Social housing purchasing strategy

For Income-Related Rent Subsidy (IRRS) places

December 2016 update

MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Contents

The Government has a comprehensive plan for housing vulnerable New Zealanders

The 2016 Social Housing Purchasing Strategy is the Ministry of Social Development's strategy for purchasing subsidised social housing places (Income-Related Rent Subsidy or 'IRRS' places) through to June 2020. A key purpose of the Strategy is to share information with existing and potential providers about the types and locations of social housing places that are needed, and how MSD will fund and contract for these places, to support provider's investment decisions.

What are we trying to achieve?

MSD continues to focus on developing a well-targeted and integrated support system. This means that people with the highest need have access to social housing for the duration of their need, can access supports that meet their broader needs, and are supported to move to independence when ready. The Purchasing Strategy outlines MSD's plan to ensure that:

- the right people
- are provided with the right place
- for the right length of time
- at the right cost.

How are we making it happen?

More social housing places

MSD plans to purchase over 6,400 additional social housing places by June 2020

This number is ambitious and recognises that there are a number of areas in New Zealand where there is significant unmet demand for social housing.

This figure is made up of:

- An additional 3,800 IRRS places to be secured over four years, half of these will be in Auckland
- Approximately 2,600 IRRS places currently in the pipeline (this means they are contracted or highly likely to eventuate)

From 2017 MSD will publish a quarterly update showing the number of places in the pipeline that we have been able to house people in and the number of new places that have been added to the pipeline. Increasing visibility of what's happening in the market will give providers a comprehensive information base on which to support decisions.

More houses of the right size, in the locations with the greatest need

MSD is also signalling that change within the base is required to better match supply with demand

There are just over 61,400 social housing places in 'the base'. The base is the current number of properties for which MSD is paying IRRS across New Zealand.

MSD is seeking to reconfigure the base so that the locations and types of properties in the base are better matched to demand.

For example, to better meet identified demand MSD is seeking to increase the number of one and two bedroom properties in the base.

The Strategy specifies the locations in which MSD is seeking to significantly increase the number of places, based on what we know about demand from a range of sources. MSD is looking to secure more of these places from community housing providers.

Subsidies and contract settings to encourage significant growth in the CHP sector

The Strategy outlines the funding and contracting parameters that have been set to encourage a strong, diverse market of community housing providers (CHPs). This includes both CHPs operating at scale in urban areas, and CHPs catering to groups of tenants with specific needs

These parameters include:

- **significant subsidies** to help CHPs build new houses in Auckland and across New Zealand
- **long-term contracts** in areas of high demand and projected population growth
- **market rent limits** that reflect current conditions, which will be updated annually.

The Strategy also provides information on how MSD works with providers, and contracts for and funds social housing. It also outlines the range of housing supports that are available to those in need.

Introduction

The Ministry of Social Development (MSD) is tasked with supporting New Zealanders who need help with housing – from providing help with emergency housing, managing the social housing register, supporting community housing providers and subsidising rents through the Income-Related Rent Subsidy and Accommodation Supplement to providing people with the assistance they need to move on to and remain in private accommodation.

This year's update of the Social Housing Purchasing Strategy (formerly known as the Social Housing Purchasing Intentions) gives providers clear information about the social housing places MSD is seeking to subsidise, how and at what price. This includes sharing information about demand for housing both now and in the next few years and specifying where MSD will be seeking to increase the supply of social housing.

The total number of tenancies that can be afforded within the available funding is dependent on policy settings and market conditions. The volume estimates provided here reflect MSD's current intentions, but the actual volumes purchased are likely to vary, and the intentions set out here do not commit MSD to purchasing at these volumes.

MSD needs flexibility to respond effectively to unexpected changes in demand, and to meet local needs. MSD will be monitoring changes in the register closely and adapting its purchasing to meet changing needs. The volumes set out for each region and location are not targets, nor are they limits. It may not be necessary to purchase up to these volumes, or conversely there may be a need to exceed the places recommended, as a result of unexpected demand increases.

The Purchasing Strategy is in three parts:

- Part 1 – provides information on MSD's Purchasing Strategy and market-shaping principles – see page 6.
- Part 2 – outlines the current funding and contracting settings – see page 10.
- Part 3 – sets out MSD's purchasing intentions – what the future looks like and what MSD is seeking to purchase and where – see page 33.

How to use this document

Key information for providers is in blue shaded boxes. Plain text provides background or contextual information.

> Key information for social housing providers
> has been included in blue shaded boxes.

Part 1: Future direction for the social housing market and the Government's objectives

A social investment approach for social housing and supports

The Government is focused on making sure that those who need help with housing get the support they need – that the right person is in the right place, for the right time and at the right cost.

Taking a social investment approach to housing means:

- using data and information to understand the characteristics of the people MSD is seeking to support

- understanding what services they are currently accessing

- measuring the effectiveness of these services

- sharing what is learned so that future investment is based on evidence of what works and for whom.

Stable housing provides a strong platform from which people can move towards independence and achieve other goals, such as further education and employment. Before 2014 people had to go to Housing New Zealand for housing and to MSD for other supports. Now that MSD manages the social housing register and subsidises social housing – through the Income-Related Rent Subsidy (IRRS) and contracts with providers – people can come to MSD for both.

MSD has moved away from a one-size-fits-all approach to housing. The focus is now on an integrated support system where supports are well targeted, so that people can access what they need, and are supported to independence.

MSD is continuing to trial new ways of working which will enable it to gain a greater understanding about what approaches are most effective in supporting people.

As part of implementing the social investment approach, MSD is testing innovative ways of working with both providers of social housing and people who are accessing housing and broader supports from MSD. For example, MSD is:

- testing a Sustaining Tenancies approach to gain a greater understanding about the supports people in social housing who are at risk of losing their tenancies require to sustain their tenancies

- piloting a Housing First approach in Central, West and South Auckland, which is focused on supporting people who are homeless into sustainable long-term housing while seeking to address any of the other issues they may be facing.

What MSD learns from these pilots will enable it to make future investment decisions based on real evidence of what works.

To increase its understanding about current tenants, and share what is learned, MSD is working on its first social housing valuation. The valuation will provide data to support future investment decisions.

A key part of taking a social investment approach is for MSD to understand and evaluate its own performance and that of providers. Key outcomes MSD will be looking to measure the performance of the system against include:

- There is a sustainable supply of good quality housing and tenancy management that meets the long-term needs of social housing tenants.

- Housing and other social needs of tenants are addressed, leading to healthier and more stable families and communities.

- Social housing tenants are supported to independence, when appropriate.

Working towards these outcomes will also support the achievement of a range of other outcomes Government is seeking, such as the Better Public Services Result 1 – reducing long-term welfare dependency.

The Government's comprehensive plan for the housing system – an integrated system of supports and a diverse market

The Government continues to focus on achieving the objectives of the Social Housing Reform Programme, which have been defined as one or more of the following:[1]

a. *people who need housing support can access it and receive social services that meet their needs:*

b. *social housing is of the right size and configuration, and in the right areas, for households that need it:*

c. *social housing tenants are helped to independence, as appropriate:*

d. *there is more diverse ownership or provision of social housing:*

e. *there is more innovation and more responsiveness to social housing tenants and communities:*

f. *the supply of affordable housing is increased, especially in Auckland.*

Housing provides a platform from which to address other issues that people may be experiencing. MSD's role as the purchaser of social housing places and provider of a range of other supports enables a more holistic approach to be taken to meet people's needs.

An increasing proportion of social housing places will be provided by community housing providers

To help ensure sustainability in the market, MSD is seeking to grow the proportion of social housing places that are provided by community housing providers (CHPs), both at scale and niche. At a high level, MSD would expect to see approximately equal proportions of additional IRRS places being provided by CHPs and Housing New Zealand (HNZ).

MSD is also looking to continue to support new and existing providers into the market who have expertise in successfully supporting particular cohorts of tenants with a broad

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[1] Housing Corporation Act 1974, s50D. Retrieved from
http://www.legislation.govt.nz/act/public/1974/0019/latest/DLM6754535.html

spectrum of needs. MSD has a focus on metropolitan areas and areas it has identified as having the greatest need for additional social housing places.

Increasing diversity in the market means more innovative and responsive services can be provided to tenants and will enable MSD to learn more about what works for whom. Providers know their tenants' needs best and many are already supporting their tenants to access other services in the community.

HNZ is increasing provision of places in the short to medium term, with a focus on areas of high demand.

A key part of this work is for MSD to set clear expectations for social housing tenants, including the expectation that tenants will make the same trade-offs and decisions that people in the private housing market have to make. For example, in 2015 a policy change was implemented to require applicants to nominate three different areas where they could live, instead of just one, and requiring people who decline a vacant social house to have a 'good and sufficient' reason for doing so.

MSD expects housing providers to use this Purchasing Strategy to assist with their investment decisions. It provides the information needed to support decisions about where to invest, the characteristics of tenants and people on the social housing register, and how MSD will be seeking to work with social housing providers.

A significant amount has been achieved, and MSD continues to work towards achieving the goals outlined in the 2015 release

Since the release of the 2015 Purchasing Intentions, a range of work has been progressed towards achieving the objectives of the Social Housing Reform Programme. This includes:

- completing over 3,000 tenancy reviews, which has resulted in over 700 people moving into alternative accommodation and more than 100 people purchasing their own homes

- developing the first social housing valuation, which will provide data and information to support evidence-based decision-making, such as on what is needed to improve matching and to gain a better understanding of tenants and their needs

- aiming to deliver more than 2,000 emergency housing places at any one time by April 2017, and creating a new Emergency Housing Special Needs Grant to support people with an urgent unmet housing need for up to seven days at a time

- reviewing the way we assess for social housing to more accurately reflect tenants' needs

- making new Housing Support Products available, to support people towards independence

- having new housing places in the pipeline, both in Auckland and across New Zealand, to meet social housing need

- transitioning HNZ properties to CHPs to diversify the market (including opening up the IRRS) to support better outcomes for tenants
- implementing more flexible contracting arrangements to support a broader range of providers to enter the market and increase the number of social housing places that are available .

What has changed between the 2015 release and the 2016 release?

After the 2015 release MSD asked providers whether the information was useful and would support investment decisions. As a result, this year MSD has changed what is included in the document and how it is presented. The document will continue to evolve in future iterations.

There are two main changes between this update and the 2015 update. This update includes:

- greater clarity on the supply pipeline – see page 14 for an overview of the number of places in the pipeline, and appendices 7 and 8 for details of places in the CHP and HNZ pipelines
- more detailed information on the funding and contracting parameters – see part 2 from page 16 onwards for details of subsidies available, weekly market rent limits, contract settings, and information on how to get involved.

Part 2: Informing providers, developers, investors and financiers of social housing

Part 2 provides an overview of the operational policy settings for providers of social housing. It will cover the following questions:

- What is the profile of people on the social housing register?
- How many social housing places are in the pipeline?
- What are the funding and contracting parameters?
- How do providers get involved?

What is the profile of people on the social housing register?

This section provides an overview of people on the social housing register at a <u>national</u> level.

<u>Regional profiles</u> covering indicators of demand and supply at a local level are available on the MSD website.

Figure 1: Number of people on the Housing Register and Transfer Register - trend

There were 5,770 people on the combined Housing Register and Transfer Register, as at the end of September 2016

Figure 2: Number of people on the register by priority level - trend
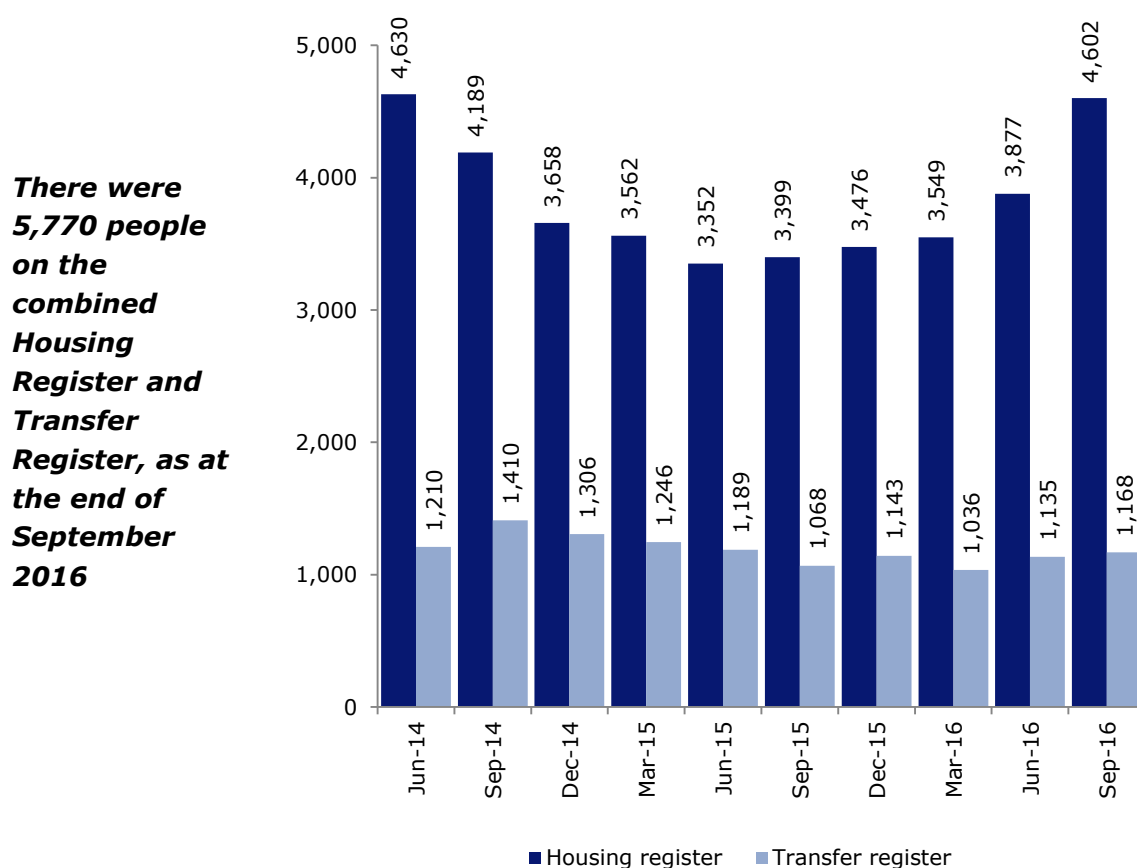
Just over 6 in every 10 people on the register are classified as priority A

