

Edited Transcript

Universal Design Conference

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Day 2

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Kay Saville-Smith: Keynote Presentation
Making universal design a reality - confronting affordability

Synopsis: The Christchurch earthquakes which flattened much of the city provided an opportunity to start from scratch and implement some of the good design ideas, including universal design, that have been around for some time. However, this has not happened and there are many reasons for this, not least of which is the stance of the insurance industry. The issue of affordability is a complex one, as it is a market driven issue where the actual cost of the building is not the main issue. Universal design and affordability can co-exist, but there are many attitudinal barriers and well-worn arguments touted in the industry that say it cannot be done.

ANDREW BUCHANAN

Kay Saville-Smith is a sociologist and director of the Centre of Research, Evaluation and Social Assessment, she has undertaken extensive research into retirement villages, accessible housing, sustainable housing, the residential building industry and the neighbourhood built environments. She led the Good Homes, a five-year public good science funded program and older people's house repairs and maintenance needs in the context of ageing in place. Would you please welcome the very down to earth Kay Saville-Smith. (Applause).

KAY SAVILLE-SMITH:

I thought I would start off with disasters. The reason I want to start off with disasters is because when you talk about affordable housing and universal design and you try to put that into the same sentence, regulators, industry people always say, "Well, you can't really do that because retrofit is so difficult and it's so expensive, so we're never going to get universal design in our existing stock and anyhow, not everybody needs universal design" - I'll come back to that oxymoron later - "so you can never get economies of scale". Well, the place that you can get economies of scale is when one of your major cities has literally been flattened, when you've lost well over 10,000 houses out of a city of 300,000 population, which is about, what, 120,000-odd dwellings.

So, that's a really good place to start to thinking about getting universal design embedded into a rebuild and you would be able to do that affordably. But what does happen when you have disasters of the magnitude of the Canterbury earthquakes? Actually, there was a lot of pulling together as is often the case in disaster situations. And then you get a sort of Phoenix effect, the idea that somehow post recovery planning is going to take you on to a new world, it's going to lead you to a better place than you were before, that the technical innovations we had around universal design can be implemented. But most architects don't know how to do it.

One of the nicest phrases I ever heard from an architect was from Elizabeth Burton, who is an architect and academic in Britain, in a recent lecture she talked about her time at architecture school where she was told "don't think about it as something to use, think about it as a sculpture". You

think, now that's the problem, isn't it? If you deal with buildings as a sculpture, not something that you actually use, you get a bit of a divide between the designer and the people that use them, and then if you put into that space a building industry that really only wants to know what it knows, and only wants to do what it has done, you have a pretty difficult situation.

But we do have a whole lot of technical solutions to resolve the issues of accessibility and the functionality of our environment, both in our buildings, in our transport systems, and in our city spaces that never get taken up. We all know that and we all get frustrated about it. But when your city is flattened, literally flattened, you think "whoo-hoo, we can build something new here, can't we". Very much this new thing will come out of inadequate past and we'll have a very adequate future where the community will all pull together.

There is this opportunity that people have felt, and particularly immediately after the earthquakes that there could be a major rewriting of Christchurch's architectural history that would open it up to all people all ages irrespective of their stage in their lives or their ability. But the reality has been very different, and you have to ask the question, "do we get cleansed by these disasters - does that actually happen?" The reality is no, we probably don't. Despite the Canterbury earthquakes, we still know that in 2050 something like 68% of the New Zealand housing stock will have been built prior to 2006, so that whole retrofit issue is a really important issue still and it's something that we have to get our heads around because our built environment is so important.

The second thing is that even in Christchurch there are still the two old barriers to renovating and building homes with universal design and indeed the streetscape, and those two things are twofold. One is what I've talked about in the past as the vicious cycle of blame that goes on in the building industry, which is no-one wants to change to do anything because the other person hasn't asked them to do it. Investors don't want universal design, so I the builder can't build that, but if investors want it, sure I will build it. Investors will say I can't build it because the builder won't come in at the right cost, and both of them blame the architect, of course, because the architect is off site at that point. So that is one issue.

The other issue is that we have the "innovation chasm" where we have solutions but getting them taken up and getting to a tipping point where it's an expectation of what you get out of the housing market, is a big jump and typically you need about 30% or so of the market to be taking that kind of innovation challenge rather than taking the opportunity to be an early adopter. 30% is a big jump and I'll come back to that.

