

Housing client segmentation

Housing continuum

Severe housing deprivation

Needs assistance

No assistance

Social housing: Income Related Rent Subsidy (IRRS) + market renters

Housing Circumstance 6
Limited ability to increase income

37% of social housing primary tenants

NZS + IRRS recipients
12,387 people
Average subsidy: \$198 pw

Supported Living Payment + IRRS recipients
11,708 people
Average subsidy: \$214 pw

Housing Circumstance 5
Current need but with potential to move in medium-term

42% of social housing primary tenants

Sole Parent Support + IRRS recipients
10,947 people
Average subsidy: \$228 pw

Jobseeker Support + IRRS recipients
11,217 people
Average subsidy: \$239

Non-beneficiaries with high IRRS
4,634 people
Average subsidy: \$299 pw

Housing Circumstance 4
Potential to move in short-term

21% of social housing primary tenants

Non-beneficiaries with low-medium IRRS
9,476 people
Average subsidy: \$144 pw

Non-beneficiary market renters
3,241 people

JSS, SPS, SLP and NZS market renters
705 people

Admin data: 64,315 Primary tenants in social housing

Private market: Accommodation Supplement (AS)

Housing Circumstance 3
Ongoing assistance or supply-side interventions

47% of AS recipients

NZS + AS recipients
33,221 people
Average subsidy: \$58 pw

Supported Living Payment + AS recipients
48,120 people
Average subsidy: \$60 pw

Non-beneficiaries + AS
55,379 people
Average subsidy: \$83 pw

Housing Circumstance 2
MSD has levers to assist moving to independence

53% of AS recipients

Sole Parent Support + AS recipients
57,593 people
Average subsidy \$93 pw

Jobseeker Support + AS recipients
96,664 people
Average subsidy \$62 pw

Admin data: 290,000 people receiving AS

Social housing waitlist (5,599 applications)

Transfer Register (25% of waitlist)

NZS recipients – 123 people
SLP recipients – 354 people
SPS recipients – 350 people
JSS/other recipients – 285 people
Non-beneficiary – 297 people

Housing Register (75% of waitlist)

NZS recipients – 242 people
SLP recipients – 792 people
SPS recipients – 1,229 people
JSS/other recipients – 1,095 people
Non-beneficiary – 832 people

Housing Circumstance 7
People who are inadequately housed

Housing Circumstance 1
Independent in the Private market

People with limited ability to increase their income

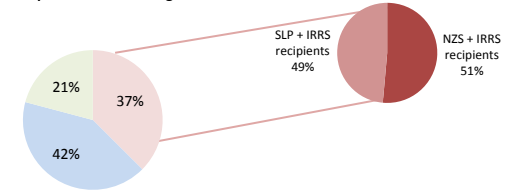
24,095 primary tenants

People in this group are older, have a severe and permanent disability or are caring for someone with a disability. MSD has limited levers to help increase the income of people in this group.

They are clustered around the main urban centres, particularly Auckland.

On average, people in these households receive a \$206 subsidy per week, and pay \$93 per week in rent. The average market rent for these properties is \$299 per week.

People in Social Housing



NZS recipients

12,387 primary tenants
Approx annual IRRS spend \$128 million

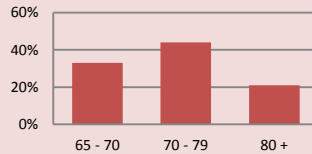
On average per week, NZS recipients pay \$102 per week in rent and receive \$198 in IRRS subsidy. The average market rent of these properties is \$301 per week.

This group is older people, with 20% over the age of 80.

Age of NZS recipients



Most households are either couples or single people without children. There is a small group of households that have three or more adults present.



Some people in this group have been in social housing for a long time, with 15% having a duration of between 20 and 30 years and 11% with a duration of more than 30. However, there is a group that have entered social housing relatively recently, with 21% having a duration of less than five years



While there here is a large concentration in Auckland City (27%), the majority of these tenants are housed in studio, 1 or 2 bedroom properties which reflects that that 78% of the NZS households in Auckland City are single person households or couples without children..

Across the country there may be some degree of underutilisation with this group. For example there are 621 single person households in properties with 3 or more bedrooms.

SLP recipients

11,708 primary tenants
Approx annual IRRS spend \$130 million



The majority of SLP recipients have an incapacity which prevents them from working. The main incapacity codes are: major mental health (20%), musculo-skeletal (12%), cardiovascular disorders (6%).

Around 10% of SLP primary tenants are caregivers for another person with a severe disability or illness.