Figure 3: Size of house required by people on the register - trend
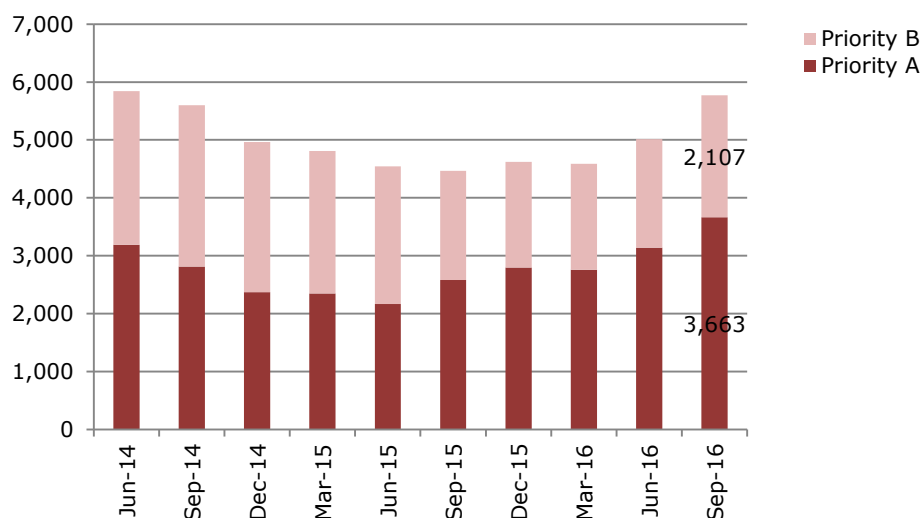
Just over 4 in every 10 people on the register require a 1-bedroom property

Figure 4: Household type of people on the register - trend
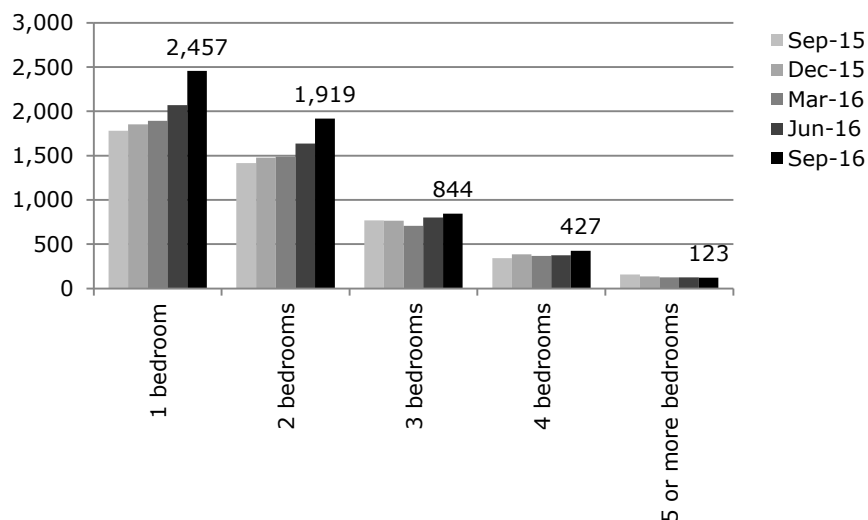
Almost half of the households on the register has one or more children

Figure 5: Age of main applicant - trend
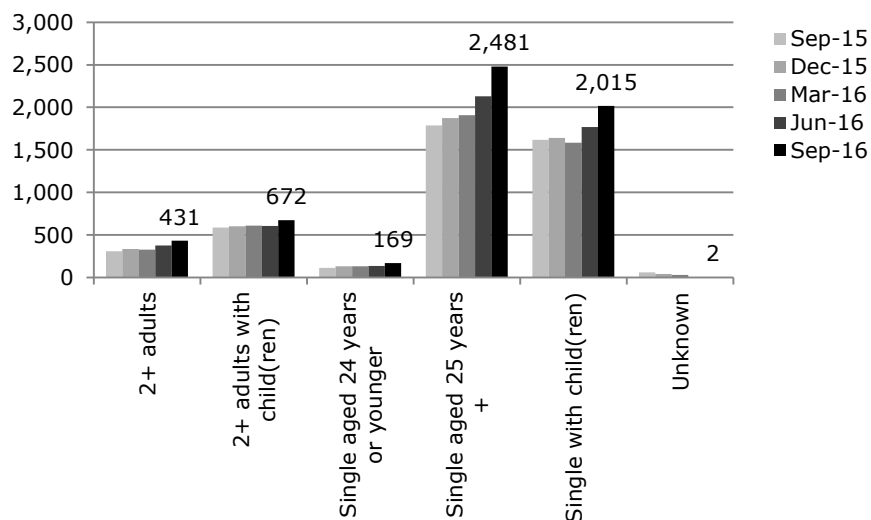
Approximately one in three people are aged 25-39 years

Legend: Sep-15, Dec-15, Mar-16, Jun-16, Sep-16

Data labels: 664 (24 and under), 2,022 (25-39), 1,766 (40-54), 792 (55-64), 525 (65 and over), 1 (Unknown)

Categories: 24 and under, 25-39, 40-54, 55-64, 65 and over, Unknown

Figure 6: Ethnicity of main applicant - trend
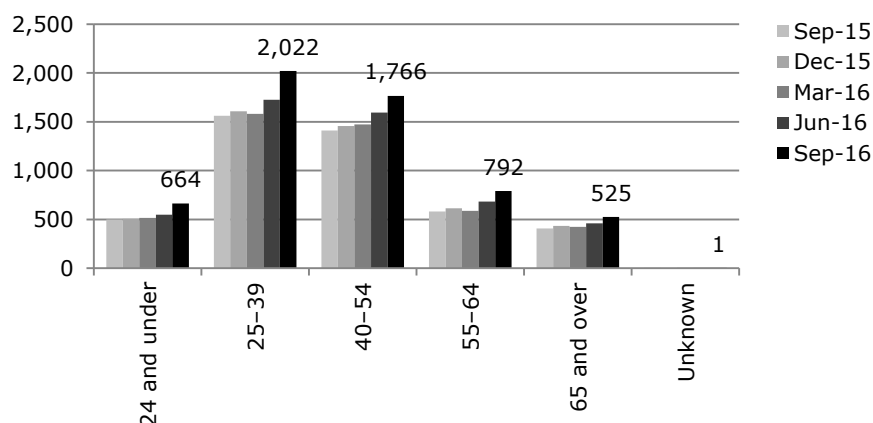
Just over four in every ten people on the register is Māori

Legend: Sep-15, Dec-15, Mar-16, Jun-16, Sep-16

Data labels: 1,408 (NZ European), 2,483 (Māori), 805 (Pacific peoples), 1,004 (Other), 70 (Unknown1)

Categories: NZ European, Māori, Pacific peoples, Other, Unknown1

Figure 7: TLAs with 20 or more people on the register, as at 30 September 2016
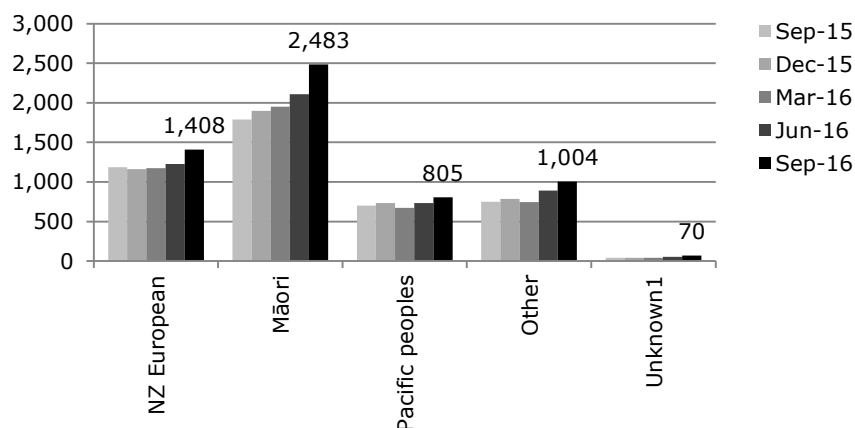
Just over four in every ten people on the register are in Auckland

Data labels: 2,417 Auckland Super City; 597 Christchurch City; 259 Wellington City; 207 Hamilton City; 201 Tauranga District; 199 Lower Hutt City; 156 Napier City; 154 Porirua City; 153 Unknown/Other; 145 Whangarei District; 139 Palmerston North City; 112 Gisborne District; 88 Rotorua District; 86 Hastings District; 64 Dunedin City; 63 Marlborough District; 60 Whakatane District; 57 Far North District; 56 Nelson City; 48 New Plymouth District; 39 Upper Hutt City; 33 Wanganui District; 30 Horowhenua District; 30 Kapiti Coast District; 27 Western Bay Of Plenty...; 24 Taupo District; 23 Tasman District; 23 Waikato District; 23 Waimakariri District; 20 Manawatu District

How many IRRS places are there currently, and how many additional places would MSD like to purchase?

Current and planned IRRS places can be grouped into three categories:

- **The base** - as at 30 September 2016, there were **61,404** IRRS places being funded. This figure is the 'base' number of IRRS places.

- **The pipeline** - in addition, there are **2,626** net IRRS places that are in the 'pipeline'. The 'pipeline' refers to the net number of additional places that MSD has contracted for and/or the MSD Housing Contracts team has assessed as being highly likely to eventuate. These places might be new builds, buy-ins, leases or transfers. The pipeline is a realistic estimate of the number of IRRS places that have a high certainty of eventuating, beyond the current base.[2] See appendices 7 and 8 for details of the pipeline for IRRS places likely to be provided by CHPs and HNZ respectively.

- **The purchasing intentions** - the purchasing intentions outlined in part 3 of this document show the location and size of an additional **3,800** IRRS places that MSD would like to purchase – beyond the base, and beyond the pipeline.

The purpose of separating the pipeline from the purchasing intentions is to ensure that all available funding is used to house people in need. If less certain places are counted in the pipeline and don't eventuate, MSD would be left with funding that could have been used to house people in need. Given the current number of people on the social housing register, it is vital that all available funding is used to house people in need.

Figure 8 shows the relationship between the base, the pipeline, and the purchasing intentions for additional places.

Figure 8: Relationship between base IRRS places, IRRS pipeline, and purchasing intentions (not to scale)

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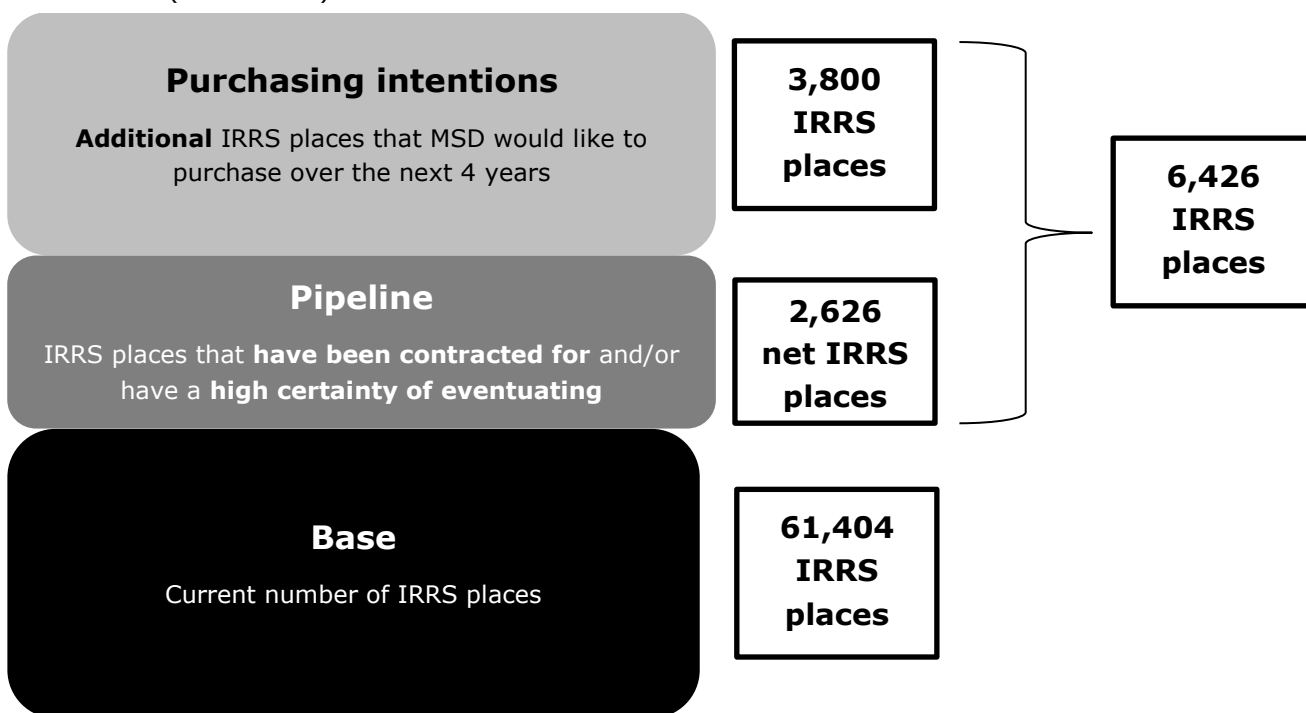
[2] In cases where a provider has historically delivered more slowly than planned, the historical proportion of places that have been delivered to plan has been applied to the current contracted volume. MSD will continue to track providers' ability to perform to plan, and update the assumptions in future updates.