In Christchurch the streets as well as the houses were demolished – high value homes, low value homes were all affected. However, the eastern suburbs, which has the lowest socioeconomic group, essentially middle-class housing down to very low entry level housing, were the first and worst hit, and that was partly because of some issues around planning and the expansion of the city into quite vulnerable areas.

But essentially what happens with this sort of problem of the Phoenix is that we are all imprisoned in the past. We believed that Christchurch would provide us a new laboratory where we could do things better, cheaper, more cost effectively with better outcomes. But a number of things have occurred from that. One of them is the insurance industry, and I'm not having a go at the insurance

industry when I talk about this, I'm just saying this is the reality.

In any rebuild the insurance industry is the main financier of the rebuild, and in New Zealand we have a large sector which is underwritten by our Earthquake Commission, so some of it is publicly funded. But all insurance, whether publicly or privately funded, is fundamentally conservative. It replaces like with like, it essentially is reactive rather than proactive. So your likelihood of being able to rebuild your house to universal design standards of any kind is quite low. You're supposed to be rebuilding it with all the deficiencies that it had before, but possibly at a slightly higher cost.

There are similarities with homes lost in bushfires and if we could get to the insurance industry and get them to say, okay, in the rebuild, as long as it is within the same cost structure, you can have universal design, that would make an awful lot of change. We did it with insulation in Christchurch. They weren't going to put insulation in all the old houses because they weren't insulated before, people were ill and cold in them, but it was like, "that's all right, that's what they should be in the future because that's what they've insured". This is not helpful. We did get them to increase the insulation in houses.

But we haven't got them to do these other things, and yet we could have and in my view we should have. But we haven't got enough regulatory grunt, if you like, to do that.

So what has happened in Christchurch is that we haven't used regulatory standards, we haven't used those to impose new requirements, we essentially have replicated - we've actually undermined some of our planning standards, but we've done it so we have traditional type suburbs which often didn't work very well in the first place and now new areas are looking for the same. There has been no appetite to change regulations, use new standards or introduce innovation, and that's particularly sad, Christchurch is essentially run under emergency statute at the moment, it's the equivalent of a war zone, but there has been limited procurement muscle from central government. We have only two levels of government: local authorities and our central government authorities.

Central government is the main housing provider of social housing in New Zealand and it has been very difficult to get any procurement muscle out of that. There has, however, been some innovation by private developers around pre-fab building and also using LifeMark (similar to Livable Housing Australia). In fact, one of the most innovative groups within the market has been some of the retirement villages, particularly those that have been tied into the LifeMark accreditation system. A number of retirement villages got completely demolished during the earthquake. So they have an opportunity to rebuild.

The problem of being imprisoned to in the past is also one for the building industry. The building industry, even in a rebuild situation, is largely duplicating past design. There are significant issues around building cost and affordability.

The argument about affordability is if you can't get economies of scale, you'll always get more expensive housing. Therefore, if universal design isn't indeed universal, then universal designed housing is going to be more expensive. One would have thought if you were about to build 10,000 houses, you might have been able to get a bit of an economy of scale. A friend of mine was doing some work in the sustainable housing space and they were using some demonstration models to

look at better sustainability in rebuilt dwellings and had just got in a bill for the new hot water cylinder which was around over NZ\$3,000 for its purchase and installation.

Anywhere else in the country you would be able to bang that hot water cylinder in for about \$1300. So there are other things going on in the Christchurch environment, which is about the building industry essentially trying to make hay while the sun shines. Out of that, of course, has also become quite a lot of instability. A number of building company collapses as they've expanded too rapidly without the ability to generate or to maintain the level of activity that they are undertaking and being committed to. So there has been investment in houses which haven't been built because the building company has collapsed and there's no comeback on them. All of those things push up the price. I don't know if you're aware of what cover bidding is? Have people heard of that? Cover bidding is when a group of buildings and suppliers all put in quotes for a particular job, but they've all agreed what each of their quotes is going to be and then they'll all sub contract to each other in the other quote, so they've decided on the quote that's going to get it essentially and they've all got their margins into that. Of course the poor person who gets their three quotes or whatever, goes my goodness I can't afford that, that's ridiculous, I'll choose this person, but actually it's all the same players in each of the quotes. That's a bit of a tendency in the housing market in New Zealand and it has got particularly bad in these sorts of situations.

