



# Partnering for Progress

**Accelerating the Development of Social and  
Affordable Housing at Scale in New Zealand  
Presentation to MBIE / MSD / Treasury Officials**

Stephen Selwood, CEO NZCID

Scott Figenshow, Director CHA

30 March 2015, Wellington





# AGENDA

- Introduction
- CHA Stocktake Research Findings
- Joint NZCID and CHA Workshop Findings
- 15 April Social and Affordable Housing Forum
- Questions and discussion

# Community Housing Aotearoa (CHA)

- National umbrella group for Community Housing sector
- Represents 74 members across NZ, including Councils and NFPs delivering community housing solutions
- CHOs contribute nearly 5,000 homes, serving 15,000 people
- In the local govt sector, 62 councils provide 13,400 homes



# NZCID Members

Auckland Council  
Te Kaunhera o Tāmaki Makaurau

Absolutely Positively Wellington City Council  
Me Heke Ki Pōneke

Chorus

McCONNELL DOWELL  
CREATIVE CONSTRUCTION™

Fulton Hogan

COOPER AND COMPANY

KiwiRail

Watercare  
An Auckland Council Organisation

Vector

HAWKINS

Downer

HEB Construction

LEIGHTON

HYNDS

transdev

Ports of Auckland

NGĀI TAHU Holdings

Fletcher

HIGGINS

city care

SPOTLESS

OPUS

bnz

OHL Construction Pacific

Holcim

NEW ZEALAND STEEL

serco

Beca

calibre CONSULTING

TRANSFIELD SERVICES

MACQUARIE

ANZ

Institutional Bank

ARROW INTERNATIONAL  
Projects: Strategy and Delivery

GHD