How many social housing places are in the pipeline?

Table 1 provides an estimate of the total number of IRRS places in the base, the pipeline, and MSD's purchasing intentions through to 30 June 2020.

Table 1: Overview of base IRRS places, pipeline, and MSD's purchasing intentions through to 30 June 2020

	Auckland		Rest of NZ		TOTAL
	HNZ	**CHPs**	**HNZ**	**CHPs**	
Base (as at 30 Sept 2016)	25,795	2,796	32,453	360	61,404
Pipeline	852	857	(1,437)	2,354	2,626
Purchasing intentions	1,900		1,900		3,800
Total additional places by June 2020	3,609		2,817		6,426
Percentage of total additional places	56%		44%		100%

Figure 9 below provides further detail of the pipeline. It shows the pipeline for places provided by HNZ and by CHPs, split out by whether the places are in Auckland or the rest of New Zealand. The simultaneous increase in CHP places and decrease in HNZ places in the rest of New Zealand in June 2017 shows the expected transfer of HNZ properties in Tauranga to a CHP.

Figure 9: Net pipeline for IRRS places, by provider and location
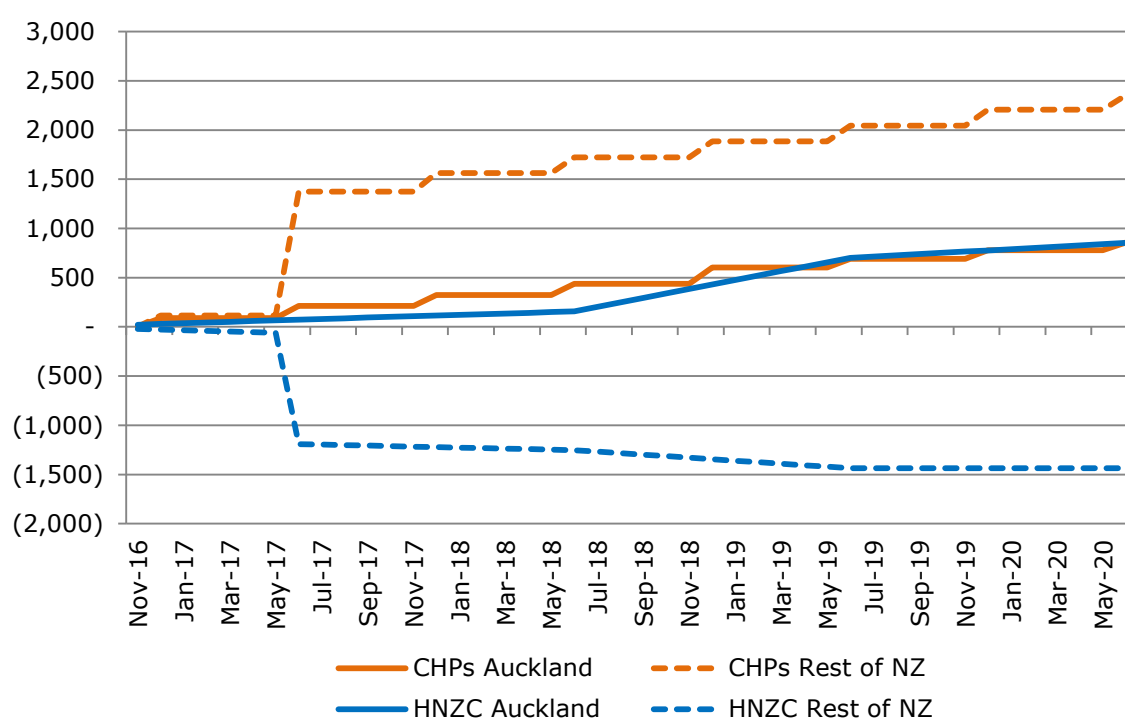
Figure 10 shows the net pipeline for Auckland and the rest of New Zealand.

Figure 10: Net pipeline for IRRS places, Auckland and rest of New Zealand
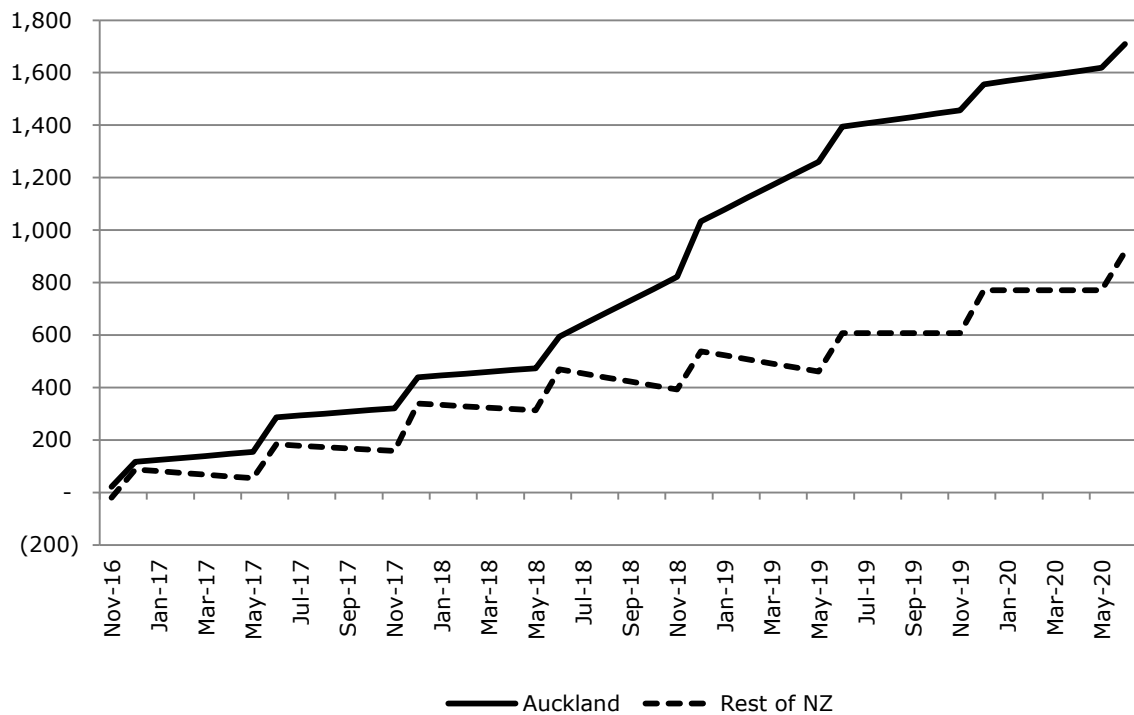
What are the funding and contractual parameters?

What are the funding limits and arrangements?

Income-Related Rent Subsidy (IRRS)

Most social housing tenants pay no more than 25 percent of their net household income on rent, up to the market rent for the property. The tenant's contribution is referred to as income-related rent (IRR). MSD purchases social housing tenancies by paying the difference between market rent and the IRR through the Income-Related Rent Subsidy (IRRS).

Weekly market rent limits

Market rent refers to the rent that a property would command in the private rental market. **Most social housing places are typically purchased near the lower quartile of market rent for the location.** Appendix 6 has additional information on rent at Territorial Authority (TA) level, including lower quartile, geometric mean, and upper quartile, as at October 2016. The information in Appendix 6 is based on bond data and covers all tenancies, not just social housing tenancies. The Ministry of Business, Innovation and Employment updates this data on its website on a monthly basis.[3]

MSD has set limits for the weekly market rent it will pay for a social housing place, by location and number of bedrooms (see Table 2 below). While the majority of social housing places will remain near the lower quartile of market rent, some new builds may be closer to these limits. The shading in the table indicates the relative size of the weekly limits; darker shading represents higher limits.

MSD recognises that these limits will make regular stand-alone social housing uneconomic for some suburbs. This may mean that either MSD will not purchase social housing places in those suburbs, or providers will need to develop innovative models to make those suburbs economic.

Some existing social housing places are beyond the limits set out in Table 2. MSD plans to remove those places from purchasing over time, and will be discussing these situations with individual providers.

Market rent limits will be updated annually, following review of market conditions.

Table 2: Weekly market rent limits for social housing places

Territorial Local Authority (TLA)	Number of bedrooms				
	1	2	3	4	5
Ashburton District	$250	$300	$350	$400	$450
Auckland	$450	$550	$650	$750	$850
Buller District	$250	$300	$350	$400	$450
Carterton District	$250	$300	$350	$400	$450
Central Hawke's Bay District	$250	$300	$350	$400	$450

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[3] http://www.mbie.govt.nz/info-services/housing-property/sector-information-and-statistics/rental-bond-data

Central Otago District	$250	$300	$350	$400	$450
Chatham Islands Territory	$250	$300	$350	$400	$450
Christchurch City	$350	$450	$550	$650	$750
Clutha District	$250	$300	$350	$400	$450
Dunedin City	$275	$350	$425	$500	$575
Far North District	$250	$300	$350	$400	$450
Gisborne District	$250	$300	$350	$400	$450
Gore District	$250	$300	$350	$400	$450
Grey District	$250	$300	$350	$400	$450
Hamilton City	$275	$350	$425	$500	$575
Hastings District	$275	$350	$425	$500	$575
Hauraki District	$250	$300	$350	$400	$450
Horowhenua District	$250	$300	$350	$400	$450
Hurunui District	$250	$300	$350	$400	$450
Invercargill City	$250	$300	$350	$400	$450
Kaikoura District	$250	$300	$350	$400	$450
Kaipara District	$250	$300	$350	$400	$450
Kapiti Coast District	$275	$350	$425	$500	$575
Kawerau District	$250	$300	$350	$400	$450
Lower Hutt City	$275	$350	$425	$500	$575
Mackenzie District	$250	$300	$350	$400	$450
Manawatu District	$250	$300	$350	$400	$450
Marlborough District	$250	$300	$350	$400	$450
Masterton District	$250	$300	$350	$400	$450
Matamata-Piako District	$250	$300	$350	$400	$450
Napier City	$275	$350	$425	$500	$575
Nelson City	$275	$350	$425	$500	$575
New Plymouth District	$275	$350	$425	$500	$575
Opotiki District	$250	$300	$350	$400	$450
Otorohanga District	$250	$300	$350	$400	$450
Palmerston North City	$275	$350	$425	$500	$575
Porirua City	$275	$350	$425	$500	$575
Queenstown Lakes District	$400	$500	$600	$700	$800
Rangitikei District	$250	$300	$350	$400	$450
Rotorua District	$250	$300	$350	$400	$450
Ruapehu District	$250	$300	$350	$400	$450

Selwyn District	$275	$350	$425	$500	$575
South Taranaki District	$250	$300	$350	$400	$450
South Waikato District	$250	$300	$350	$400	$450
South Wairarapa District	$250	$300	$350	$400	$450
Southland District	$250	$300	$350	$400	$450
Stratford District	$250	$300	$350	$400	$450
Tararua District	$250	$300	$350	$400	$450
Tasman District	$275	$350	$425	$500	$575
Taupo District	$275	$350	$425	$500	$575
Tauranga City	$275	$350	$425	$500	$575
Thames-Coromandel District	$250	$300	$350	$400	$450
Timaru District	$250	$300	$350	$400	$450
Upper Hutt City	$275	$350	$425	$500	$575
Waikato District	$275	$350	$425	$500	$575
Waimakariri District	$275	$350	$425	$500	$575
Waimate District	$250	$300	$350	$400	$450
Waipa District	$250	$300	$350	$400	$450
Wairoa District	$250	$300	$350	$400	$450
Waitaki District	$250	$300	$350	$400	$450
Waitomo District	$250	$300	$350	$400	$450
Wanganui District	$250	$300	$350	$400	$450
Wellington City	$350	$450	$550	$650	$750
Western Bay of Plenty District	$250	$300	$350	$400	$450
Westland District	$250	$300	$350	$400	$450
Whakatane District	$250	$300	$350	$400	$450
Whangarei District	$275	$350	$425	$500	$575

What are the contracting arrangements for tenancy and property services?

This section outlines the contracting arrangements for tenancy and property services. Registered CHPs can contract with MSD under two possible mechanisms:

- **short-term spot contracts** – short-term spot contracts cover the duration of a specific tenancy. These contracts have set terms, but vary in duration. The majority of current IRRS places are on short-term spot contracts

- **long-term capacity contracts** – long-term capacity contracts cover a specific house, unit or apartment for a set period of time. The terms of long-term contracts are negotiated between MSD and the provider.

Short-term spot contracts for the duration of a specific tenancy

Short-term spot contracts are available to any registered CHP.

Short-term spot contracts

- MSD uses a standard **Outcome Agreement** to enter into short-term spot contracts with social housing providers.

  - http://housing.msd.govt.nz/documents/information-for-housing-providers/providers/irrs-outcome-agreement-june-2015.docx

- In addition, the **Community Housing Provider Operational Guidelines** outline the business processes, administrative functions and the way in which CHPs and MSD will work together. This document forms part of the Outcome Agreement.

  - http://housing.msd.govt.nz/information-for-housing-providers/irrs-tenancies/index.html#Guidelines1

- MSD uses an online tool (Business Online Services) to manage the allocation of spot contracts to CHPs. The **Business Online Services User Guide** provides detailed information on the steps a CHP would take to secure a social housing tenant – how CHPs can let MSD know when they have a vacancy, how they can view a shortlist of possible tenants, how MSD can help if the client needs assistance to pay rent and bond, and how to process a signed tenancy agreement.