Because of the insurance industry control it also means is that householders typically have very little capacity in a rebuild, or indeed new builds, to impact on building house design, the quality or the cost of that, and that is also true for the whole of the New Zealand market. It doesn't matter where you are in New Zealand, it's very hard for householders, even if they are directly commissioning a house (most people don't, they're buying spec built or off plans), to have any impact on building quality and I suspect in Australia it's very similar.

Then finally in New Zealand we also have a tendency for building companies to target the upper quartile of house prices rather than the lowest quartile, so we have a very big gap in low-cost entry-level homes, compared to what we did 40 years ago and there are some reasons for that.

We have a sort of affordability conundrum and in terms of the rebuild in Christchurch as well as new builds elsewhere. Central to that conundrum is what I call the "size fraud" that has gone on for years. I don't mean fraud in a legal sense; I mean it in a psychological sense. The size fraud in New Zealand has always gone something like, "I'll tell you how much I can build your house for at a per-square-metre cost and obviously when that's an enormous house the per square metre cost goes down quite rapidly and people think "Well, that's a jolly good deal, I'll go for that". But they have an enormous house which is far too big and the total capital cost is much, much higher than a moderate house that meets their needs.

Now, the opposite of the size fraud which encourages larger homes is the idea that you can't get universal design into a so-called normal sized house. Therefore you will have to expand the footprint and therefore your house will cost you more. The response to that of course is, "well, I don't want to expand my footprint and I can't afford those extra square metres, or whatever, therefore I won't pay for it". That is one of the major rationales for not incorporating universal design into new buildings in New Zealand.

The reality, though in New Zealand is that the average new build now is 215 square metres - it's difficult to see how you couldn't get a decent accessible home into that. I have to say that the Sustainable Housing Trust with which I work, we're able to get extremely good accessibility, extremely functional housing into 147 square metres, including the area for the car to run in, and an outside and covered verandah, which means that it is covered all the way from the car port and storage areas and out through an outdoor living area and fully accessible bathrooms, et cetera.

In fact, we recently had a potential home owner who was very upset with us because we had two OTs come along and look at the potential home that this individual might be buying and was quite upset to find out they wouldn't be able to get any disability funding for it because there were no modifications that were required. I thought this a perverse incentive here. You don't help to get someone into a house that's designed - and our homes are designed for anyone, so we don't target any particular group - well, we do target, but not around disability. It's just a complete perverse incentive the only way you can get funding to make something accessible is through a modification stream rather than the promotion and good design in the first place.

So within the size fraud there tends to be a desire to cut costs. People are presented with housing prices that are far too high, very unaffordable - in New Zealand we have one of the highest unaffordable housing rates in the world. So there is a lot of focus on cost cutting. We have recently just prevented a whole number of public housing houses being built for older people, and the reason they're being built for older people because it's small two-bedroom, they want people who have aged in their public housing in three- or four-bedroom housing out into smaller, they want to downsize them so they can release bigger houses. So despite the fact that the original designs, which were fully LifeMark accredited, came in within budget, they saw an opportunity of making those designs even cheaper and they did that by wanting to put all of the bedrooms on the ground floor and the living areas and bathrooms on the upstairs floor. That is a bit of a problem when you're targeting older people, and we know in the public stock that the proportion of older people with a disability is higher in the public stock than the private rental stock and higher again than in the home ownership stock.

It took a letter from the head of Age Concern to the Minister to point out this, because despite what everyone else had said, until the Minister said "that does seem a bit dumb", no-one actually believed anyone. So you can still have these sorts of problems about "oh, we can knock a few dollars off, that will be good", even when you're within budget.

But the real problem is that we misunderstand what the affordability issue comes from. It doesn't come from universal design. It doesn't come from the issues about the needs of people's housing. It comes from our free-flowing liquidity that drowned the world in the 1990s which fed house prices. It comes from the fact that land prices are actually set by developers who look forward to selling their dwellings on to a market at a certain level. They'll bid up land prices in line with overheads, of course land is an important component of cost, but the land cost is not about demand, it's actually about how the supplier is guessing what the demand will be, and that then feeds a sort of cycle.