JACOBS

MWH  
BUILDING A BETTER WORLD

NEW ZEALAND TRADE & ENTERPRISE

MORRISON & CO

Commonwealth Bank

MARSH

AECOM

PARSONS BRINCKERHOFF

Northington Partners  
INVESTMENT BANKERS

Bank of Tokyo-Mitsubishi UFJ

John laing  
making infrastructure happen

EY  
Building a better working world

pwc

HG HARRISON GRIERSON

KensingtonSwan  
LAWYERS

capella CAPITAL

MUFG

RUSSELL McVEAGH

MinterEllisonRuddWatts  
LAWYERS

ROCKPOINT  
SOLID FINANCIAL DIRECTION

Investec  
Specialist Bank

Plenary Group

KPMG

CHAPMAN TRIPP

BELL GULLY

THALES

WT PARTNERSHIP  
infrastructure cost consultants

RLB | Rider Levett Bucknall

xigo

BUDDLE FINDLAY  
NEW ZEALAND LAWYERS

ANDERSON LLOYD  
LAWYERS

Anthony Harper

webb henderson

tuanz

AQUENTA

Greenstone Group

think  
INFRASTRUCTURE

EMA

Civil CONTRACTORS  
New Zealand

Property Council  
New Zealand  
New Zealand's Commercial Property Voice

Australian Government  
Australian Trade Commission

UK Trade & Investment

InternetNZ

aqqa

Committee for Auckland

nzcid

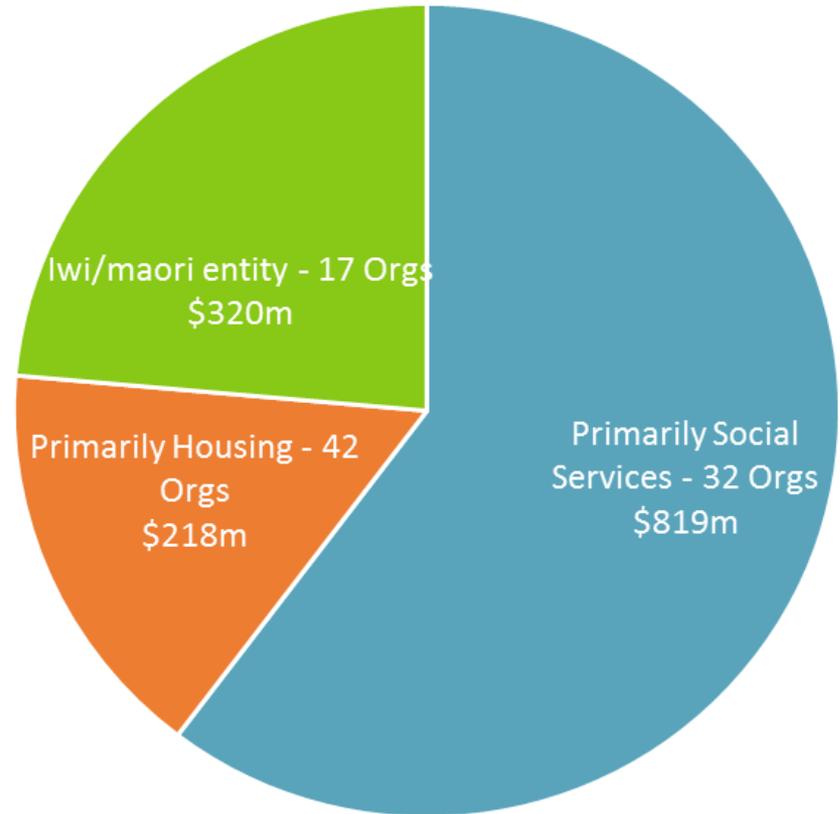


# CHA Sector Survey and Stocktake Research Findings

Scott Figenshow

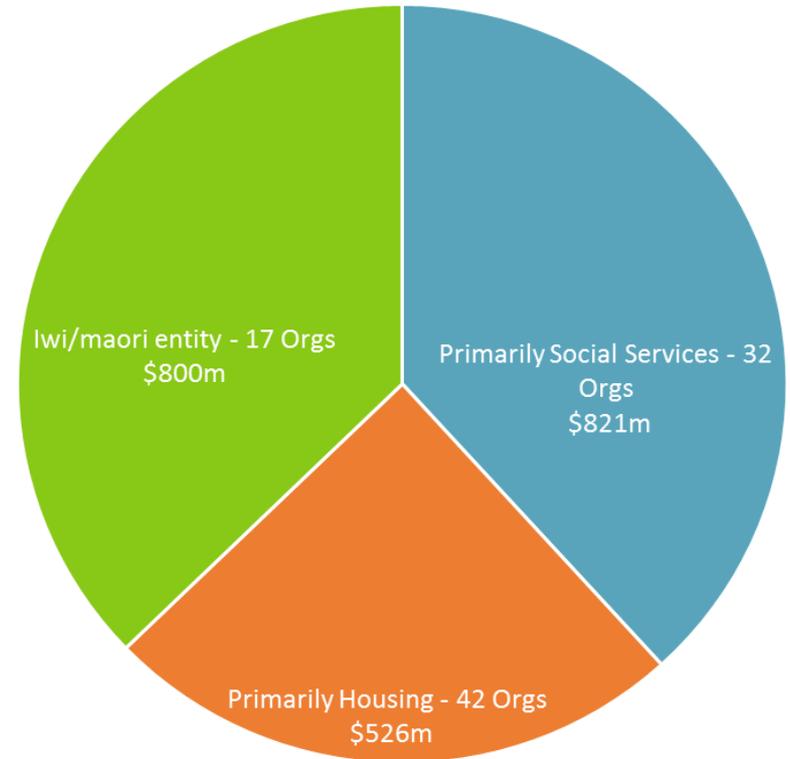
# Community Housing Sector Revenue

- Data from 2014/2015
- 91 separate entities
- Total \$1.35bn
- Housing Orgs: 21 orgs you know (w/o affiliates)
- Iwi: 84% is Ngai Tahu
- Service Orgs: only one Pacifica org included