  - http://housing.msd.govt.nz/information-for-housing-providers/irrs-tenancies/index.html#Userguides2

Frequently asked questions: http://housing.msd.govt.nz/information-for-housing-providers/providers/community-housing-providers-faqs.html

Long-term capacity contracts for a specific house, unit or apartment

Changes to the Housing Restructuring and Tenancy Matters Act 1992 have enabled MSD to enter into flexible purchasing arrangements with social housing providers. This change was made as a result of feedback from providers that IRRS spot contracts were not sufficient to supply new social housing, particularly in Auckland.

MSD is willing to offer new contract terms where it:

- is sufficiently certain about social housing need to be confident that MSD faces low vacancy and demand risk based on:
    - a good understanding of tenant types
    - the likelihood that the tenants will have a permanent social housing need
    - the level of tenant turnover
- considers the price in a long-term contract represents good value considering the likelihood of achieving supply with a spot contract and the price for a spot contract on the same property.

Long-term capacity contracts

The parameters for long-term contracts are:

- Long-term contracts will be a maximum of 25 years in length.
- Contracts with providers will set an expectation that tenants are supported to independence, where appropriate.
- MSD will seek to develop and test contracts over the next 12 months in some of the following areas for new builds and turn-key properties:

Area	Negotiating parameters	For further information
Auckland	EITHER: • Upfront funding of up to 50 percent of market value, OR • An operating supplement of up to 50 percent of market rent, OR A combination of upfront funding and operating subsidy	See next section for further details
Whangarei Hamilton Wellington Lower Hutt City Christchurch	EITHER: • Upfront funding of up to 35 percent of market value, OR • An operating supplement of up to 35 percent of market rent.	RFP is available on the GETS website – responses close 31 March 2017[4]

These parameters are based on a broad assessment of different regional markets and will help to identify the expected benefits (eg boosting social housing supply) and risks (eg paying for vacant properties) of entering into new contracts and will help to distinguish between proposals that should or should not be considered. The MSD Contracts team will evaluate each proposal and negotiate on a case-by-case basis the specific terms and conditions of the contract with the provider.

For more information: RFP will be released on https://www.gets.govt.nz

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[4] https://www.gets.govt.nz/MSD/ExternalTenderDetails.htm?id=18199139

Upfront and operating subsidies for long-term contracts in Auckland

MSD is currently able to negotiate flexible contract terms with CHPs to provide additional social housing places in Auckland that are either new builds or turn-key properties.

CHPs can select from one of three possible options:

- **Option 1: Upfront funding**, OR

- **Option 2: Operating supplement**, OR

- **Option 3: Combination of upfront funding and an operating supplement**.

This section will provide an overview of each of the three options.

Market value limits

Under all three options, market value limits apply, as outlined in Table 3 below.

Table 3: Market value limits for upfront and operating subsidies for long-term contracts in Auckland

	One bedroom	Two bedrooms	Three bedrooms	Four bedrooms	Five bedrooms
Market value limit	$450,000	$580,000	$615,000	$650,000	$900,000

Option 1: Upfront funding

MSD is able to negotiate upfront funding of **up to 50 percent of the total market value** of new build/turn-key social housing which provides additional social housing places in Auckland. This option is not available for HNZ.

Table 4 provides examples of the level of upfront funding available for houses at the market limit value for each size house.

Table 4: Market value limits for which upfront funding can be negotiated

	One bedroom	Two bedrooms	Three bedrooms	Four bedrooms	Five bedrooms
Market value limit	$450,000	$580,000	$615,000	$650,000	$900,000
50 percent of market value limit (maximum upfront funding available)	$225,000	$290,000	$307,500	$325,000	$450,000

Option 2: Operating supplement

MSD is able to negotiate operating supplements of **up to 50 percent of market rent** (in addition to IRRS) for new build/turn-key properties, or properties leased from the private rental market, which provide additional social housing places in Auckland. The maximum operating supplement available is subject to weekly market rent limits (Table 2).

Table 5 provides examples of different social housing cash flows available through this option.

Table 5: Examples of cash flow available through the maximum operating supplement parameter

Examples	Weekly market rent	IRR	IRRS	Maximum operating supplement	Total weekly cash flow
A two-bedroom social housing tenancy in Auckland with a weekly market rent of $440	$440	$75*	$365*	$220	$660
A two-bedroom social housing tenancy in Auckland with a weekly market rent of $550	$550	$75*	$475*	$275	$825

* The part of the rent paid by the tenant is called income-related rent (IRR). This amount will vary depending on the tenant's household income and the market rent level. The remainder of the rent paid by MSD is called the Income-Related Rent Subsidy (IRRS). IRR and IRRS will vary depending on the tenant's household income and the market rent for the social housing tenancy.

Option 3: Combination of upfront funding and an operating supplement

MSD is able to negotiate combinations of upfront funding and operating supplements for new build/turn-key social housing properties in Auckland, as outlined in Table 6 below. Note that weekly market rent limits (Table 2) and market value limits (Table 3) apply.

Table 6: Combinations of upfront funding and operating supplements MSD is able to negotiate up to

Upfront funding and…	… an operating supplement
Up to 50 percent of market value…	… nil
Up to 45 percent of market value…	… up to 5 percent of market rent
Up to 40 percent of market value…	… up to 10 percent of market rent
Up to 35 percent of market value…	… up to 15 percent of market rent
Up to 30 percent of market value…	… up to 20 percent of market rent
Up to 25 percent of market value…	… up to 25 percent of market rent

Up to 20 percent of market value…	… up to 30 percent of market rent
Up to 15 percent of market value…	… up to 35 percent of market rent
Up to 10 percent of market value…	… up to 40 percent of market rent
Up to 5 percent of market value…	… up to 45 percent of market rent
Nil…	… up to 50 percent of market rent

Table 7 provides examples of the amount of additional funding available through different combinations of upfront funding and operating supplements for new build/turn-key properties which provide additional social housing places in Auckland.

Table 7: Examples of cash flows available under combination of upfront funding and operating subsidies

Examples	Upfront funding	IRR + IRRS	Weekly operating supplement	Total weekly cash flow
A two-bedroom new build social housing property in Auckland with a market value of $520,000, a weekly market rent of $530, upfront funding of 30 percent of market value and an operating supplement of 20 percent of market rent	30% of $520,000 = $156,000	$530	20% of $530 =$106	$530 + $106 = $636
A two-bedroom new build social housing property in Auckland with a market value of $580,000, a weekly market rent of $550, upfront funding of 30 percent of market value and an operating supplement of 20 percent of market rent	30% of $580,000 = $174,000	$550	20% of $550 = $110	$660
A two-bedroom new build social housing property in Auckland with a market value of $520,000, a weekly market rent of $530, upfront funding of 15 percent of market value and an operating supplement of 35 percent of weekly market rent	15% of $520,000 = $78,000	$530	35% of $530 = $185.50	$530 + $185.50 $715.50
A two-bedroom new build social housing property in Auckland with a market value of $580,000, a weekly market rent of $550, upfront funding of 15 percent of market value and an operating supplement of 35 percent of market rent	15% of $580,000 = $87,000	$550	35% of $550 = $192.50	$550 + $192.50 = $742.50

How do providers of social housing get involved?

This section provides a high-level outline of the process for an organisation to become registered as a community housing provider (CHP), contract with MSD, match applications to properties, make offers, start tenancies, and end tenancies. For each stage of the process, links are provided to more detailed information.

Step 1: Talk with organisations involved in the social housing sector

As an initial step, it might be useful to talk with some of the key organisations involved in the sector.

- Community Housing Regulatory Authority (CHRA) – CHRA registers and regulates community housing providers. Website: http://chra.mbie.govt.nz/

- Community Housing Aotearoa (CHA) – CHA is a national organisation for community housing providers. Website: http://communityhousing.org.nz/about-us

- CHPs in your local area - if your organisation is not currently registered as a CHP, you may wish to consider whether you want to become registered as a CHP, or partner with an existing CHP in your area. Registration is not always appropriate for an organisation. There may be benefit in partnering with a CHP that is already registered and has experience in social housing and tenancy management. Appendix 4 has a list of registered CHPs as at 24 November 2016. Please refer to the CHRA website for the most up-to-date list of registered CHPs, including their contact details.[5] CHRA is planning to release a Guidance Note on sub-contracting in early 2017.

- Ministry of Social Development (MSD) – MSD contracts with CHPs to provide IRRS places. Email: Social_Housing@msd.govt.nz. Website: http://www.housing.msd.govt.nz/information-for-housing-providers/index.html

Step 2: Become a registered community housing provider

To become a provider of social housing receiving the Income-Related Rent Subsidy, potential providers need to be registered with the CHRA.

Organisations will need to meet the eligibility criteria and demonstrate capacity to meet the prescribed Performance Standards. If your organisation wishes to seek registration, they should first meet with CHRA to discuss your organisation's circumstances and suitability for registration, the expectations of registered CHPs, and the regulatory requirements of being a registered CHP. CHRA has produced a Guidance Note on what it takes to be a social landlord. It can be viewed at: http://chra.mbie.govt.nz/assets/Uploads/Guidance-notes/guidance-note-class-i-social-landlord-sept-16.pdf.

Under the Housing Restructuring and Tenancy Matters (Community Housing Provider) Regulations 2014, local authorities and council-controlled organisations cannot register as CHPs. However, a subsidiary of a local authority or council-controlled organisation may apply to register as a CHP if it is operating at arm's length. The subsidiary must be

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[5] Community Housing Regulatory Authority. (2016). Retrieved from http://chra.mbie.govt.nz/about-chra/register/

genuinely operating independently from the parent. This should be evident from its constitution, membership of its governing body, and its governance and financial management structures. There is no restriction on other organisations from becoming CHPs, provided they meet CHRA requirements. There is currently no requirement for HNZ to be a registered CHP.

Website: http://chra.mbie.govt.nz/i-want-to-apply-for-registration/how-to-apply/

Email: CHRA@mbie.govt.nz

Phone: 04 896 5908

Step 3: Contract with MSD for provision of IRRS tenancies

Once registered, CHPs will be eligible to enter into a contract with MSD for IRRS tenancies.

Part 3 of this document outlines the areas and typologies (number of bedrooms) for houses that MSD anticipates being interested in purchasing over the next four years. These are indicative intentions; actual purchasing may be either greater or less than what is indicated in this document. Purchasing intentions will be updated each year, to reflect changes in demand, supply, and funding availability.

For more information:

- Operational guidelines: http://www.housing.msd.govt.nz/documents/forms/provider-forms/operational-guidelines-chps.pdf

- Guidelines and forms: http://www.housing.msd.govt.nz/information-for-housing-providers/irrs-tenancies/index.html

- IRRS Outcome Agreement: http://www.housing.msd.govt.nz/documents/information-for-housing-providers/providers/irrs-outcome-agreement-june-2015.docx

- Frequently asked questions: http://www.housing.msd.govt.nz/information-for-housing-providers/providers/community-housing-providers-faqs.html

Step 4: MSD assesses potential tenants' needs

MSD assesses each person's, or household's, eligibility for social housing based on their needs. When we assess their needs we look at:

- their ability to afford alternative private housing

- the standard of their current housing

- the extent to which the applicant's current housing meets their needs (including overcrowding)

- particular factors such as accessibility or discrimination that may prevent them from finding housing

- their ability to afford private housing in the long term.

Depending on their needs and options, households may be put on the social

housing register and referred to a social housing provider.

MSD has recently reviewed and updated the needs assessment model for social housing to ensure that it is fit for purpose and well integrated with other MSD supports. The eligibility criteria used to assess social housing need can be found on the links given below.

For more information:

- Application process: http://www.housing.msd.govt.nz/housing-options/social-housing/application-process.html

- Social housing register: http://housing.msd.govt.nz/information-for-housing-providers/register/index.html

- Social Allocation System (SAS) criteria: http://www.workandincome.govt.nz/map/legislation/ministerial-directions/eligibility-for-social-housing-direction/index.html

Step 5: CHPs match applications to properties

Providers are responsible for matching applicants to properties, based on their needs. People and households with the greatest needs are placed first.

Step 6: Make offers, start tenancies, end tenancies

The Social Housing Provider Operational Guidelines explain the processes involved in day-to-day tenancy management – such as making offers to potential tenants, starting tenancies and ending tenancies.

- Social Housing Provider Operational Guidelines: http://www.housing.msd.govt.nz/information-for-housing-providers/irrs-tenancies/index.html

How do I get a contract to provide social housing?

There are currently several ways providers can get involved, depending on the type of contract and where they wish to provide social housing.

Opportunities available in all regions

There are two opportunities that are available to providers in all regions:

- **short-term spot contracts** – short-term spot contracts will be offered to CHPs in areas as outlined in part 3 of this document.

- **transfer of HNZ properties and tenancies to CHPs** – CHPs interested in buying existing HNZ properties and tenancies should respond via the request for information (RFI) process outlined below. CHPs are encouraged to register their interest in transfers that meet their organisation's needs and risk profile. For example, this might relate to either small- or large-scale transfers, focusing on a particular geographical location, or working with tenants with specific characteristics or needs.

Nationwide: Transfer of HNZ properties and tenancies to CHPs

In September 2015 the Treasury released an RFI to identify opportunities in relation to the **transfer of existing HNZ properties and tenancies for ongoing social housing purposes**.

The RFI will inform decisions about future transfers, should the Government decide to proceed. This RFI is not about the recent transfer processes in Tauranga.

The RFI is not a procurement process. It is intended to provide the opportunity for potential market participants to engage with the Government and a platform for ongoing engagement. It is envisaged that the RFI will be updated periodically as the Government's views on, and interest in, different types of potential opportunities emerge.

For more information:

http://www.treasury.govt.nz/statesector/socialhousing/rfi

Opportunities in areas of high demand

In addition to the two opportunities described in all regions, there are other opportunities for CHPs to get involved in areas of high demand.

