market under-supplies. These investments reflect a public interest in long-term social benefits beyond short-term financial returns and can be used to strategically develop urban environments. New public housing can provide direct wellbeing benefits through affordability, higher-quality housing and security of tenure. The state also steps into the gap to pay for the social harm caused by inadequate and unaffordable housing.

The tax system further shapes incentives within the housing market. The absence of a comprehensive capital gains tax, combined with the relative security of housing assets, encourages investment in property over other investments. This channels investment into housing, boosting demand and contributing to higher prices.

To compensate for unaffordable housing, the transfer system provides income support to low-income households through the accommodation supplement and the income-related rent subsidy. Other income support policies such as Jobseeker Support and Working for Families are also set at levels that need to account for New Zealand's relatively high housing costs. While these mechanisms provide short term relief, they operate as extractive demand-side subsidies, transferring public funds into an unaffordable housing market rather than resolving structural drivers of cost, with expenditure increasing consistently over time.

Social norms and cultural expectations
An often-overlooked aspect of New Zealand's housing system is the role of social norms and cultural expectations in shaping human behaviour and influencing demand for housing. New

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Zealand has a long history of considering home ownership the idealised end point of a trajectory of tenure progression (Ryland, 2023) and the most appropriate way to build wealth for retirement, with our retirement income support settings set up on the assumption of home ownership (Saville-Smith, 2019). Social norms about density, acceptable quality, ownership structures and appropriate standards for landlords all shape what kinds of housing are considered desirable or legitimate. Finally, economic narratives have the power to shape economic expectations (Shiller, 2020). A strong narrative in New Zealand has been that house prices will continually rise, often backed by a normative assumption on the part of many public commentators that rising house prices are 'good' and falling prices are 'bad' (Davis, 2025). Together, these socio-cultural expectations can drive political decision making at the central and local government level and

have embedded a system that relies on increasing housing wealth for economic prosperity.

Political and regulatory system
Finally, the entire housing system is embedded within a political and regulatory environment that sets the rules for the entire system and reflects collective values and cultural expectations. Political institutions determine priorities for investment, taxation and welfare, while regulatory settings translate these choices into binding constraints and incentives. Planning and zoning rules are among the most influential levers, determining the availability of land, the form of the urban environment, and the location and density of development. Environmental regulations further shape what can be built, where and under what conditions, often balancing growth with sustainability and protection of natural resources. Building standards establish minimum thresholds for safety, durability and quality, ensuring that homes meet health and safety requirements, which all affect house quality. At the same time, regulations around development contributions and infrastructure levies influence the cost of new housing, with implications for affordability and supply responsiveness.

Importantly, regulatory frameworks have not always enabled culturally grounded housing models. For example, papakāinga development on Māori land has historically been inhibited by planning rules and resource consent requirements, which often did not recognise collective ownership structures and tikanga-based approaches to land use (Te Puni Kōkiri, 2025).

The financial regulatory system also plays a critical role. Macroprudential tools such as loan-to-value ratio (LVR) restrictions, debt-to-income limits and capital adequacy requirements are designed to safeguard financial stability but directly affect the cost and availability of capital. These measures influence both the demand for housing – by shaping household borrowing capacity – and the supply side, by affecting developers' access to finance.

Finally, the stability and predictability of the regulatory environment is crucial. Housing and urban development projects

often require long-term planning horizons and significant upfront investment. If rules are uncertain, subject to frequent change, or inconsistently applied, investor confidence can be undermined, slowing delivery and exacerbating supply constraints.

Discussion
Using systems thinking
The HOME model is intended as a practical sense-making tool for policymakers, analysts and practitioners working across housing, urban development, social policy and infrastructure in Aotearoa New Zealand. Rather than predicting outcomes or prescribing single solutions, it aims to support better decision making in a policy environment where housing interventions are often designed and assessed within institutional and functional silos. By representing the system as a whole, the model makes visible the trade-offs and feedback loops that can be obscured when decisions are taken within a single portfolio or time horizon. Importantly, it also highlights how these tradeoffs are distributed unevenly.

