



NEW ZEALAND COUNCIL OF CHRISTIAN SOCIAL SERVICES

Briefing for the Incoming Minister – Summary:

HOUSING NEW ZEALAND CORPORATION

The following is a summary prepared by the NZCCSS Secretariat of the Briefing for the Incoming Minister of Housing New Zealand Corporation. The document itself is available at www.hnzc.co.nz/aboutus/publications/briefing.

NZCCSS has provided this as a summary of the document. It is not intended to critique or comment upon the policies or initiatives contained in the agency's Briefing the Incoming Minister, but simply to give an overview of some of the major issues covered in the agency's briefing.

Issue: around half of state houses are more than 38 years old.

The Corporation suggests:

- Due to the poor condition of state housing maintenance needs to be the first priority of the Corporation.
- The second priority for the Corporation will be to maintain houses which are in need of modernisation; this will prevent homes from becoming outdated.¹

Issue: demand is high for two bedroom and four-plus bedroom houses. Most state housing has three bedrooms.²

The Corporation suggests:

- Encouraging market rent tenants to move into private sector housing.
- Making it easier for the Corporation to move tenants to more suitable properties.³

Issue: home ownership is becoming less affordable for most people,⁴ rates of home ownership decreased from 74 percent in 1991 to 68 percent in 2001.

- The Corporation has two small home-ownership programmes, the Low-Deposit Rural Lending and the Mortgage Insurance Scheme; these serve potential home owners but will not have a great impact on the rate of home ownership.⁵

Options for addressing home ownership and affordability:

- Improving take-up of the Mortgage Insurance scheme.
- Modifying the Low-Deposit Rural Lending scheme.
- Providing more assistance to potential first home buyers.⁶

Issue: the community sector has 4,100 properties, these will need crown subsidies or capital will be needed to keep them viable.⁷

The Housing Innovation Fund (HIF)

- HIF provides financial support for community-based organisations and local authorities who work with community housing.⁸

¹ Housing New Zealand Briefing to the Incoming Minister, 2005, p.10

² Ibid.

³ Ibid, p.5

⁴ Ibid.

⁵ Ibid, p.13

⁶ Ibid, p.14

⁷ Ibid, p.15

⁸ Ibid, p.43

Options for community sector housing that are underway:

- Assess and report on social housing outcomes through development of a framework.
- Submitting a case to continue the Housing Innovation Fund to support the community sectors growth.⁹

Issue: substandard housing still exists and often has a lack of infrastructure such as adequate sewerage systems and water.¹⁰

The Rural Housing Programme (RHP)

- RHP was established in 2001
- It aimed at eliminating the substandard housing in rural areas such as Northland, East Coast and Bay of Plenty.
- RHP has so far provided 1,000 repairs to affected households.¹¹
- The programme also provides loans to families living in substandard houses.
- A review of RHP found that there is room for improvement with the programme.¹²

Issue: there is an increasing demand for private rentals, in 2001 26 percent of all households rented privately.¹³ The rental market grew by 35 percent between 1991 and 2001.¹⁴

This issue is currently being addressed as part of the New Zealand Housing Strategy, the following initiatives underway;

- The Department of Building and Housing (DBH) are reviewing the regulatory framework of the Residential Tenancies Act 1986.
- DBH are also looking at the barriers people face in entering the private rental housing.
- The Ministry of Social Development and Housing New Zealand Corporation are together reviewing the Accommodation Supplement.¹⁵

The New Zealand Housing Strategy (NZHS)

- This strategy was launched in May 2005 as a “cross-government programme of action for the next 10 years.”¹⁶
- As part of the strategy the Cabinet Policy Committee has requested that officials report back on work programmes to address the needs of certain groups¹⁷ and indicators to measure the progress of the NZHS.

The Long Term Capital Requirements project

- This initiative begun in 2003 under the Corporation.
- It aims to meet demand more effectively.
- The project looks at how best to manage the Corporation’s assets.¹⁸

Options for investment

- Increasing investment in the longer term through the Long Term Capital Requirements project.

⁹ Housing New Zealand Briefing to the Incoming Minister, 2005, p.15

¹⁰ Ibid, p.6

¹¹ Ibid, p.15, for full details of the RHP see p.44 of the briefing.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid, p.16

¹⁵ Ibid, see p.42 of the briefing for full information on the Accommodation Supplement.

¹⁶ Ibid, p.15

¹⁷ The groups mentioned include people with disabilities, Maori, pacific peoples, older people, women, children, youth and other ethnic communities.

¹⁸ Ibid, p.11

- Looking at redevelopment opportunities to reduce the density of state housing and increase the number of social housing options through land swaps and land development.¹⁹

Other key housing issues

- Land is becoming less affordable which is a concern of developers and local authorities.²⁰
- 44% of all state housing is located in Auckland which is an area in great need of more state housing, 57 percent of priority demand is in Auckland and 2,444 of the 4,288 priority applicants are in Auckland.²¹

¹⁹Housing New Zealand Briefing to the Incoming Minister, 2005, p.11

²⁰ Ibid.

²¹ Ibid, p.5