



# 2016 Social Housing Purchasing Strategy

13 December 2016

The Government has a comprehensive plan for housing vulnerable New Zealanders. The 2016 Social Housing Purchasing Strategy sets out how and where MSD will deliver social housing places over the next four years.

This year MSD is signalling the need for over 6,400 additional places over the next four years to meet the needs of vulnerable New Zealanders. Over 2,600 of these places are already contracted or highly likely to happen.

MSD recognises there is no 'one size fits all' approach to housing. Along with housing supply MSD must provide well-targeted support services to help those people with the highest needs and move people to independence where they can. MSD will continue to trial new ways of working to achieve this. To support the adoption of the investment approach for social housing, MSD is developing its first social housing valuation to grow an understanding of current tenants.

This release provides information to the sector and others who are interested in getting involved.

MSD listened to the sector's feedback on the last release and we have adjusted our approach this year. This release contains new information on where places are coming from and new funding and contractual information. The strategy will continue to evolve as MSD learns more about what works.

## The document is in three parts

- Part one: Strategic overview - MSD's social investment approach to housing to ensure that the right housing and broader supports are available to tenants, and the vision of the Government's Social Housing Reform Programme.
- Part two: Funding and contracting settings – including practical information for providers.
- Part three: The number of additional tenancies MSD is seeking to purchase over the next four years, where in New Zealand and the type of property needed.

The purchasing intentions included in MSD's 2016 Social Housing Purchasing Strategy are a guide only - they are not forecasts or targets. They will be updated and refreshed each year as new information becomes available.

## Key facts

- MSD is looking for more than 6,400 new places over the next four years. These are over and above those already existing (over 61,400), and include 3,800 new places and over 2,600 places already contracted for or close to it.
- Children and young people aged 18 or younger account for approximately four in every 10 social housing tenants
- Approximately 75 per cent of main tenants are aged 40 and over
- The most common ethnicities of the main tenant are:

- Maori – one in three
- NZ European – one in four
- Samoan – one in eight
- The most frequent household type is a single person living alone
- Most tenancies as at June 2015 were less than five years , however one in three are 10 years or more
- Almost half of the places needed are one-bedroom
- The average weekly income-related rent tenants pay is \$118
- The average income-related rent subsidy MSD pays to social housing providers is \$243

## **What's different between the 2015 release and the 2016 release?**

The main differences are:

- Information on what is in the pipeline already, either contacted for or close to it. This information will be updated regularly.
- New funding and contracting parameters both in Auckland and nationwide.
- Inclusion of MSD's work programme to achieve the supply of extra social housing over the next four years.

## **Ministry of Social Development's social housing role**

- The Ministry of Social Development (MSD) is tasked with supporting New Zealanders who need help with housing.
- We are focussed on making sure that those who need help with housing get the support they need. That the right person is in the right house and location for the right time and the right cost.
- MSD supports the Government's goals over time to house more people, provide a better match between tenants and providers, encourage diversity of providers and support tenants to housing independence when their circumstances improve.
- Social housing is funded by the Income-Related Rent Subsidy (IRRS) which MSD uses to purchase places from social housing providers.
- MSD will not buy or own any property. MSD will contract with Housing New Zealand and registered community housing providers to deliver tenancies, including tenancy management services and other social services.
- Tenants in social housing are not affected by the publishing of purchasing strategy document.

### **For more information**

You can get more information on the 2016 Social Housing Purchasing Strategy on [www.msd.govt.nz/irrs-purchasing-intentions](http://www.msd.govt.nz/irrs-purchasing-intentions)