- **building, buying or leasing properties to be used for social housing** – in high-demand areas

- **purchase of additional social housing places** – in Auckland

- **development of vacant or underutilised Crown land** – in Auckland

- **long-term capacity contracts** – in Whangarei, Auckland, Hamilton, Wellington, Lower Hutt and Christchurch; see page 20 for further details.

High-demand areas: Building, buying or leasing properties for social housing

In September 2015 the Treasury released an RFI to identify opportunities in relation to **the development of land or buildings it owns, or intends to acquire, for new social housing or a mix of social and affordable housing** in high-demand areas.

The RFI is not a procurement process. It is intended to provide the opportunity for potential market participants to engage with the Government and a platform for ongoing engagement. It is envisaged that the RFI will be updated periodically as the Government's views on, and interest in, different types of potential opportunities emerge.

For more information:

http://www.treasury.govt.nz/statesector/socialhousing/rfi

Auckland: Purchase of additional IRRS places

In November 2015 MSD released a request for proposals (RFP) to engage providers to deliver additional IRRS places in Auckland.

The aim of the RFP is to provide additional social housing places in the high-demand Auckland market for prospective tenants from the social housing register, over and above the current availability of social housing places.

The RFP seeks to contract for IRRS places under different, more tailored, contractual arrangements from those used for existing IRRS contracts, to help promote the supply of social housing places in Auckland.

For more information:

https://www.gets.govt.nz/MSD/ExternalTenderDetails.htm?id=17027338

Auckland: Using vacant or underutilised Crown-owned land to provide IRRS places

In March 2016 MSD released an invitation to partner (ITP) to establish a panel of CHPs to deliver additional IRRS housing services in Auckland.

The ITP is solely for situations where:

Are there opportunities for providers to purchase Housing New Zealand properties?

As outlined in part 1, the Social Housing Reform Programme includes the transfer of some Housing New Zealand properties and tenancies to registered CHPs. The purpose of the transfers is to help grow the community housing sector and encourage innovation to better meet tenants' needs. This process is referred to as 'social housing transfers', as ownership of the properties is transferred to the CHP.

Where HNZ properties and tenancies are transferred to a new landlord, the tenancy agreements will not change. Tenants will:

- continue to be housed for the duration of their need

- have their eligibility assessed by the Ministry of Social Development, as it is now

- have the same rights as they do now, and CHPs taking on transferred properties will have the same responsibilities as HNZ has now.

Any properties transferred to a new provider are required to remain in use as social housing and cannot be sold unless the Government agrees to this. The Government would give that approval only if the house is no longer needed, or it is to be redeveloped to better match social housing needs.

CHPs are regulated and monitored by the Community Housing Regulatory Authority.

For further information: http://chra.mbie.govt.nz/

The houses cannot be sold and must remain in use as social housing unless the Government agrees otherwise. Any successful bidder will be a registered community housing provider with strong links to social service providers. For further information: http://www.treasury.govt.nz/statesector/socialhousing/christchurch-sht

- **Tauranga** – in August 2016 IHC subsidiary Accessible Properties was chosen as the preferred provider to take over the ownership of 1,124 Housing New Zealand properties in Tauranga. For further information: http://www.treasury.govt.nz/statesector/socialhousing/tauranga-sht

- **Further transfers in other areas of the country are planned** – for further information on transfers in other areas of the country, or to join the social housing transfer database, please email: socialhousing@treasury.govt.nz

How will the performance of social housing providers be assessed?

MSD is planning to develop a more detailed and outcomes-focused monitoring system to measure provider performance.

MSD will look to capture information either in the contract with the social housing provider or through a regular survey of tenants. MSD will look to minimise the reporting burden on providers, and will look to capture information about the:

- quality of social housing properties

- quality of tenancy management services

- utilisation

- main reason for exiting social housing

- extent to which social housing improves tenants' ability to cope with other aspects of their lives (eg their financial situation, employment, health).

Measures and information will be collected over time. Some information will be used to set performance measures and some may be used to describe system performance to help inform MSD and the wider sector to address tenants' needs.

These performance measures will not overlap or duplicate monitoring that is currently done by the Community Housing Regulatory Authority. CHRA's performance standards pertain to areas of organisational performance (governance, management, financial viability, tenancy management (including minimum quality requirements), and property management) and are designed specifically to ensure that organisations remain viable (sustainable) over the long term and meet minimum standards of performance.

How do providers of social services get involved?

Funding for social services

MSD has identified a number of different groups of tenants who may be able to achieve better outcomes if they were provided with additional targeted social services.

What a 'better outcome' looks like will vary according to the tenant cohort. For example, for a sole parent with two children this might involve completing secondary and/or tertiary study so that in future they can get a full-time job to support their family. Alternatively, for a tenant who was recently released from prison this might involve securing a full-time job and not reoffending. For a tenant who has previously been evicted from social housing, it might involve a social service provider working with them to identify the root cause of the issue and helping the person to access the necessary services to enable them to sustain the new tenancy.

To get a better understanding of the nature of these tenants' needs, and the effectiveness of different types of support to help them achieve better outcomes, MSD will run a series of trials in 2016/2017. These initiatives are outlined in the box below.

Supporting better tenant outcomes

Many social housing tenants and people who are homeless have multiple and complex unmet needs that impact on their ability to sustain housing. MSD is progressing a number of initiatives focused on providing social housing tenants with the supports they might need to help them sustain their tenancies.

A Tenant Outcomes Fund has been established to help community-based organisations improve outcomes for people with severe housing needs – $10 million over two years has been allocated to pilot the following three initiatives:

- $3 million to trial the Housing First approach in Central, South and West Auckland. Through this initiative, community-based providers will be funded to support people who are homeless to access and stay in longer-term housing

- $6 million spread across the Sustaining Tenancies initiative, which will support people with multiple and complex needs who are at risk of losing their tenancies to sustain them. $2 million of the fund will be used to support HNZ-identified tenants and $3 million will be used to support MSD-identified tenants

- $1 million to support social housing tenants who with some additional support would be able to move into the private rental market or home ownership.

Name of initiative	Description	Status
Housing First	The Housing First approach has been internationally and locally proven to be effective in supporting people who are homeless to sustain housing. The approach focuses on firstly housing people and secondly providing them	Closed RFP; providers have been selected

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	with the services they may need to sustain their housing once they are there. It will be trialled in Central, South and West Auckland, with a key outcome being that those who are supported through this initiative are still in their home 12 months after they have been housed.	
Sustaining Tenancies[6]	The focus of the pilots being undertaken as part of this initiative is on improving outcomes for vulnerable New Zealanders with complex needs. A key outcome of this work is that those who receive support through these initiatives are able to sustain housing. The target cohort for the pilots will be identified by MSD and HNZ using data and evidence. Through the pilots, we will grow the evidence base of what approaches are most effective in supporting some of the most vulnerable New Zealanders. We plan to share what we learn widely across the sector, as this information will be used to inform future funding decisions. Care will be taken to ensure that, where community housing providers are providing housing support as well as broader social supports, there is a clear distinction between the two services.	RFP closed 18 Nov 2016
Moving to Independence	This initiative is focused on helping tenants who have aspirations to move out of social housing, so they can transition to independence, by providing them with the support they need, for example budgeting advice. The target cohort for this initiative is still being defined, in consultation with the sector.	RFP will be released on the New Zealand Government Electronic Tenders Service (GETS)[7] in 2017

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[6] https://www.gets.govt.nz/MSD/ExternalTenderDetails.htm?id=18040459
[7] https://www.gets.govt.nz/ExternalIndex.htm

Part 3: Purchasing intentions

This section outlines MSD's purchasing intentions in relation to:

- change within the current base of social housing places

- additional social housing places.

The purchasing intentions are updated each year, to reflect changes in demand, supply, and funding availability.

An increasing proportion of social housing places will be provided by community housing providers

To help ensure sustainability in the market, MSD is seeking to grow the proportion of social housing places that are provided by community housing providers (CHPs), both at scale and niche. At a high level, MSD would expect to see approximately equal proportions of additional IRRS places being provided by CHPs and Housing New Zealand (HNZ).

MSD is also looking to continue to support new and existing providers into the market who have expertise in successfully supporting particular cohorts of tenants with a broad spectrum of needs. MSD has a focus on metropolitan areas and areas it has identified as having the greatest need for additional social housing places.

Increasing diversity in the market means more innovative and responsive services can be provided to tenants and will enable MSD to learn more about what works for whom. Providers know their tenants' needs best and many are already supporting their tenants to access other services in the community.

HNZ is increasing provision of places in the short to medium term, with a focus on areas of high demand.

Purchasing intentions for change within the base

There is a significant mismatch between current social housing and the needs of many tenants. In some cases, this mismatch occurs because the tenant's circumstances have changed (eg their children have grown up and left home), and in other cases it occurs because the profile of current properties does not match the needs of tenants.

Reducing the level of mismatch would free up funding to enable more people in need of social housing to be housed. It is vital that the available funding is used as efficiently as possible, so that more people in need on the social housing register can be housed.

MSD is considering options to reduce the level of mismatch of existing social housing places. This is likely to involve incentives for providers and tenants to respond to underutilisation. Table 8 shows the locations and typologies where change within the base is required.

Appendix 9 provides an overview of the methodology used to develop Table 8.

Table 8: Intentions for change within the existing number of IRRS places

TLA		One bedroom	Two bedrooms	Three bedrooms	Four+ bedrooms
Auckland	North[8]	Increase	Maintain	Maintain	Consider decreasing in future
	West[9]	Increase	Increase	Maintain	Maintain
	Central[10]	Increase	Increase	Maintain	Maintain
	South[11]	Increase	Increase	Maintain	Maintain
Far North District		Increase	Increase	Increase	Decrease
Whangarei District		Increase	Increase	Increase	Maintain
Kaipara District		Maintain	Maintain	Decrease	Decrease
Thames-Coromandel District		Maintain	Maintain	Decrease	Decrease
Hauraki District		Increase	Maintain	Decrease	Decrease
Waikato District		Maintain	Increase	Maintain	Decrease
Matamata-Piako District		Increase	Increase	Decrease	Decrease
Hamilton City		Increase	Increase	Increase	Maintain
Waipa District		Increase	Increase	Decrease	Decrease
Otorohanga District		Maintain	Maintain	Decrease	Decrease
South Waikato District		Maintain	Maintain	Decrease	Decrease
Waitomo District		Maintain	Maintain	Decrease	Decrease
Taupo District		Increase	Increase	Decrease	Decrease
Western Bay of Plenty District		Increase	Increase	Increase	Maintain
Tauranga City		Increase	Increase	Increase	Maintain
Rotorua District		Increase	Increase	Increase	Consider decrease in future

[8] North: Devonport-Takapuna Local Board Area, Hibiscus and Bays Local Board Area, Kaipatiki Local Board Area, Rodney Local Board Area, Upper Harbour Local Board Area.
[9] West: Henderson-Massey Local Board Area, Waitakere Ranges Local Board Area, Whau Local Board Area.
[10] Central: Albert-Eden Local Board Area, Maungakiekie-Tamaki Local Board Area, Orakei Local Board Area, Papakura Local Board Area, Puketapapa Local Board Area, Waiheke Local Board Area, Waitemata Local Board Area.
[11] South: Franklin Local Board Area, Howick Local Board Area, Mangere-Otahuhu Local Board Area, Manurewa Local Board Area, Otara-Papatoetoe Local Board Area.

Whakatane District	Increase	Increase	Increase	Consider decrease in future
Kawerau District	Maintain	Maintain	Maintain	Maintain
Opotiki District	Maintain	Maintain	Maintain	Maintain
Gisborne District	Increase	Increase	Increase	Decrease
Wairoa District	Maintain	Maintain	Decrease	Decrease
Hastings District	Increase	Increase	Increase	Maintain
Napier City	Increase	Increase	Increase	Maintain
Central Hawke's Bay District	Maintain	Maintain	Decrease	Decrease
New Plymouth District	Increase	Increase	Increase	Decrease
Stratford District	Maintain	Maintain	Decrease	Decrease
South Taranaki District	Maintain	Maintain	Decrease	Decrease
Ruapehu District	Maintain	Maintain	Decrease	Decrease
Wanganui District	Increase	Increase	Increase	Decrease
Rangitikei District	Maintain	Maintain	Decrease	Decrease
Manawatu District	Maintain	Maintain	Decrease	Decrease
Palmerston North City	Increase	Increase	Increase	Consider decrease in future
Tararua District	Maintain	Maintain	Decrease	Decrease
Horowhenua District	Increase	Maintain	Decrease	Decrease
Kapiti Coast District	Increase	Increase	Increase	Decrease
Porirua City	Increase	Increase	Increase	Maintain
Upper Hutt City	Increase	Increase	Maintain	Maintain
Lower Hutt City	Increase	Increase	Increase	Maintain
Wellington City	Increase	Increase	Increase	Maintain
Masterton District	Maintain	Maintain	Maintain	Maintain
Carterton district	Maintain	Maintain	Maintain	Maintain
South Wairarapa district	Maintain	Maintain	Maintain	Maintain
Tasman District	Increase	Increase	Maintain	Decrease
Nelson City	Increase	Increase	Maintain	Decrease
Marlborough District	Increase	Increase	Decrease	Decrease
Kaikoura District	Maintain	Maintain	Decrease	Decrease
Buller District	Maintain	Maintain	Decrease	Decrease
Grey District	Increase	Maintain	Decrease	Decrease
Westland District	Maintain	Maintain	Decrease	Decrease
Hurunui District	Maintain	Maintain	Decrease	Decrease
Waimakariri District	Maintain	Maintain	Decrease	Decrease
Christchurch City	Increase	Increase	Increase	Maintain
Selwyn District	Maintain	Maintain	Decrease	Decrease
Ashburton District	Increase	Increase	Decrease	Decrease
Timaru District	Increase	Maintain	Decrease	Decrease
Mackenzie District	Maintain	Maintain	Decrease	Decrease
Waimate District	Maintain	Maintain	Decrease	Decrease
Waitaki District	Maintain	Maintain	Decrease	Decrease

Central Otago District	Maintain	Maintain	Decrease	Decrease
Queenstown-Lakes District	Maintain	Maintain	Maintain	Maintain
Dunedin City	Increase	Increase	Maintain	Decrease
Clutha District	Maintain	Maintain	Decrease	Decrease
Southland District	Maintain	Maintain	Decrease	Decrease
Gore District	Maintain	Maintain	Decrease	Decrease
Invercargill City	Increase	Increase	Decrease	Decrease

Purchasing intentions for additional IRRS places

Table 9 shows the locations and types of properties where MSD would like to purchase additional IRRS places over the next four years.