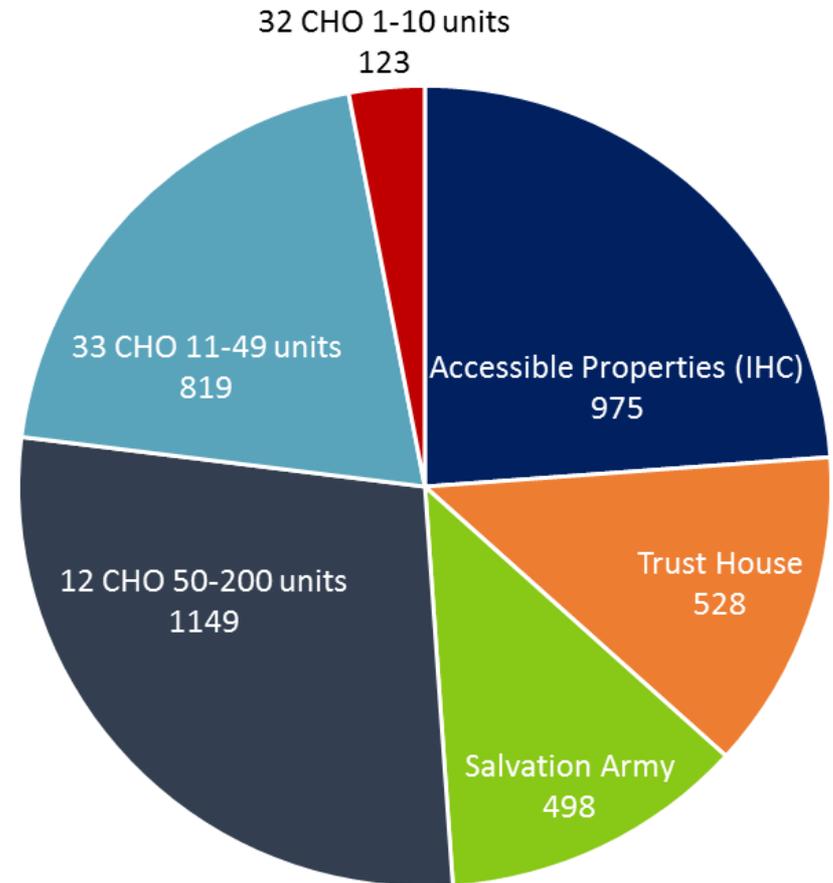
# Community Housing Sector Equity

- 91 separate entities
- Total \$2.15bn
- Housing Orgs: 21 orgs you know (w/o affiliates)
- Iwi: 75% is Ngai Tahu
- Service Orgs: only one Pacifica org included



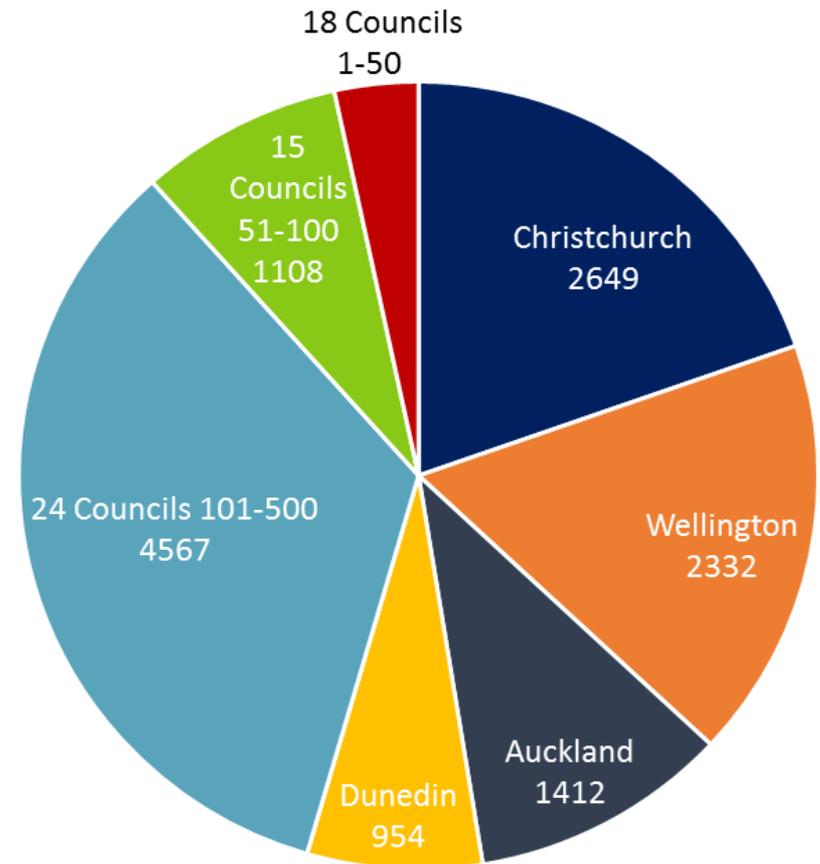
# Stock Data - CHOs

- Data from a variety of sources
- 4,092 of 5,000 units confirmed
- 15 Orgs represent  $\frac{3}{4}$  of stock
- 65 Orgs represent  $\frac{1}{4}$  of stock
- Further 670 of 890 SHU funded units not included



# Stock Data - Councils

- Mostly bedsits & 1br
- 13,479 units total
- 6+ Councils considering new arrangements
- Significant redevelopment potential
- Unlikely to undertake redev without partners & deliver better community outcomes



# Ready, willing and able?

## Housing Organisation A

**Aspiration:** 500 homes by 2017 **Current portfolio:** approx. 50 homes

**Status:** CHRA registered **Operating:** Over 30 years

**Geographic region:** Expanding from within one city to a regional footprint

Recently merged with a service provider. Expanded from rental housing provision into shared ownership using resources provided by the Social Housing Fund

Estimated 6-8 organisations have a similar profile.