These primary tenants are mostly between the ages of 40 and 65 and many have been receiving a benefit for a long time. A third of SLP tenants have been in social housing for 10 or more years

Nearly all of these primary tenants have a high likelihood of long-term benefit receipt and are also in General Case Management. This is a group that MSD knows well from the benefit system and are not required to work.



Most of the households are single people or couples with no children. Other adults in these households are most likely to be non-beneficiaries, with around a quarter also receiving SLP.

Underutilisation may also be present in this group with 356 single person households in properties with 3 or more bedrooms.

Implications

- Some degree of underutilisation of properties across the country
- An opt-in service for NZS recipients living in high demand social housing areas to voluntarily move location or type of house.

Implications

- Some of these tenants living on their own may be socially isolated, could explore options of moving them to places where are closer to family or community supports.
- MSD could support some of these tenants to move if they wanted to, similar to the approach taken with work obligations for SLP clients.
- The high proportion of tenants with major mental health suggests this group may be subject to discrimination in the private market and/or would require significant amounts of landlord support to sustain tenancies.

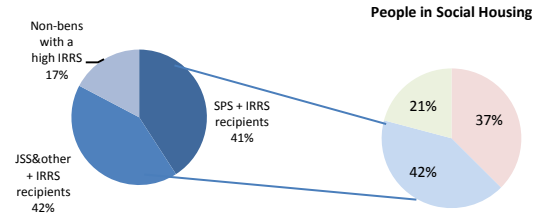
People with a current need but with the potential to move in the medium-term

26,798 primary tenants

People in this segment either because they have the potential to work or they are already in work.

This group receives the highest amount of subsidy overall, which is driven by large family sizes, living in high-cost areas and low incomes.

MSD has the ability to work with the SPS and JSS recipients in this group to help them into employment.



Sole Parent Support recipients 10,947 primary tenants Approx annual IRRS spend \$130 million



Households tend to be large sole parent families, with one third being sole parents with three or more children. Children in these houses tend to be older than the whole SPS population, with 54% aged between 5 and 13 and 17% aged between 14 and 18.

On average per week, SPS recipients in social housing pay \$99 in rent and receive \$228 IRRS subsidy. The average market rent of these properties is \$327 per week.



Compared to other groups in social housing people in this group have not been in social housing for very long with two-thirds being in social housing for less than five years.

Half of these primary tenants are in Work Focused Case management, Work and Income's most intensive case management stream. Just under half of these primary tenants have part-time work obligations. Around a quarter have post-secondary school level qualifications.



There is a large degree of vulnerability evident in these households, with 99% of primary tenants having a high long-term likelihood of benefit receipt and 83% of people in these households having some form of contact with CYF. This is a higher rate of contact with CYF than SPS recipients receiving AS, who have a 68% contact rate.

Implications

- Potential for including this group in a housing and employment trial
- Could be targeted for wrap-around support to make work and housing stable for them and their children in the medium-term

Jobseeker Support & other recipients 11,217 primary tenants Approx annual IRRS spend \$140 million

This group pays the lowest amount of rent of any other group in social housing, on average \$79 per week. Half of JSS recipients receive JSS-Health Condition (ie, ex-Sickness Beneficiaries)

	Sole Parent	Single	Couple w children	Couple w/o children	Multiple adult
JSS-HC	13%	30%	19%	12%	25%
JSS	19%	18%	29%	9%	24%

For the JSS-HC recipients their main incapacity codes are, musculo-skeletal (18%), major mental health (16%) and endocrine (8%).

Most of the JS-HC recipients are older working age people and are single people or living in multiple adult households. Around half of the JS-HC households have no children present.



Just over half of JS-HC recipients have been on benefit for over five years, and nearly all have a high likelihood of long-term benefit receipt.

Around a quarter of the remaining JSS recipients have been on benefit for less than 1 year



Half of the JSS households are couple with children or sole parent households, a quarter are multiple adults households and most of these have children present.

Around a third are in Work-Focused Case management and most have full-time work obligations. Around a third have post-secondary school level qualifications.

Implications

- Potential to include some of this group in a housing and employment trial
- They can be complex clients may cycle on and off benefit frequently (and in and out of groups in social housing, i.e. between non-beneficiary and JSS)

Non-beneficiaries with a high IRRS 4,634 primary tenants Approx annual IRRS spend \$72 million

This group is largely made up of low-income families with high housing costs.