The total number of tenancies that can be afforded within the available funding is dependent on policy settings and market conditions. The volume estimates provided here reflect MSD's current intentions, but the actual volumes purchased are likely to vary, and the intentions set out here do not commit MSD to purchasing at these volumes.

MSD also needs flexibility to respond effectively to unexpected changes in demand, and to meet local needs. MSD will be monitoring changes in the register closely and adapting its purchasing to meet changing needs. The volumes set out for each region and location are not targets, nor are they limits. It may not be necessary to purchase up to these volumes, or conversely there may be a need to exceed the places recommended due to unexpected demand increases.

Appendix 9 provides an overview of the methodology used to develop Table 9.

Table 9: Purchasing intentions for additional IRRS places

TLA		One bedroom	Two bedrooms	Three bedrooms	Four+ bedrooms	TOTAL
Auckland	North[12]	80	40	5	0	125
	West[13]	160	200	90	70	520
	Central[14]	250	185	80	30	545
	South[15]	200	280	130	100	710
Far North District		20	10	0	0	30
Whangarei District		40	40	15	5	100
Kaipara District		0	0	0	0	-
Thames-Coromandel District		0	0	0	0	-
Hauraki District		0	0	0	0	-

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[12] North: Devonport-Takapuna Local Board Area, Hibiscus and Bays Local Board Area, Kaipatiki Local Board Area, Rodney Local Board Area, Upper Harbour Local Board Area.
[13] West: Henderson-Massey Local Board Area, Waitakere Ranges Local Board Area, Whau Local Board Area.
[14] Central: Albert-Eden Local Board Area, Maungakiekie-Tamaki Local Board Area, Orakei Local Board Area, Papakura Local Board Area, Puketapapa Local Board Area, Waiheke Local Board Area, Waitemata Local Board Area.
[15] South: Franklin Local Board Area, Howick Local Board Area, Mangere-Otahuhu Local Board Area, Manurewa Local Board Area, Otara-Papatoetoe Local Board Area.

Waikato District	5	5	0	0	10
Matamata-Piako District	0	5	0	0	5
Hamilton City	100	20	30	20	170
Waipa District	0	0	0	0	-
Otorohanga District	0	0	0	0	-
South Waikato District	0	0	0	0	-
Waitomo District	0	0	0	0	-
Taupo District	10	10	0	0	20
Western Bay of Plenty District	10	10	0	0	20
Tauranga City	90	25	30	5	150
Rotorua District	40	30	10	0	80
Whakatane District	15	20	5	0	40
Kawerau District	0	0	0	0	-
Opotiki District	0	0	0	0	-
Gisborne District	30	35	5	0	70
Wairoa District	0	0	0	0	-
Hastings District	30	30	10	0	70
Napier City	50	50	25	0	125
Central Hawke's Bay District	0	0	0	0	-
New Plymouth District	10	0	0	0	10
Stratford District	0	0	0	0	-
South Taranaki District	0	0	0	0	-
Ruapehu District	0	0	0	0	-
Wanganui District	10	5	5	0	20
Rangitikei District	0	0	0	0	-
Manawatu District	0	5	0	0	5
Palmerston North City	50	10	10	0	70
Tararua District	0	0	0	0	-
Horowhenua District	5	5	0	0	10
Kapiti Coast District	10	5	5	0	20
Wellington area (Wellington City, Lower Hutt, Upper Hutt, and Porirua City)	315	55	60	5	435
Masterton District	0	0	0	0	-
Carterton district	0	0	0	0	-
South Wairarapa district	0	0	0	0	-
Tasman District	5	5	5	0	15
Nelson City	10	5	0	0	15
Marlborough District	30	20	0	0	50

Kaikoura District	0	0	0	0	-
Buller District	0	0	0	0	-
Grey District	5	0	0	0	5
Westland District	0	0	0	0	-
Hurunui District	0	0	0	0	-
Waimakariri District	10	5	0	0	15
Christchurch City	220	30	20	0	270
Selwyn District	0	0	0	0	-
Ashburton District	5	0	0	0	5
Timaru District	5	0	0	0	5
Mackenzie District	0	0	0	0	-
Waimate District	5	5	0	0	10
Chatham Islands territory	0	0	0	0	-
Waitaki District	0	0	0	0	-
Central Otago District	0	0	0	0	-
Queenstown-Lakes District	0	0	0	0	-
Dunedin City	30	10	0	0	40
Clutha District	0	0	0	0	-
Southland District	0	0	0	0	-
Gore District	0	0	0	0	-
Invercargill City	10	0	0	0	10
TOTAL	1,865	1,160	540	235	3,800

Appendix 1: Background on social housing in New Zealand

Social housing provides support to the most vulnerable New Zealanders

The benefits of providing social housing extend beyond simply providing accommodation. Social housing plays an important role for families, and can provide a stable platform to improve other outcomes, such as health, justice, education and employment.

People are eligible to apply for social housing if they are:

- aged 16 years or over

- ordinarily resident in New Zealand, and

- a New Zealand citizen, or a permanent resident in New Zealand. If they have been a permanent resident in New Zealand for less than two years they may qualify if they're getting a main benefit. If they're not a New Zealand citizen or a permanent resident they may qualify if they're getting an emergency benefit under special circumstances (eg they're applying for residency and must stay in New Zealand)

- have income under:

    - $577.14 a week (after tax) for people who have no partner and no dependent children
    - $887.91 a week (after tax) for people who have a partner and/or dependent children

- have cash assets worth less than $42,700.

People apply for social housing as a result of a range of different circumstances, including:

- inadequate or unsuitable current accommodation

- employment or family reasons (such as family violence, family breakdown or job loss)

- financial stress

- homelessness

- medical or other special need

- neighbourhood or safety issues

- tenancy ending or eviction

- inability to access alternative housing.

How much rent do tenants pay?

The rent payment for people who live in social housing is capped at 25 percent of the tenant's income, for tenants with income at or below the level of NZ Super. Tenants with income above NZ Super pay a higher proportion of their income as income-related rent (IRR). The remainder of the rent is paid as a subsidy by MSD to the social housing provider.

Appendix 2: What roles do government agencies and providers of social housing have?

The Social Housing Reform Programme agencies include MSD, the Ministry of Business, Innovation and Employment, the Treasury and Te Puni Kōkiri. The reforms have seen a shift in social housing provision and in the roles and functions of the agencies.

Housing providers have different interactions with each agency. The table below sets out each agency's role in supporting the housing system, people and providers.

Ministry of Social Development
... works with clients, housing providers and other social service providers

Supports the system by...

- Managing the social housing register
- Managing the IRRS appropriation
- Calculating and reviewing the income-related rent tenants are required to pay
- Purchasing social housing places by contracting with and paying Income-Related Rent Subsidies to housing providers
- Completing tenancy reviews
- Establishing and monitoring performance measures for providers and government

Helps people by...

- Assessing eligibility for social housing and a person's need for a house
- Supporting people with a serious housing need who can't be referred to a provider immediately
- Helping people find the right housing option for their situation
- Reviewing decisions on eligibility, needs assessment and income-related rent
- Providing assistance to support people to move to independence from social housing

Supports providers by...

- Releasing information on current and future purchasing intentions to inform investment decisions
- Providing flexible contracting arrangements to support sustainability and growth in the sector

Ministry of Business, Innovation and Employment
... works with tenants, and registered and potential housing providers

Supports the system by...

- Approving and registering CHPs who meet prescribed eligibility criteria and performance standards
- Maintaining the register of CHPs and monitoring compliance with the performance standards
- Investigating and determining complaints about registered CHPs
- Suspending or revoking registration when a CHP no longer meets the criteria and performance standards

Helps people by…
• Providing advice and assistance to resolve common tenancy issues
Supports providers by…
• Providing advice on the how to register with the CHRA
• Identifying vacant Crown land in Auckland suitable for housing development
The Treasury   *… works with other agencies on transfers of HNZ properties*
Supports the system by…
• Monitoring HNZ on behalf of the responsible Minister
• Managing the transfer of HNZ properties to registered CHPs
Helps people by…
• Ensuring existing tenants in HNZ properties will not be disadvantaged as a result of property transfers
Supports providers by…
• Providing up-to-date information on the process for buying HNZ properties
Te Puni Kōkiri   *… works with iwi, hapū and whānau Māori, and Māori housing and social service providers*
Supports the system by…
• Working across government and communities to lead the development of Māori housing and Māori housing policy
Helps people by…
• Administering the Māori Housing Network to support iwi, hapū and whānau Māori to achieve their housing aspirations through: providing information, advice and practical support; managing government funding for housing projects; and working with other agencies to co-ordinate approaches to improve Māori housing
Supports providers by…
• Facilitating access to advice on registering with the CHRA

Housing providers

Creating an innovative and dynamic social housing system that is more responsive to the needs of tenants is central to the reforms. Since MSD became the purchaser of social housing places, registered CHPs have been able to access the IRRS for new tenancies. MSD is now contracting with a more diverse group of providers. As at 30 September 2016, 3,156 CHP tenancies were receiving IRRS, compared with 240 as at 30 June 2015.

Housing providers (HNZ and CHPs)   *… work with current and prospective tenants, and government agencies*
Provide landlord duties by…
• Matching prospective tenants to properties
• Starting and ending tenancies

- Preparing and managing tenant agreements

- Liaising with tenants

- Charging rent (based on income-related rent or market rent as appropriate)

- Transferring tenants

- Collecting rent, debt for overdue rent and damage charges

Support tenants to sustain their tenancy and move towards independence, where appropriate, by…

- Being proactive in their concern for the broader welfare of their tenants, and if necessary supporting tenants to access local community services as needed

Maintain supply of housing by…

- Buying, selling developing and/or leasing suitable properties

- Managing and maintaining houses to an agreed standard

Other participants in the social housing market

The reforms have increased the range of participants in the social housing market to include financiers, developers, investors and philanthropic organisations. Together they provide a range of services that meet the needs of tenants, through tenancy services, tenancy management, asset management, construction of new supply, design for new housing typologies, leasing from institutional landlords, equity investment and financing.

A number of local authorities provide social housing. Some councils are considering moving, and some are starting to move, their properties into registered community housing providers.

Not all of the services will be provided by a registered CHP but could be delivered through a subcontractor relationship with a CHP or through leasing, developing, investing in or financing housing supply that is used by a CHP to deliver social housing services.

An open request for information (RFI) process has been established to enable any entity (that is not a registered CHP) with an interest in operating in the wider social housing market to submit responses to discuss potential partnership opportunities with MSD.

Appendix 3: What support is available to people with housing needs?

Housing Support Products

The Housing Support Products are a set of products that aim to address barriers to accessing or retaining alternative housing by meeting needs not covered by other forms of assistance. This assistance is available to clients who are existing social housing tenants, or are on the register for social housing, or people who have contacted MSD about social housing but who could retain alternative housing with some assistance. Assistance is approved on a discretionary basis. All assistance is non-recoverable, with the exception of moving assistance and tenancy costs cover.

Housing Support Products			
Product	**Description**	**Target group**	**Financial limits**
Bond Grant	Non-recoverable payment to assist clients to move from social housing into alternative housing, where there is a gap between the client's existing bond using income-related rent and bond payable at usual rent amounts	• Jobseeker Support and Sole Parent Support households moving closer to job opportunities • Families with vulnerable children or children at risk of rheumatic fever (to move closer to services or out of overcrowded or unhealthy accommodation) • People moving as a result of a tenancy review, either during the planning or engagement phase or following a formal review	Maximum of 4 weeks' rent, up to $2,000
Letting Fees Assistance	Non-recoverable assistance available to meet the cost of letting fees	• Families with vulnerable children or children at risk of rheumatic fever (to move closer to services or out of overcrowded or unhealthy accommodation) • People moving as a result of a tenancy review, either during the planning or engagement phase or following a formal review	Maximum of 1 week's rent plus GST
Rent in Advance	Non-recoverable rent in advance payment to clients, recognising that entry costs are a major barrier to moving into alternative housing	• Social housing tenants who with extra help could move into private housing • People on the social housing register • People who have contacted MSD with a housing need, and whomay require social housing if they don't receive extra help	Maximum of 2 weeks' rent, up to $1,000
Moving Assistance	Assistance with the physical cost of moving (payment is	• Jobseeker Support and Sole Parent Support households moving closer to job	Maximum of $1,500

Product	Description	Target group	Financial limits
	recoverable to ensure that clients find the most economical way to move)	opportunities • Families with vulnerable children or children at risk of rheumatic fever (to move closer to services or out of overcrowded or unhealthy accommodation) • People moving as a result of a tenancy review (either within social housing or exiting)	
Tenancy Costs Cover	Assistance for tenancy-related costs in excess of bond paid to reduce the (perceived) risks for landlords letting to disadvantaged groups	• Households with characteristics that may be considered high risk by the market, including families with young children, young people (18-25), and larger households	Maximum of 4 weeks' rent for the alternative housing
Transition to Alternative Housing Grant	One-off non-recoverable payment available to people in social housing who are living in areas with high waiting lists, who voluntarily exit their social housing, or who are in the independence planning phase of tenancy reviews	• Tenants who are in the engagement or planning phase of tenancy reviews • Tenants who are living in areas where there is high demand for social housing	$3,000
Statement of Satisfactory Tenancy	Standardised reference from a social housing provider that targets landlords' three core tenant selection concerns (rent arrears, damage costs and behaviours)	• All tenants with good tenancy history exiting social housing	N/A

Income Support: Extra Help

Clients can also access other recoverable income support for essential housing costs.