## Housing Organisation B

**Aspiration:** Maintain focus on tenancy/property management and supportive services

**Current portfolio:** approx. 60 homes **Status:** CHRA registered

**Operating:** Over 10 years **Geographic region:** Smaller regional city - exploring opportunities to expand into neighbouring regions

Difficulty finding staff with the requisite skills, most staff part-time.

Prefers to develop in-house capacity rather than hire consultants

Estimated 4-5 organisations have a similar profile.



# Ready, willing and able?

## Housing Organisation C

**Aspiration:** 300 tenancies in 5 years **Current portfolio:** approx. 100 homes + 40 in dev.

**Status:** CHRA registered **Operating:** Over 30 years

**Geographic region:** Regional, would consider expanding but not competing

Provides mental health and addiction services, dedicated staff with streamlined systems. For HNZC stock transfers, would require all tenancies to be eligible for IRRS, low or nil purchase price, capital grants. Estimated 5-8 organisations have a similar profile.

## Housing Organisation D

**Aspiration:** Add 100s to 1000s of homes through HNZC stock transfers.

**Current portfolio:** approx. 300 homes **Status:** Accommodation & support services provider **Geographic region:** National

For HNZC stock transfers, would require 20 year window of policy and funding certainty. Would assess each house to ensure quality homes that meet market demand.

Estimated 2-3 organisations have a similar profile.



# Ready, willing and able?

## Housing Organisation E

**Aspiration:** Maintain focus on homeownership and rental housing opportunities to revitalise the community **Current portfolio:** approx. 60 homes in dev.

**Status:** CHRA registered **Geographic region:** Single region

Maori and Pacific client focus. Strong staff capability but funding planning costs is a constraint on work. Interest in HNZC stock, for land only and terms and financial supports are critical. Perceives a greater opportunity in acquiring local Council stock.

Estimated 12+ organisations have a similar profile.

## Housing Organisation F

**Aspiration:** Form group structure to bring together CHO, Council & HNZC stock to deliver mixed tenure, mixed income outcomes to address wide range of housing need

**Status:** Local community housing trust affiliated with large national provider

**Operating:** Over 100 years. Unclear how to get message across to government. Believes group structure could achieve efficiencies across the city that they each struggle to achieve on their own.

Estimated 5-10 organisations could have a similar profile if structure succeeds.



# Ready, willing and able?

## Housing Organisation G

**Aspiration:** Community development along with direct provision of housing

**Current portfolio:** Varies based on need. **Status:** Community Housing Organisation

**Geographic region:** National - affiliated to international organisation over 30 years old

Requires long term certainty of government investment to deliver a greater volume of new housing. Delivers assisted homeownership and rental as part of adding new tenure options. Some branches provide contract services to other CHOs. Has its own annual conferences to share best practice.

Estimated 2-3 organisations have a similar profile.

# Ready, willing and able – summary table

Housing Organisation	Current (Properties)	Aspiration (Properties)	Geographic region	Continuum	Tools to grow	No. Orgs with this profile
Organisation A	50	500	City to Regional	Rental & Ownership	Mergers; wider deliver across the continuum; partnerships	6-8
Organisation B	60	meet need	City to Regional	Rental & Support services	Staff with requisite skills; in-house capacity desired	4-5
Organisation C	100+	300	Regional	Rental & Support services	All tenancies must be eligible for IRRSs for tenant equity; clarity of services funding	5-8
Organisation D	300	1000	National	Rental & Support services	Parterships and collaboration preferred over shift in operator	2-3
Organisation E	60	TBD	Single region	Rental & ownership & support services	Maori and Pacific focus; Local council partners desired; Flexibility and choice	12+
Organisation F	varies	TBD	Local and national	Whole continuum	Collaboration to bring CHO, Council and HNZC stock together under one structure	5-10
Organisation G	varies	TBD	National	Rental & ownership	Collaboration; community development outcomes	2-3