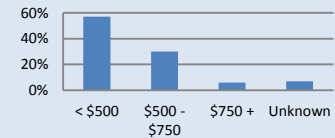
People in this group on average per week pay \$118 in rent and receive a \$299 subsidy. This is the largest subsidy amount for all groups in social housing. Properties for this group have the highest market rent for any other group in social housing with an average of \$417 per week.

These are large family households, comprising of either couples with children or houses with multiple adults and multiple children present (ie extended family are likely to be present).

Just under half of primary tenants are Pacific peoples (in social housing overall Pacific peoples account for around 25% of primary tenants)

These households are located in the main urban centres where housing costs, especially for large families are high. Around 60% located in either Auckland City or Manukau

Household Assessable Income



Most of these households earn less than \$750 per week.

Half of the properties are three bedrooms, and around 20% are four bedroom. Based on the household size, conditions may be overcrowded in many of these properties.

Implications

- This group may be the result of a supply side issue, that there aren't houses big enough and that are affordable to support large families
- Also suggests that AS is insufficient and is not supporting large families

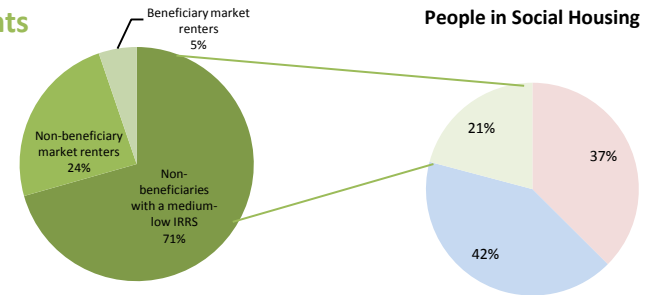
People with the potential to move in the short-term

13,422 primary tenants

People in this group are either receiving no subsidy or a low amount of subsidy. They are generally in work or receiving a pension.

Those paying market rent have been in social housing for a long period of time and either have no children or are living in multiple adult households (where there may be adult children present).

The market rent of these properties is below the average of social housing properties overall. This may be because they are slightly under-represented in high cost areas like Auckland and over-represented in lower-cost areas such as Gisborne, Palmerston North and Porirua.

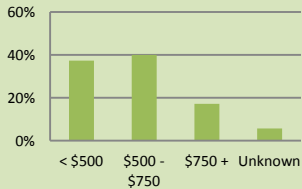


Non-beneficiaries with a low-medium IRRS 9,476 primary tenants Approx annual IRRS spend \$71 million

On average per week, people in this group pay \$170 in rent and receive \$144 in IRRS subsidy. The average market rent for these properties is \$314 per week.

These households have a higher income than other non-beneficiaries who receive IRRS, with the majority having an assessable household income of more than \$500 per week. Just under 20% have an income of more than \$750 per week.

Household Assessable Income



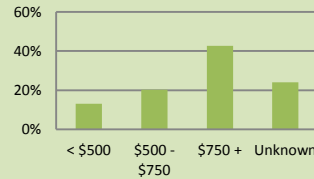
Around a third are sole parent or single people households.

These households are not as concentrated in Auckland and Christchurch as other non-beneficiaries receiving IRRS and have a slightly higher representation in other regional centres such as Hamilton, Dunedin, Napier & Gisborne

Non-beneficiary market renters 3,241 primary tenants

On average, these households pay \$296 in rent per week.

Household Assessable Income



Most of the primary tenants are older working age people, with around half aged between 50 - 64.

Around a third are in Manukau and Auckland, with around 15% in the wider Wellington region in areas like Porirua and Lower Hutt.

These households have relatively high incomes with just under half of these households have an assessable income of over \$750 per week

A large proportion (41%) of households have three or more adults, which may be adult children living with their parents. A quarter of households are two adults with children.

Compared to all social housing tenants, they have been in social housing a long time, with 40% being there for more than 15 years

Beneficiary and NZS market renters 705 primary tenants

A small group of primary tenants overall, most are NZS recipients and have been in social housing for a long time, these tend to be couples or multi-adult households.



Average market rent for these properties is \$271 per week, which is the lowest market rent for social housing properties.

While 20% are in Auckland City or Manukau, there is more geographic spread and beneficiary market renters can be found in locations such as Hamilton and Palmerston North



Most likely to be couple with no children households (26%) there is also a large proportion of single people households and households with three or more adults. Nearly two-thirds of the households have a NZS recipient present.

Implications

- This may be a group of tenancies of interest to the Establishment Unit transactions
- Some of those that are receiving a low IRRS and are paying close to market rent could be included in the next tranche of tenancy reviews

Implications

- Existing target group for the first two-tranches of tenancy reviews.