Income Support: Extra Help			
Product	**Description**	**Target group**	**Financial limits**
Recoverable Assistance Payment	Non-taxable, interest-free, recoverable assistance to non-beneficiaries to meet essential immediate needs for specific	Client must be able to identify a particular immediate need for an essential item or service	Maximum 6 weeks of the rate of Supported Living Payment

	items or services (eg rent and bond)		
Advance Payment of Benefit	Clients receiving a main benefit and who require assistance to meet a particular immediate need for an essential item (eg rent and bond)	Any client who is receiving a main benefit and has an immediate need for an essential item	Maximum 6 weeks of their net benefit entitlement

Conditional Grant Assistance

Non-recoverable assistance to help people cover bond, rent in advance and letting fees for alternative housing. The purpose of this assistance is to encourage people to actively search for alternative housing. If a client returns to social housing within 52 weeks of receiving the conditional grants, the assistance becomes recoverable.

Conditional Grant Assistance			
Product	**Description**	**Target group**	**Financial limits**
Bond Grant	A bond payment that directly addresses a major housing barrier (entry costs)	Priority B applicants on the social housing register and tenants on the transfer register to move to alternative housing	Maximum of 4 weeks' rent, up to $2,000
Rent in Advance	A rent in advance payment that directly addresses a major housing barrier (entry costs)		Maximum of 2 weeks' rent, up to $1,000
Letting Fees	A letting fees payment that directly addresses a major housing barrier (entry costs)		Maximum of 1 week's rent plus GST

Case management support for independence

Initiatives that provide case management and other support to tenants in social housing and people on the register for social housing to support them to independence as appropriate.

Case management support for independence		
Product	**Description**	**Target group**
Tenancy reviews (assessing ongoing eligibility for social housing)	Working with tenants to identify whether more suitable social housing is required or, where appropriate, a transition out of social housing is achievable. Tenancy reviews ensure that social housing is available for the people who need it the most for the duration of that need	Groups of people that may be more likely to be able to rent in the private rental market, in particular those paying market rent or near market rent, and tenants in areas where there are high levels of demand for social housing
Working	Enables beneficiaries in WFCM to	People on the social housing

differently with register clients in Work Focused Case Management (WFCM)	also achieve housing outcomes. Currently, these clients are supported to achieve employment. This initiative adds housing support to the intensive case management approach	register who are also in WFCM
Relocation from Auckland	Provides information and advice to housing providers about the support that could be offered to clients in high-demand areas who want to move to areas where affordable housing is available	People living in Auckland

Appendix 4: Registered community housing providers (CHPs) as at 24 November 2016

Table 10 lists all organisations currently registered as community housing providers as at 24 November 2016. Please refer to the Community Housing Regulatory Authority (CHRA) website for the current list of registered CHPs, including their contact details: http://chra.mbie.govt.nz/about-chra/register/

Table 10 also shows the number of IRRS places each CHP is contracted for as at XXX. This information has the following caveats:

- MSD's reporting on IRRS is approximated based on the tenants assessed Income Related Rent. While it gives an indication of who is eligible to receive IRRS, it may not be the same number of households that are actually receiving IRRS.
- There is a delay from when a change to a tenant's IRR affects their actual receipt of that subsidy and as such numbers from IRRS invoices will differ.
- This only includes Community Housing Providers (CHP) tenancies.
- Territorial Local Authority (TLA) is based on the tenancy address. TLA is defined under the Local Government Act 2002 as a city council or district council. Ungeocoded tenancy address records that are unable to be matched to a TLA through suburb and city details have an unknown TLA.
- MSD has made improvements to the reporting of this data and as such some numbers may differ from those previously published.
- Where a CHP has 5 or fewer IRRS places, the number has been supressed in the table (indicated by "S" in the table below).
- As a result of the suppressions, the total of IRRS places in this table does not equal the total in Table 1.

Table 10: Registered community housing providers, as at 24 November 2016

Provider number	Organisation	IRRS places as at 30 Sept 2016	Geographic location
RA002	Accessible Properties NZ Limited	106	Auckland, Waikato, Bay of Plenty, Wellington, Canterbury
RA003	Airedale Property Trust	S	Auckland
RA004	Bays Community Housing Trust	S	Auckland
RA006	Christchurch Methodist Central Mission	12	Canterbury
RA007	Comcare Charitable Trust	38	Canterbury
RA008	Coromandel Independent Living Trust	S	Waikato
RA009	Community of Refuge Trust	99	Auckland
RA010	Dwell Housing Trust	22	Wellington
RA011	Habitat for Humanity New Zealand Limited		Northland, Auckland, Waikato, Taranaki, Manawatu, Wanganui, Bay of Plenty, Gisborne, Hawke's Bay, Wellington, Tasman, Nelson, Canterbury, Otago, Southland
RA013	Kahungunu Executive ki		Hawkes Bay

	te Wairoa Charitable Trust		
RA014	LinkPeople	106	Auckland, Waikato, Taranaki, Manawatu, Wanganui, Wellington
RA015	Mangatawa Papamoa Blocks Incorporated	10	Bay of Plenty
RA016	Monte Cecilia Housing Trust	13	Auckland
RA017	The Nelson Tasman Housing Trust	13	Tasman, Nelson
RA019	New Zealand Housing Foundation		Northland, Auckland, Canterbury
RA020	Queenstown Lakes Community Housing Trust	11	Otago
RA021	Tauranga Community Housing Trust (also trading as: Tawanui Community Housing)	23	Bay of Plenty
RA024	Te Runanganui O Ngati Porou Trustee Limited	S	Gisborne
RA027	VisionWest Community Trust	48	Auckland, Canterbury
RA028	Whangarei Accessible Housing Trust	S	Northland, Auckland
RA029	Whatever It Takes Trust Incorporated	16	Hawke's Bay
RA031	Nga Potiki A Tamapahore Trust		Bay of Plenty
RA034	Trust House Limited	6	Manawatu, Wanganui
RA035	Emerge Aotearoa Housing Trust (formerly known as Recovery Solutions Property Trust)		Auckland
RA036	Marlborough Sustainable Housing Trust		Marlborough
RA037	Waiohiki Community Charitable Trust	S	Hawke's Bay
RA038	Te Taiwhenua o Heretaunga Trust	S	Hawke's Bay
RA039	Nga Rau Tatangi – Māori Housing Foundation	10	Waikato
RA040	The Salvation Army	12	Auckland, Waikato, Taranaki, Gisborne, Wellington, Marlborough, Canterbury, Otago
RA041	Whai Maia Charitable Trust	32	Auckland
RA042	Just Housing Otepoti	S	Otago
RA043	Pact Group		Wellington, West Coast, Otago, Southland
RA044	The Selwyn Foundation		Northland, Auckland, Waikato
RA045	Chinese New Settlers		Auckland

	Services Trust		
RA046	Abbeyfield NZ Inc		Northland, Auckland, Waikato, Manawatu, Wanganui, Wellington, Tasman, Nelson, Canterbury, Otago
RA047	Tāmaki Housing Association Limited Partnership	2,561	Auckland
RA048	Compass Housing Services (New Zealand) Co Ltd		
RA049	Homes of Choice Limited		Auckland, Waikato, Bay of Plenty
RA050	Ōtautahi Community Housing Trust		Canterbury
RA051	Porirua Whānau Centre Trust		Wellington
RA052	Windows Trust		Hawke's Bay, Wellington

Appendix 5: Map showing regions and TLAs

Figure 11: Map of New Zealand showing regions and territorial local authorities (TLAs)
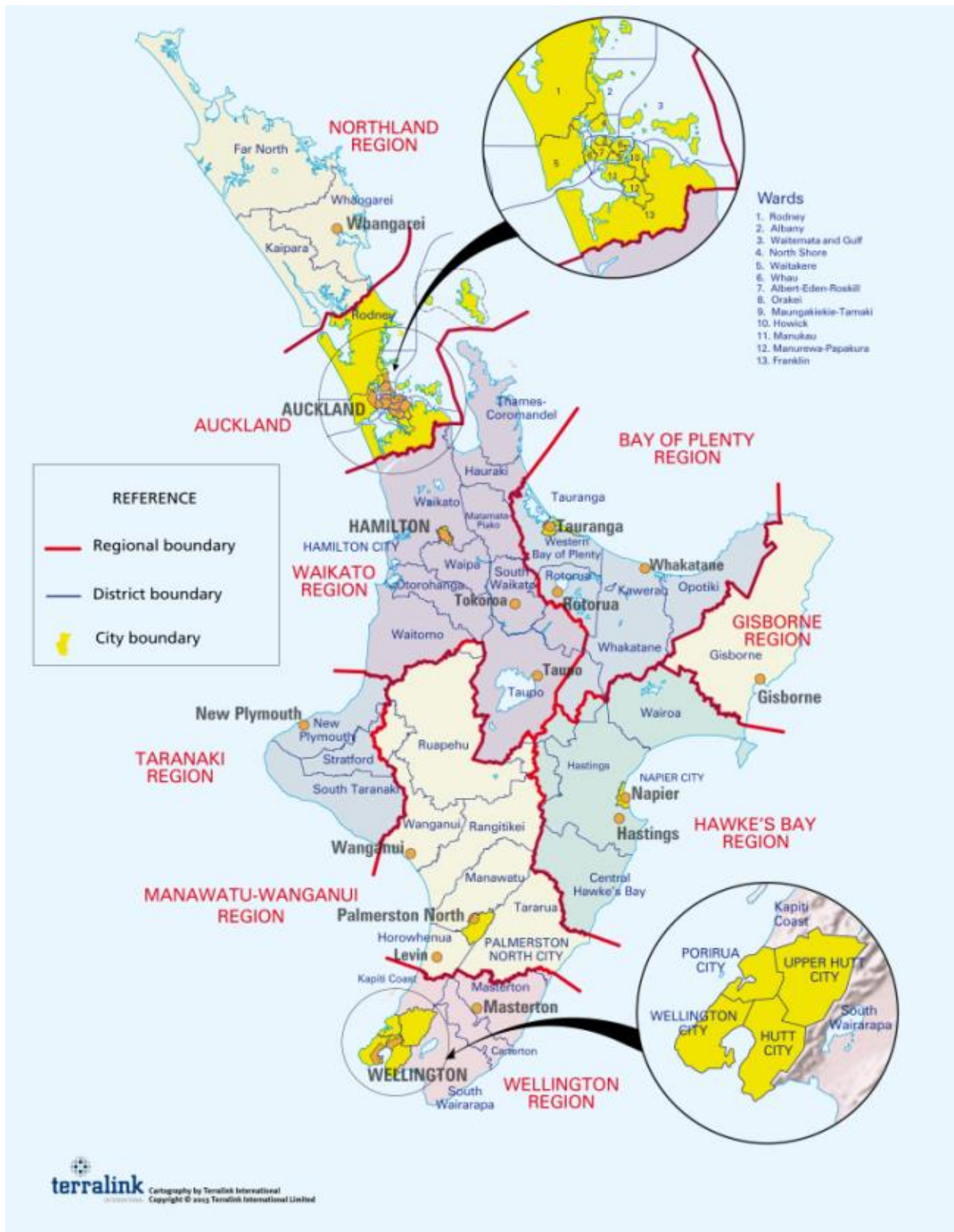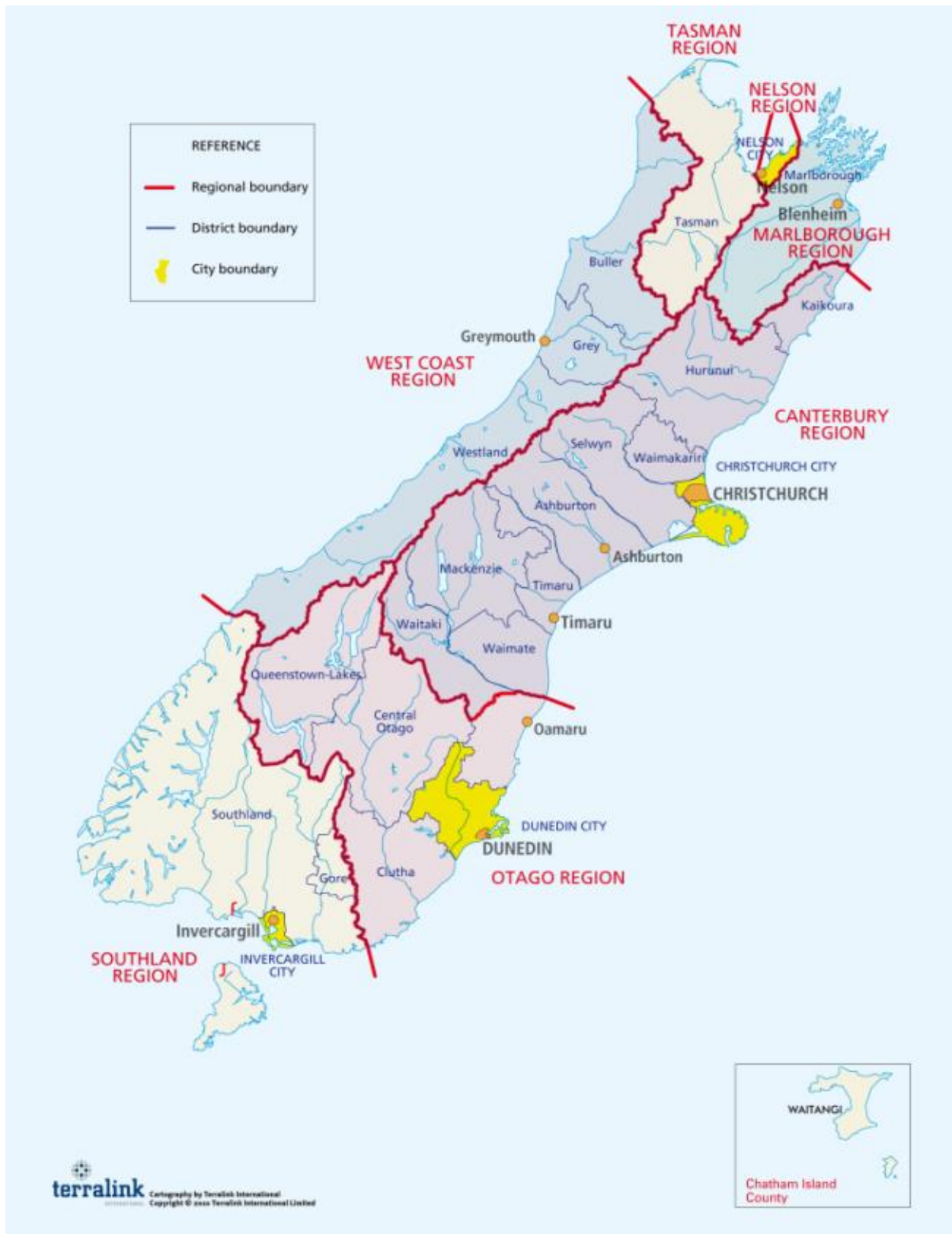
Appendix 6: Weekly rent by TLA

Table 11 below shows the lower quartile, geometric mean, and upper quartile for each TLA for October 2016, as reported by the Ministry of Business, Innovation and Employment (MBIE), based on rental bond data. This information relates to all rentals, not just social housing rentals.