It's because we actually build in a segment of the market which is actually oversupplied, the upper quartile, and underbuild in the lower quartile. It's because housing need is never expressed as housing demand. The whole point about housing demand is so people can buy it, that's what

demand means. You have a taste for it and you have the money to buy it. Housing need is often missed out. So we look at housing demand, the consumption pattern, and say, "we need more of those houses because that's what everyone is buying". Yes, it is but there are a whole lot of people out there who are not buying at all because there is nothing on the market for them.

Then of course in New Zealand we have productivity and regulatory barriers and we have a lack of incentive to integrate affordability into the building of dwellings ourselves. We've had a situation recently with our local authority who has essentially struck a building consent on the basis that the house was designed by a designer, not a group home builder. Now the house is actually built as a very simple house and it's a small house. So now the consent cost is something like 10% of the whole cost of the house because it has been struck as though it's an architecturally designed house in the upper quartile of the market - irrespective of the actual value of the house itself.

So these are some of the problems when you have the idea that cost is related to the design and amenity of the dwelling – universally designed- as opposed to the market in which that house is built. The problems around affordability lie in the market. They don't lie necessarily in the design, although I'll come back to that little issue later.

So if a disaster won't turn it around, if you can't get universal design after having a city flattened, how can you get it? The first thing is I think we have to banish the oxymoron, and the oxymoron is that universal design is for the disabled. So this is a very long-standing belief, the connection between universal design and accessibility. You can see why, because people with disabilities are actually on the pointy end of not having a universally designed environment. But that belief, which is really very embedded in the design world itself, is certainly embedded in the building industry, is certainly embedded in many of the regulatory agents. At that really means the focus is on the idea that universal design is really only what you're doing when you're doing special housing, and special housing is really for a small group of people and some public buildings because even those small group of difficult people have to get into public buildings, so we have to sort that out. But essentially there's the idea that you can get specialist housing, you can work out how many people are going to be disabled, where you want them to live and you build your housing there and then you get universal design.

The prevailing logic in all of this, the underpinning logic of it, is that environments are always functional - that's the point that this view starts off with. If the environment isn't functional, then the problem isn't the environment, it's the individual and of course, disability is caused by individuals, it's not caused by the environment. But in general, although we may have limited ability, all of us over different times and to different extents, the real barrier to our ability is the environment.

So what happens of course for disabled people is that they get constituted as a minority, as an "other", something out there, another set of conditions which are specific and nothing to do with the environment itself. But it also goes further with that, I have to say that's partly because we get funded for it. We're actually much more committed to the notion that whether you're young, old, middle-aged, whatever your condition, whatever your position is, we're all in this together and our built environments have to work for us all.

But children are treated as though the environment is functional because we just have to wait for the child grows up. Children aren't normal, are they? They're just sort of little abnormal things and need to get bigger and do all the other things adults do. Once they've done that, the environment will be okay. So the problem is not the environment, the problem is because of the children.

Similarly with older people - I suspect there is a view that older people aren't part of our future. If we continue with that view, the extra 40 years we are living will become a burden because we are not using it and we don't have environment that allow people to use areas. Alternatively, we have the opportunity of a longevity dividend – a great resource of human capital and the environment is the key to whether it is a longevity gain or a longevity loss.

So I think that absolutely fundamental shift is critical and all of you will be working trying to do this, so I'm not saying this is new stuff. But it is actually still the heart of the issue, the heart of the understanding if you don't get that, you don't get anything. So fighting on that part of the battle is a really important part.

The significant thing about universal design is its name. Now, Ger says we should use the same name, and I sort of agree with that. On the other hand, is UD really that compelling to your average punter. To me it sounds like something you probably go to the doctor for. You just think is this going to grab the imagination, can it really get builders and developers and regulators and planners into a mind they can get their heads around it? For some yes, but for others no. Certainly does it resonate with Ministers? Obviously you have a Minister it does resonate with, but councils and investors are another thing. Again it's getting cross-sectorally, it's about all of those, the private market as well as the community market as well as the governmental market.

