

## Focus on value for money outcomes key to unlocking benefits for social housing tenants

Press Release

17 March 2016

"Partnerships between community housing associations, investors, developers and facilities maintenance providers offer potential to improve housing and services for social housing tenants in Invercargill and Tauranga," says Stephen Selwood, Chief Executive of the New Zealand Council for Infrastructure Development.

The Government has requested formal proposals from four respondents for the purchase and management of 348 properties and tenancies in Invercargill and 1124 in Tauranga. The groups include Pact Group in Invercargill and Accessible Properties, Hapori Connect Tauranga\* and Kāinga Community Housing Partners\* in Tauranga.

The bid process will require all four parties to develop innovative solutions to upgrade or replace and then subsequently maintain the social housing in each location. Comprehensive and fully costed proposals must be submitted by 30 May for Invercargill and 7 June for Tauranga.

"To be successful, bidders will have to demonstrate their capability to deliver better outcomes for tenants through improved design, construction and maintenance of new and better homes and through innovation in service delivery and tenancy management," says Selwood.

"If they are unable to demonstrate better whole of life value for money, the transfer will not proceed.

"So long as value for money outcomes dominates the selection criteria, and not just the best purchase price, this process introduces a competition of ideas and professional expertise to the traditional model of social housing delivery in New Zealand.

"Potentially it begins a development pathway for social housing partners to work with government to find new ways to transition state housing tenants from dependency to being independent or supported in home ownership.

"Opportunities could include shared equity investment (where investors and housing associations have a share of equity with prospective home owners), sweat equity (where prospective owners contribute their own time and expertise in order to upgrade or finish the houses) and/or other initiatives such as employment training opportunities to move people off benefits and into employment.

"This new model follows examples from overseas which have delivered improved outcomes in social housing.

"This usually involves upgrading or replacing high maintenance, high cost, old and cold state houses with a good quality higher density housing of the right size and design to meet tenants needs.

"Increased density provides the opportunity for mixed development - typically 30% social housing and 70% private home ownership, although proportions do differ. Good design and ongoing maintenance of social houses mean you can't tell the difference between social and privately owned homes.

"The mix of residents removes the traditional stigma associated with state housing. In turn this leads to improves market attractiveness, reduces risk and increases values.

"The key to the success is the provision of support services for state housing tenants where needed. This can happen through job creation schemes, social-cultural initiatives and can also involve community based health care.

"This not only improves outcomes for tenants but also helps to reduce development risk and enables better market prices for the development. Higher returns from the land provides the financial support for improved social services which otherwise would not be possible – a virtuous circle.

"While the current package on offer in Tauranga and Invercargill is small, successful implementation will hopefully lead to a pipeline of opportunities for new solutions to old problems in the provision of social and affordable housing," Selwood says.

For further comment please contact:

Stephen Selwood

+6421 791 209

\*Hapori Connect Tauranga consortium members are John Laing Infrastructure Fund, Pinnacle Community Housing and Brookfields Global Integrated Solutions.

\*Kāinga Community Housing Partners consortium members are Morrison & Co, Trust House Ltd, Compass Housing Service Co, Programmed FM, Ngā Pōtiki a Tamapahore Trust and Tapuika Iwi Authority

---

New Zealand Council for Infrastructure Development

**+64 9 377 5570 · [info@nzcid.org.nz](mailto:info@nzcid.org.nz) · [www.nzcid.org.nz](http://www.nzcid.org.nz)**

[view online](#) | [unsubscribe](#)