# Barriers and Setting Changes

- Lack of long term policy settings
- Regulatory Uncertainty
  - Tax and Charitable Status
  - Classes of Registration and Administrative Simplicity
- Lack of consistent resources
  - Consistency of Funding
  - Contracting / Purchasing / Investing Framework
  - Additional Tools
- Traditional Competitive Tendering
- Inadequate resourcing - technical expertise and support

# Joint NZCID and CHA Workshop

- Two peak bodies working together
- Joint half day workshop held on 11 March, 2015
- 18 participants from both NZCID and CHA
- Worked through two example types
  - Special Housing Area (SHA) opportunities
  - Government land opportunities
- Developing 2 'strawmen' partnerships that work



# Shared Key Challenges - Summary

- Alignment of views between CHOs and commercial partners
  - Certainty
  - Scale and pipeline
  - Funding
  - Probity
  - Auckland vs NZ solutions
  - Timing/urgency

# Joint NZCID and CHA Workshop Findings

- Get real about
  - Certainty – time, length and complexities of deals
  - funding, subsidies, grants
- Reconcile community and commercial outcomes – currently competing priorities
- Role clarity –
  - CHOs as stewards of community outcomes
  - cost effective capital
  - build method
  - partnership structures that are simple and replicable



# Joint NZCID and CHA Workshop Findings

- Deal with Auckland separately from the rest of NZ – different markets AND
- Ensure an option that works outside of Auckland
- Proper, meaningful engagement with government. Transparency? Probity?
- Land and asset valuation – greatest barrier to meaningful progress – put grants back on the table. Capital and rent subsidy – both needed

# Joint NZCID and CHA Workshop Findings

- Total cost and opportunity cost
- Lack of strategy – urban outcomes
- Council needs to be at the table – they are responsible for housing supply. They are both regulators and enablers

# Moving Forward: CHA and NZCID initiatives

- Joint April 15<sup>th</sup> Social and Affordable Housing Forum and Speed Dating Session
- In partnership with Auckland Council – a Development Guide for SHA
- NZCID Chairman’s Luncheon - Social and Affordable Housing
- NZCID – Building Nationals Annual Conference – Social and Affordable Housing Stream
- CHA Annual Conference



Treasury, MSD  
and MBIE staff  
are invited to  
attend the  
upcoming CHA/  
NZCID Social and  
Affordable  
Housing Forum  
and Speed Dating  
Session – 3pm,  
15 April, Auckland



REGISTER NOW  
DRAFT

### PARTNERING FOR PROGRESS:

How to accelerate the development of Social and Affordable Housing at scale in New Zealand



**WEDNESDAY 15 APRIL, 2015**

3.00PM REGISTRATION FOR A 3.30PM START  
BECA, 21 PITT STREET, AUCKLAND

**NZCID and CHA, in partnership with hosts Beca, are delighted to invite you to participate in a joint Social and Affordable Housing Forum.**

At this event:

- Findings from a recent CHA and NZCID workshop on 'the roadblocks to developing Social and Affordable Housing at Scale in NZ' will be presented
- A panel of diverse CHA and NZCID members will discuss a range of proposed solutions
- Representatives from Treasury and Auckland Council will respond with updates on how their recent work will address the issues at play

The presentations will be followed by a facilitated question and answer session where you are encouraged to participate. Refreshments and networking will conclude the evening.

Please register your attendance with [jeanle.armstrong@nzcid.org.nz](mailto:jeanle.armstrong@nzcid.org.nz) or telephone 09 271 4445 by Tuesday 7th April, 2015.





# Discussion and Questions

# Questions

1. What is government's vision?
2. What is it costing the government to support the current state housing estates? Is government prepared to reinvest some of this money into delivering better outcomes through public private partnerships?
3. If so, what is the plan to make this happen? Why so tentative? Why not transformational changes?

# Questions

4. How does the government expect to attract private capital and expertise?
5. Complex area without certainty - why should anyone be interested?

How can Govt make it easy, not hard?

-probity?

-transparency?

# Questions

6. What needs to change so that Govt sensibly values its housing stock and is willing to pay for better outcomes?
7. What's the point of regional asset transfers when the demand is flat? How will that address the compelling needs in Auckland?
8. How do we assist to effect positive change?



Thank you