



# Public housing - Budget 2018

The Government has announced a package to deliver 6,400 more public houses and support more people in urgent need of housing.

## More public housing for people in need

Building more public housing is a critical part of the solution to tackle homelessness, reduce the need for transitional housing and house thousands of New Zealanders in need.

The Government has committed to increase public housing by around 6,400 homes over the next four years – 1,600 a year on average.

The new public housing will be funded through a combination of:

- \$234.4 million in operating funding from Budget 2018
- Housing New Zealand borrowing up to \$2.9 billion from third parties and investing a further \$900 million from its operations.

## Why do we need more public housing?

Demand for public housing is increasing. Over the past few years the need for housing has outstripped supply, making it hard for many low income New Zealanders to find or sustain private rental market tenancies.



**6,400**  
*more*

6,400 more public housing places



*Up to*  
**34,000**

short-term, transitional housing for up to 34,000 households



**200**  
*more*

200 more transitional housing places



*More than*  
**1,450**

Housing First services for more than 1,450 households



**Services**

Frontline housing services funding



**top-up**

Community Group Housing top-up funding

Public housing along with the right services gives stability and support to families and people in need, for as long as they need it.

Most tenants in public housing pay income-related rent of no more than 25 per cent of their net income. This is topped up to a market rent by the Ministry of Social Development's Income Related Rent Subsidy (IRRS).

## Who will provide the extra housing and where will it be?

Public housing is owned or leased by Housing New Zealand (HNZ) or by registered community housing providers.

Government will deliver around 1,600 more public housing places on average every year. At least 1,000 net new houses per year on average will be HNZ homes, in line with Government commitments.

Around 3,500 houses will be in Auckland and most of these opportunities are already identified. The balance will mostly be in the rest of the country in areas where need is greatest.

## Transitional housing to meet immediate need

While government and community housing providers increase public housing supply over the next four years, transitional housing supports families and people who have nowhere to live.

### Budget 2018 will:

- sustain transitional housing places in high-need regions to house up to 34,000 families and individuals over the next four years - \$101 million
- boost transitional housing by around 200 places - \$68.9 million.

## What is transitional housing?

Transitional housing provides warm, dry and safe short-term housing for families and people in urgent and immediate need, along with support to secure a long-term home.

Transitional housing is managed by contracted providers, who also support tenants with a range of social and tenancy services. There are more than 45 contracted providers of transitional housing across New Zealand.

When long-term public housing and affordable housing supply has increased, the demand for transitional housing may decrease. At that stage, houses may be re-purposed or developed as public housing by either HNZ or community housing providers.

## Housing First for homelessness

Housing First is a programme to house and support people who have been homeless for a long time and face multiple and complex issues.

Budget 2018 will ensure that existing Housing First programmes are sustainable and expand the programme to support 550 more homeless people or families in more regions.

### Budget 2018 will:

- boost funding for existing services that will support more than 900 households in the Housing First programmes in Auckland, Christchurch, Tauranga, Wellington and the Hutt - \$20.5m
- expand Housing First services to a further 550 households in Rotorua; Whangarei and Northland; Nelson and Blenheim; Napier and Hastings - \$42.9m
- fund research and evaluation of the Housing First programme - \$1m.

Housing First is based on extensive international evidence. It has been piloted in Auckland since March 2017. By March 2018 the Auckland Housing First programme housed 215 households in both public and private housing.

Housing First recognises it is much easier for people to address issues such as poor physical and mental health once they are housed.

The approach is simple: provide housing quickly then offer tailored support for as long as it's needed to help people stay housed and lead better lives.

Housing First aims to end homelessness for people, not just manage it. The goal is that homelessness should be brief, rare and non-recurring.

## Frontline services

Budget 2018 commits \$30 million so that frontline services can continue to assist people in need to access warm, dry, safe housing and support.

## Community Group Housing

Budget 2018 provides top-up funding of \$13.7 million for Community Group Housing.

Community Group Housing is a Housing New Zealand service. It provides secure tenure of suitable housing for community organisations which house and support people with physical, intellectual and psychiatric disabilities, residential alcohol and drug services, women who require refuge, emergency housing, youth at risk and prisoner reintegration.