Implications

- This group has not been targeted for tenancy reviews, but could be a focus in the future.

People who require ongoing assistance or supply-side interventions

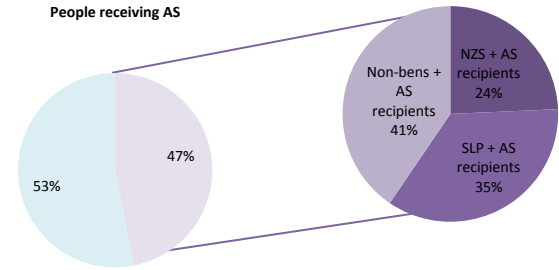
136,720 AS recipients

People in this group are either not expected to work (NZS or SLP recipients) or are already in work and have high housing costs. Just over a third in this group are paying more than 50% of their income on their housing costs.

Two-thirds of these households are single people or couples without children. Where children are present, they are largely in the non-beneficiary households.

The non-beneficiary recipients have the highest average housing costs of any other group of AS recipients.

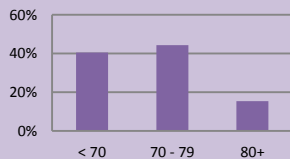
People receiving AS



New Zealand Superannuitants 33,231 AS recipients Approx annual AS spend \$100 million

The average amount of AS received by this group is \$57 per week. After AS is taken into account, this average housing costs for this group are \$149 per week. On average, NZS AS recipients pay 1.4 times as much for housing compared to NZS IRRS recipients, and they receive 29% of the subsidy.

Age of NZS recipients



The majority in this group are renting, and just under 20% are paying a mortgage. A small group (8%) are paying AS as a boarder.

Most of the NZS AS recipients are single (74%) with around 25% in couple without children households.

Just over half of NZS AS recipients are paying more than 40% of their incomes on housing costs

Nearly two-thirds are receiving Disability Allowance

This group is slightly younger than the NZS group in social housing, with a higher proportion under 70 and a lower proportion older than 80.

NZS recipients receiving AS are not as heavily concentrated in Auckland City as IRRS recipients are. Around 18% are in Auckland City and Manukau, compared to 39% of IRRS recipients. NZS recipients are more spread throughout New Zealand, as they are not restricted by where the social housing stock is.

Implications

- Informing work to redesign housing subsidies
- Inform discussions with MBIE regarding affordable supply

Supported Living Payment Recipients 48,120 AS recipients Approx annual AS spend \$150 million

The average amount of AS received by this group is \$60 per week. After AS is taken into account, the average housing costs are \$130 per week. This group pays 1.6 times the amount in housing costs that the SLP IRRS group does and receives about 28% of the subsidy.

The majority of SLP AS recipients are renting and around a quarter are using it pay board. Just over 10% are using AS to contribute to their mortgage.



Two-thirds of people in this group are spending more than 40% of their income on housing costs.

Most (80%) are in single people households. Around 10% are sole parent households and about 6% are couple with no children households.



The main capacity codes for SLP recipients receiving AS are major mental health (26%), musculo-skeletal (10%) and nervous system disorders (10%). Nearly all of SLP AS recipients are in General Case Management.

There is a lower concentration of SLP AS recipients in Christchurch, Manukau and Auckland (24%) compared to SLP IRRS recipients (39%)

Implications

- Informing work to redesign housing subsidies
- Inform discussions with MBIE regarding affordable supply

Non-Beneficiaries 55,379 AS recipients Approx annual AS spend \$238 million

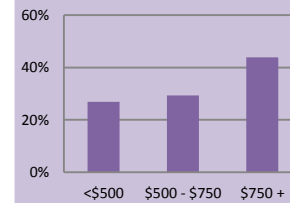
The average amount of AS received by this group is \$83 per week. After AS is taken into account, the average housing costs are \$228 per week. Compared to all non-beneficiaries receiving a IRRS subsidy, they pay 1.5 times the amount in housing costs and receive 42% of the subsidy.



The majority of households have children present either in sole parent (35%) or couple households (32%). Just under 30% of AS non-beneficiary households are single people

Just under two-thirds of non-beneficiaries pay more than 40% of the income on housing costs.

Total estimated income



The majority of non-beneficiaries receiving AS are paying rent (73%), with 22% putting AS towards a mortgage. A very small group of non-beneficiaries are paying AS for boarding (5%).

Just over half of non-beneficiaries receiving AS earn less than \$750 per week, with just over 40% earning more than \$750 per week.

