

December 2017

Housing Quarterly Report



The Housing Quarterly Report provides the latest key facts on housing in New Zealand. The report gives detailed information about the Ministry of Social Development's housing support, the demand for and the supply of public, emergency, and transitional housing, and the movement of people through the public housing system.



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Cover: Three new transitional homes in Mount Wellington, Auckland. The two two-bedroom and one five bedroom homes, will provide transitional housing for 12 families a year.

Key facts

For the December 2017 quarter MSD has spent **\$576 million** on housing support. This year MSD will spend around \$2.3 billion on providing New Zealanders with housing support.

MSD has seen a **33% decrease** in the number of Emergency Housing Special Need Grants (EH SNG) being approved in the quarter, and a 28% decrease in the number of individuals accessing the assistance, as more transitional housing places have become available.

This quarter the Social Housing Register **increased by 5%**, however the number of new entries to the Register decreased by 6%. This Register increase is mostly due to less people housed (down 11%) and fewer public housing tenancies ending (down 15%).

An additional 238 transitional housing places became available in the quarter, with a **total of 1,901 places now tenanted or available for tenanting** out of the 2017/18 target of 2,155 places, which could support 8,620 families each year.

The term **'public housing'** (a combination of state and community housing) is now used instead of **'social housing'** to describe properties provided by Housing New Zealand and Community Housing Providers.

MSD's 2016 Purchasing Strategy seeks an additional 6,400 public houses by June 2020. In this quarter, we've reached **74% of the additional housing required** in the pipeline. The total number of public housing tenancies increased by 268 over the December quarter.

Housing Support

The Ministry of Social Development's (MSD) housing support ranges from providing places in emergency and transitional housing, through to financial support to remain housed in the private housing market.

\$576.3 million

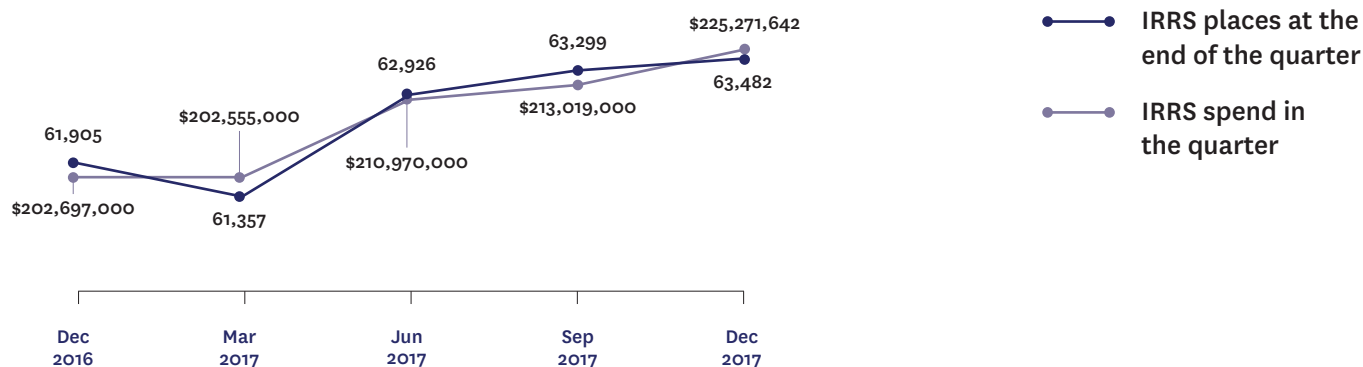
Total housing support provided in the quarter ending 31 December 2017.
(\$563.4 million – 30 September 2017)

Income-Related Rent Subsidy

MSD is paying more Income-Related Rent Subsidy (IRRS) payments for individual households than before, with the total number of IRRS tenancies increasing by 183 over the December quarter.

Most tenants in public housing pay an Income-Related Rent (IRR) which limits the amount of rent they pay to be generally no more than 25% of their net income. MSD pays IRRS to registered housing providers to cover the balance between the tenant's rental payment and the market rent for the property.

Income-Related Rent Subsidy – Places and Spend



While there are quarterly changes in the level of IRRS places over the last year, the total has increased by 3% on the same time last year.