The model does not offer a single causal pathway. Instead, it provides a structured way to reason about interactions across the housing system, helping users to develop shared assumptions, frame policy trade-offs, and support dialogue between government, community housing providers, iwi and the private sector. It can also support a system-wide understanding of potential threats to the system, such as through the emerging importance of natural hazards.

Making trade-offs explicit
This systems perspective is particularly valuable because regulatory and fiscal interventions routinely generate effects beyond their immediate intent. For example, changes to zoning rules intended to preserve neighbourhood character can limit the supply of developable land, making urban land markets less competitive. The resulting scarcity raises house prices, increasing the wealth of existing homeowners while increasing rental costs for those who do not own. In this way, the benefits of character protections in one suburb may be offset by higher living costs for low-income families

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elsewhere, who must devote a larger share of their income to rent and will thus have less for essentials such as food or transport.

This example illustrates how regulatory decisions in one part of the system can generate unintended wellbeing costs in another. When similar decisions accumulate across multiple policy domains, these effects can compound over time, reinforcing affordability pressures and widening inequities. Any rule that makes homes more expensive to build or limits where they can be located will tend to shift those costs somewhere – onto tenants, first-home buyers, or the public budget through higher housing subsidies. Sometimes these rules serve beneficial purposes, such as environmental protection or heritage preservation, but without understanding the wider system effects it can be easy to do more harm than good. A systems perspective helps to surface these trade-offs, enabling more transparent and balanced policy choices.

Understanding policy options through a systems lens
A systems map also provides a structured way to understand policy options that

operate in different parts of the housing system. For example, an increase in the accommodation supplement may offer immediate relief to a household, but the model encourages users to look 'downstream' at how that intervention might eventually inflate rents if structural supply issues are not addressed over a longer horizon. In contrast, supply-side measures – such as infrastructure investment, planning reform or public housing construction – tackle the underlying structural imbalances but often involve longer lead times and higher upfront costs. Viewing these approaches together within a single system highlights their interdependencies and feedback loops, encouraging more coherent and coordinated policy development.

Showing the system as a whole, anchored around wellbeing, also helps to understand how households work within the system and make trade-offs to maximise their own wellbeing. While increasing the affordability of housing is central to expanding households' options, wellbeing benefits can be obtained through other mechanisms, such as increasing tenant protections to increase agency or regulation of rental housing standards to improve house quality. This focus on expanding the housing factors that maximise wellbeing allows a much broader set of policy options than a focus on transitioning households through tenure types as conceptualised in the housing continuum. In practice, expanding these dimensions of wellbeing can reduce the severity of housing tradeoffs, even where affordability constraints persist.

Limitations
While the model captures many key dynamics, it necessarily simplifies a complex and shifting reality. A primary limitation of any static system map is the difficulty in representing time and cumulative effects. There is an inherent tension in using a static framework to 'highlight time horizons'. While the model cannot *display* a timeline, it is intended to serve as a cognitive prompt for users to consider the long-term feedback loops that are often ignored in three-year political cycles. Housing outcomes in Aotearoa

New Zealand are not instantaneous; they unfold over decades and are shaped by intergenerational processes such as colonisation, land dispossession and wealth transfer. Consequently, this model cannot easily simulate the velocity of change.

The model's aggregate nature obscures significant regional differences across New Zealand. The pressures in a high-growth urban centre like Auckland differ fundamentally from those in a declining rural town, yet both are represented here through the same systemic nodes. Furthermore, while the model focuses on the housing system, it sits adjacent to other critical systems – such as healthcare, education and social service provision – that interact with housing and are equally vital determinants of wellbeing but remain outside the current scope of this specific map.

Conclusion

New Zealand's housing challenges are systemic, not singular. There is no silver bullet that can, on its own, deliver affordability or wellbeing. A systems approach encourages us to see policy levers as interdependent, and therefore addressing our housing challenges requires coordinated action across multiple domains, guided by a shared understanding of how housing connects to wellbeing. The systems model presented here offers a way to make those connections visible – to inform decisions that are balanced, transparent, and oriented towards long-term, equitable outcomes.

By shifting the focus from individual policies to the interactions between them, a systems lens reframes New Zealand's housing challenge as one of coherence and alignment rather than of scarcity alone. It shows that lasting progress depends not only on new interventions, but on how economic, political and social systems work together towards shared wellbeing outcomes.

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