Table 11: Weekly rent by TLA, October 2016 (MBIE)[16]

	Lower quartile	Geometric mean	Upper quartile
Ashburton District	$287	$319	$354
Auckland	$382	$496	$643
Buller District	$154	$183	$218
Carterton District	$230	$270	$318
Central Hawke's Bay District	$190	$234	$288
Central Otago District	$296	$353	$420
Christchurch City	$279	$359	$461
Clutha District	$177	$213	$255
Dunedin City	$232	$337	$489
Far North District	$237	$290	$355
Franklin District	$383	$442	$512
Gisborne District	$230	$282	$346
Gore District	$161	$207	$266
Grey District	$185	$236	$301
Hamilton City	$260	$332	$423
Hastings District	$256	$311	$377
Hauraki District	$255	$289	$327
Horowhenua District	$216	$257	$306
Hurunui District	$211	$266	$336
Invercargill City	$186	$230	$285
Kaikoura District	$196	$242	$299
Kaipara District	$230	$292	$371
Kapiti Coast District	$320	$376	$441
Kawerau District	$123	$152	$189
Lower Hutt City	$266	$343	$443
Mackenzie District	$165	$199	$239
Manawatu District	$205	$271	$359
Manukau City	$401	$485	$587
Marlborough District	$269	$319	$378
Masterton District	$223	$261	$304
Matamata-Piako District	$285	$320	$358
Napier City	$267	$325	$396

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[16] http://www.mbie.govt.nz/info-services/housing-property/sector-information-and-statistics/rental-bond-data

National	$287	$383	$510
Nelson City	$232	$308	$408
New Plymouth District	$266	$317	$378
North Shore	$419	$533	$678
Opotiki District	$201	$219	$240
Otorohanga District	$213	$255	$306
Palmerston North City	$247	$309	$387
Papakura District	$378	$461	$562
Porirua City	$342	$403	$474
Queenstown Lakes District	$372	$496	$661
Rangitikei District	$180	$206	$235
Rodney District	$388	$484	$604
Rotorua District	$242	$299	$369
Ruapehu District	$159	$196	$241
Selwyn District	$381	$444	$517
South Taranaki District	$174	$220	$279
South Waikato District	$164	$199	$242
South Wairarapa District	$259	$288	$319
Southland District	$172	$219	$278
Stratford District	$201	$227	$255
Tararua District	$153	$179	$211
Tasman District	$287	$349	$425
Taupo District	$245	$299	$366
Tauranga City	$330	$409	$508
Thames-Coromandel District	$272	$310	$353
Timaru District	$224	$274	$335
Upper Hutt City	$244	$305	$382
Waikato District	$273	$336	$414
Waimakariri District	$320	$388	$471
Waimate District	$217	$244	$276
Waipa District	$285	$350	$430
Wairoa District	$176	$195	$216
Waitakere City	$392	$470	$563
Waitaki District	$232	$277	$332
Waitomo District	$191	$213	$237
Wanganui District	$193	$230	$275
Wellington City	$293	$397	$538
Western Bay of Plenty District	$275	$354	$457
Westland District	$211	$246	$287
Whakatane District	$249	$306	$376
Whangarei District	$267	$327	$401

Appendix 7: CHP pipeline, as at 30 Sept 2016

Auckland

Provider	TLA or Local Board Area	Property type	Contract status	Bedrooms	Pipeline total
CORT	Upper Harbour Local Board Area	New Build	In Delivery	2	12
CORT	Papakura Local Board Area	New Build	In Delivery	1	8
CORT	Papakura Local Board Area	New Build	In Delivery	2	6
Airedale Property Trust	Whau Local Board Area	Leases	In Delivery	2	4
Monte Cecilia	Whau Local Board Area	Leases	In Delivery	2	5
Vision West	Whau Local Board Area	Leases	In Delivery	2	5
Chinese New Settler Trust	Maungakiekie-Tamaki Local Board Area	New Build	In Delivery	1	36
Accessible Properties	Auckland	Leases	In Delivery	1	11
Accessible Properties	Auckland	Leases	In Delivery	2	11
Accessible Properties	Auckland	Leases	In Delivery	5+	11
Keys Social Housing	Papakura Local Board Area	Leases	In Delivery	1	10
The Salvation Army	Papakura Local Board Area	New Build	In Delivery	1	25
The Salvation Army	Papakura Local Board Area	New Build	In Delivery	2	25
Various	Auckland	Redirected	In Delivery	Unknown	144
Keys Social Housing	Mangere-Otahuhu Local Board Area	Reconfigure	Planned	1	16
Keys Social Housing	Mangere-Otahuhu Local Board Area	Reconfigure	Planned	2	4
The Salvation Army	Auckland	Redirected	Planned	1	16
The Salvation Army	Auckland	Redirected	Planned	2	17
Accessible Properties	Auckland	New Build	Planned	1	23
Accessible Properties	Auckland	New Build	Planned	2	29
Accessible Properties	Auckland	New Build	Planned	3	6
Airedale Property Trust	Mangere-Otahuhu Local Board Area	New Build	Planned	2	8
Airedale Property Trust	Mangere-Otahuhu Local Board Area	New Build	Planned	2	3
Airedale Property Trust	Mangere-Otahuhu Local Board Area	New Build	Planned	5+	2
The Selwyn Foundation	Auckland	Ext Transfer	Planned	1	420
Total					**857**

Rest of New Zealand

Provider	TLA or Local Board Area	Property type	Contract status	Bedrooms	Pipeline total
Accessible Properties	Tauranga District	Int Transfer	Planned	Multiple	1,124
Comcare	Christchurch City	New Build	Planned	1	20
Comcare	Christchurch City	New Build	Planned	2	20

Otautahi community trust	Christchurch City	Ext Transfer	Planned	1	460
Unknown	Horowhenua District	Ext Transfer	Planned	1	60
Various	Outside Auckland	Ext Transfer	Planned	Unknown	63
Nelson Tasman Housing Trust	Nelson City	New Build	In Delivery	1	3
Various	Outside Auckland	Redirected	In Delivery	Unknown	284
Accessible Properties	Hamilton City	Ext Transfer	Planned	1	320
Total					**2,354**

Notes:
- In some cases the number of places in the table above is lower than the contracted or planned volume. These changes have been made to reflect the provider's historical track record of delivering to contract or plan. Future updates to this document will reflect changes in performance to contract or plan.
- Property type:
  - "Int Transfer" refers to properties transferring between social housing providers (eg. HNZ and a CHP)
  - "Ext Transfer" refers to properties transferring from non-social housing stock (eg. council properties)

Appendix 8: HNZ pipeline, as at 31 Aug 2016

TLA	Initiative	Current stock	Number of bedrooms					Total additions	Total disposals	Net pipeline
			1	2	3	4	5			
Auckland										
Auckland	Project 6	5		7				7	-5	2
Auckland	Project 8	1		6				6	-1	5
Auckland	Project 9	3		4		4		8	-3	5
Auckland	Project 10	6		10	5	2		17	-6	11
Auckland	Project 11	4		7	2	4		13	-4	9
Auckland	Project 12	3		9	1	3		13	-3	10
Auckland	Project 13	3		4	3	3		10	-3	7
Auckland	Project 14	5		5	4	3		12	-5	7
Auckland	Project 15	4		8				8	-4	4
Auckland	Project 16	2		4	2	2		8	-2	6
Auckland	Project 17	5		8	4	5		17	-5	12
Auckland	Project 18	3		4	5			9	-3	6
Auckland	Project 19	6		6	2	4	1	13	-6	7
Auckland	Project 20	2	1	6				7	-2	5
Auckland	Project 21	0		8				8	0	8
Auckland	Project 22	0	1	8	1	10	1	21	0	21
Auckland	Project 29	0					1	1	0	1
Auckland	Project 30	0				5		5	0	5
Auckland	Project 51	11		16				16	-11	5
Auckland	Project 53	0		8	4	7		19	0	19
Auckland	Project 56	7		14	3	2	1	20	-7	13
Auckland	Project 57	0			2			2	0	2
Auckland	Project 58	0		10				10	0	10
Auckland	Other initiatives		Typology to be determined					1854	-1182	672
TOTAL PIPELINE								**2104**	**-1252**	**852**

TLA	Initiative	Current stock	Number of bedrooms					Total additions	Total disposals	Net pipeline
			1	2	3	4	5			
Rest of NZ										
Christchurch	Project 31	0	1					1	0	1
Christchurch	Project 32	0			1			1	0	1
Christchurch	Project 33	0		1				1	0	1
Christchurch	Project 34	0		6	7	3		16	0	16
Christchurch	Project 35			10	7	1		18	0	18
Christchurch	Project 36	0	1	8				9	0	9
Christchurch	Project 37	3		4		6		10	-3	7

Location	Project							Total		
Christchurch	Project 38	4		3	1			4	-4	0
Christchurch	Project 39	0		5				5	0	5
Christchurch	Project 40	5					5	5	-5	0
Christchurch	Project 41	1	1					1	-1	0
Christchurch	Project 42	2		2	1			3	-2	1
Christchurch	Project 43	4		6				6	-4	2
Christchurch	Project 44	2		2	2			4	-2	2
Christchurch	Project 45	7	1	4				5	-7	-2
Christchurch	Project 46	3		5	1			6	-3	3
Christchurch	Project 47	2			2			2	-2	0
Christchurch	Project 48	2			2	2		4	-2	2
Christchurch	Project 50	0		5				5	0	5
Christchurch	Project 65	2		1	0		1	2	-2	0
Christchurch	Project 66	1		0		1		1	-1	0
Christchurch	Project 67	1				1		1	-1	0
Hamilton	Project 23	0		4				4	0	4
Hamilton	Project 25	0		2		1		3	0	3
Hamilton	Project 26	0		2		1		3	0	3
Hamilton	Project 27	0		4	0			4	0	4
Hamilton	Project 28	0		4				4	0	4
Hamilton	Project 60	0				1		1	0	1
Hamilton	Project 61	0		4				4	0	4
Hamilton	Project 62	0		4				4	0	4
Hamilton	Project 63	0		4				4	0	4
Tauranga	Project 24	0		8				8	0	8
Whangarei	Project 59	0					1	1	0	1
TLAs outside Auckland	Other initiatives			Typology to be determined				354	**-**778	-424
Tauranga	Tauranga transfer								-1124	-1124
TOTAL								504	-1941	**-1437**

In some cases the number of places in the table above is lower than the contracted or planned volume. These changes have been made to reflect the provider's historical track record of delivering to contract or plan. Future updates to this document will reflect changes in performance to contract or plan.

Appendix 9: Overview of methodology used to develop purchasing intentions in part 3

The purchasing intentions outlined in part 3 of this document have been developed using a combination of quantitative inputs, qualitative inputs, and applying judgement.

The inputs include the following:

- Purchasing intentions model output (MSD)
- 'Idealised purchasing' model output (Taylor Fry)
- Social housing register (MSD)
- Social housing exits (MSD)
- Current IRRS places (MSD)
- Pipeline for IRRS places (CHPs, HNZ, and MSD)
- Population projections (Statistics New Zealand)
- NZDep2013 (University of Otago)
- Rental bond data (Ministry of Business, Innovation & Employment)
- Quarterly House Price Index (Quotable Value)
- Feedback from emergency housing response team (MSD)
- Feedback from MSD Regional Commissioners (MSD)

The total number of tenancies that can be afforded within the available funding is dependent on policy settings and market conditions. The volume estimates provided here reflect MSD's current intentions, but the actual volumes purchased are likely to vary, and the intentions set out here do not commit MSD to purchasing at these volumes.

MSD needs flexibility to respond effectively to unexpected changes in demand, and to meet local needs. MSD will be monitoring changes in the register closely and adapting its purchasing to meet changing needs. The volumes set out for each region and location are not targets, nor are they limits. It may not be necessary to purchase up to these volumes, or conversely, there may be a need to exceed the places recommended due to unexpected demand increases.