The final thing, though, I think in terms of actually universal design, getting traction, is building new synergies. One of those platforms - I don't know what it's like in Australia, but from the work I've seen I suspect it's a big issue, particularly in Sydney - is about affordable housing. Often, though, those things get siloed away from the other things that we want from our housing. So it's either affordable or it's universal design, you can't have both. But the reality is that we need to be thinking about affordability in different sorts of ways and there is a real connection between good design and affordable housing, and good design can reduce the build costs.

You still have to control the way the market works, but you can reduce build costs through good design, so that's your entry cost. It really changes the operating cost of housing. Really good design means that people are spending less money on their energy and their resources. They're also spending less money on the time that they have to dedicate to keeping their house together, as opposed to doing other things, particularly around things like maintenance. And also adaptation - there are going to be times where houses need to be adapted for whatever reason. It might be because of an individual with a very significant and severe disability, it might be because the way in which that household needs that house to be different from the way it was before. So adaptation needs to be affordable and good design is essentially about houses that can adapt for all sorts of reasons. If you have to knock down half your house to make it something different than it was before, then you probably don't have a very good design in the first place.

The other synergy is with the whole sort of liveable - homes for life - that is, throughout the whole

life stage, which is really where the New Zealand LifeMark accreditation has come to. It is embedded in universal design but doesn't really use that terminology. But it's also the notion that homes are for living, that they're not an investment capital item, that they're not there to increase your book value and your book wealth, they are there as use value.

One of the really critical problems for overheated housing markets in New Zealand in the major centres - there is a desire to so-called "make money out of your house". This is the idea that your valuation has gone up because house prices rise and gives us a warm lovely feeling in our hearts, because then we can borrow more money from the bank and go on a holiday. But the reality is that houses are for living and as we lose that, as we have over the last 10 or 15 years, then you create all sorts of problems, including the problem of downsizing because in fact your book value may have gone up, but so has every other stock unit on the market, so you may not be able to leverage money out of a sale.

Then the final thing that I wanted to say is about resilience. Good design, universal design, is absolutely critical to houses looking after people in bad times. If people can't get in and out of their houses easily, if they can't protect themselves in their houses when we have natural adverse events, those houses are poor. If you can't recover your house fast and at a low cost, then you have a problem, and those issues, particularly around where we appear to be going into a period of considerable uncertainty in terms of climatic events, this is going to be one of the critical things, and also in an ageing society, where the house does have to really protect people. People are not going to be evacuated easily out of their houses. So that house has to really work for those people over that time.

So if we want to have universal design, I think we need to - obviously we want them for everyone by definition, but surprisingly enough, that's on the edge of the discourse, and you want it everywhere, so that creates issues around retrofit. But you also want houses - and I think this is a challenge to designers within the universal design space - that work in good times and bad, and I think that the whole issue of resilience has often been left off that agenda and needs to be thought about quite carefully.

So to do that I think we need five things. One is that we need solutions, not simply regulations. You can tell people what they have to do, but if you don't tell them how they can do it and do it within the engineering of their processes, they won't do it. So you need real solutions.

You need to be able to demonstrate how things align. There's nothing like a really good universally designed bathroom, but you have to show a well-designed one because there is a widespread view that it is going to look like a hospital.

You have to raise expectations not only among designers and architects and people who have a real interest in it, but ordinary folk that they can get a house for life, they don't have to keep on swapping and changing. Those expectations can be met, it's not an impossible dream.

That of course demands leadership and action, and all of you here will be leaders. How many architects have we got in the room right now? A few - not a hell of a lot, but it's great to see as many as this. The industry is a huge industry, group home builders, those people who are going to



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be the torch bearers for universal design because they have the expertise, they have the technical solutions and they have the ability to manage those jobs if they can persuade their investors to do it well. So they're the really critical players.

Then finally we have to provide a whole lot of business cases, which comes around the issue of standards, measures, and so forth to be able to say if you do A you can get B and that will give you a value of C. Those business cases work at very different levels. A business case for a group home builder is a very different thing to a business case to a Minister, but both business cases need to be made and what's the business case to the average householder? If they know they're going to save themselves \$40,000 to \$50,000 worth of adaptation costs over the life of their home, they might be thinking 2 or 3,000 dollars at the beginning doesn't look quite so bad. (Applause).

ANDREW BUCHANAN: We can ask Kay questions, if you wouldn't mind, throughout the day.