Non-beneficiaries receiving AS are concentrated in Auckland (around 45%) in roughly the similar amount to non-beneficiaries with a low to medium IRRS in social housing (43%), but receive a lower amount of subsidy.

Implications

- Informing work to redesign housing subsidies
- Inform discussions with MBIE regarding affordable supply

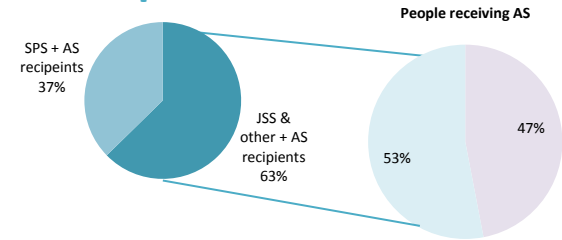
People where MSD has levers to assist moving to independence

154,257 AS recipients

The group accounts for over half of AS recipients and is made up of people on main benefits. The majority of people in this group have some level of work expectations.

Compared to their counterparts in social housing, the SPS and JSS recipients receiving AS pay 1.6 times the amount in housing costs and receive a third (33%) of the subsidy.

This group is in the worst housing stress of any of the AS groups with just under half paying more than 50% of their income on housing costs.



Sole Parent Support Recipients 57,973 AS recipients Approx annual AS spend \$278 million

The average amount of AS received by this group is \$93 per week. After AS is taken into account, the average housing costs for this group are \$175 per week. Compared to SPS recipients in social housing, AS recipients pay 1.8 times more in rent and receive 41% of the subsidy.



The majority are sole parent with one or two children households (80%) and 20% are sole parents with three or more children

Around 80% are using AS for rent, with 14% using it for board. Around 7% of this group are using AS for a mortgage.

Most of this group (69%) are paying more than 40% of their income on housing costs, and 40% are spending more than 50%. Just over a quarter (27%) of this group are receiving TAS, the highest proportion of any of the AS groups.

Most in this group (95%) have a high likelihood of long-term benefit receipt, and 5% have a medium likelihood.

Just over half of this group (52%) have Work Prep obligations, which means their youngest child is younger than 5 years old. Around 40% have Part-time work obligations and 9% are non-work tested.

Just over half (53%) of the SPS recipients are in Work-focussed Case Management, with just over 40% in General Case Management. A small percentage of this group (3%) are in Work-Search support

A quarter of people in this group have a post-high school qualification.

Just over half of SPS recipients have been on benefit for more than 3 years, about a quarter have been on benefit for between 1 and 3 years, and 20% have been on benefit for less than 1 year.

A majority of households (69%) have had contact with CYF, however this is slightly lower than SPS households in social housing



Jobseeker Support and other recipients 96,664 AS recipients Approx annual AS spend \$312 million

The average amount of AS received by this group is \$62 per week After AS is taken into account, the average housing costs are \$114 per week. Compared to JSS recipients in social housing, AS recipients pay 1.4 times more rent and receive 26% of the subsidy.



Just under half of the have an incapacity code, with the main capacity codes being major mental health (25%), minor mental health (18%), musculo-skeletal (17%).

A quarter of JSS recipients with an incapacity code have been receiving a benefit for more than 5 years, a quarter have been receiving a benefit for between 2 and 5 years, and just under half have been receiving a benefit for less than two years.

Most of those with an incapacity code are aged between 40 and 64 (60%) and there are 14% who are aged between 18 and 24.

Three-quarters of JSS recipients spend more the 40% of their income on housing costs, and more than half spend more than 50% of their income. Overall, just under a quarter (23%) of JSS recipients also receive TAS.

This group is concentrated in Auckland, but not to the same extent that JSS in social housing are.

Nearly all of this group are JSS recipients (94%), however 4% are receiving Emergency Benefit and 2% are receiving Youth/Young Parent Payment

These households are mostly single people (80%), 9% are sole parents, around 5% are couple with children and around 5% are couples without children.

Compared to other AS groups, this group has lower likelihood of long-term benefit receipt. While 50% are still rated as high, 30% are medium and 14% have a low likelihood of long-term benefit receipt

Just over half of the JSS recipients have full-time work obligations, just over a third have work-prep obligations and just over 6% are not work-tested.

Just over half of the JSS recipients are in General Case Management, with 25% in Work-Focussed Case Management and about 18% in Work Search Support.

Just under a third of JSS recipients have post-high school level qualification.



Implications

- Inform discussions with MBIE regarding affordable supply
- Informing the subsidy redesign work

Implications

- Inform discussions with MBIE regarding affordable supply
- Informing the subsidy redesign work