\$17.3 million

IRRS payments per week
(\$16.4 million – 30 September 2017)

Note: The IRRS payment figure is a weekly average based on a quarterly total of \$225 million.

63,482

IRRS places as at 31 December 2017
(63,299 – 30 September 2017)

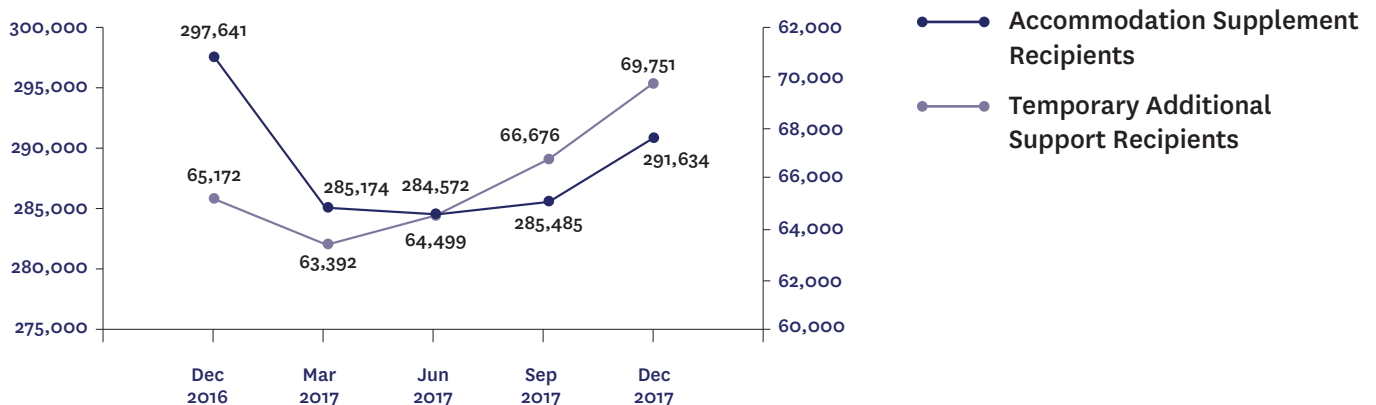
Accommodation Supplement & Temporary Additional Support

The number of people receiving the Accommodation Supplement (AS) is relatively stable, but use of Temporary Additional Support (TAS) continues to grow significantly, as more households reach the maximum rate of Accommodation Supplement due to rising accommodation costs.

Accommodation Supplement is a weekly payment to assist people who are not in public housing, with their rent, board or the cost of owning a home. A person does not have to be receiving a benefit to qualify for AS.

Temporary Additional Support is a weekly payment that helps to cover essential living costs that cannot be met from their income and through other resources. It is paid for a maximum of 13 weeks, and the recipient does not have to be receiving a benefit to qualify for TAS.

Accommodation Supplement and Temporary Additional Support recipients



- Total recipients of the AS has reduced by 2% on the same time last year, compared to TAS where the number of recipients increased by 7% on the same time last year.
- The growth in TAS is due to the proportion of people at the maximum rate of AS, as a result of rising accommodation costs, and an increase in the proportion of single people who have a lower maximum AS rate.
- Around a quarter (24%) of AS recipients also receive TAS.

291,634

People receiving Accommodation Supplements as at 31 December 2017
(285,485 – 30 September 2017)

\$20.9 million

Accommodation Supplement payments per week
(\$20.4 million – 30 September 2017)

69,751

People receiving Temporary Additional Support as at 31 December 2017
(66,676 – 30 September 2017)

\$4.5 million

Temporary Additional Support payments per week
(\$4.2 million – 30 September 2017)

Note: Accommodation Supplement figures excludes Special Benefit (which was replaced by TAS in April 2006, but continues to be grand-parented to clients that were receiving it prior to this date), therefore the figures in this Housing Quarterly Report will differ to those published in the quarterly Benefit Fact Sheets.

Public Housing Supply

The 2016 Purchasing Strategy signalled that the Ministry of Social Development (MSD) is seeking an additional 6,400 public houses by June 2020. MSD has reached 74% of the additional houses required in the pipeline.

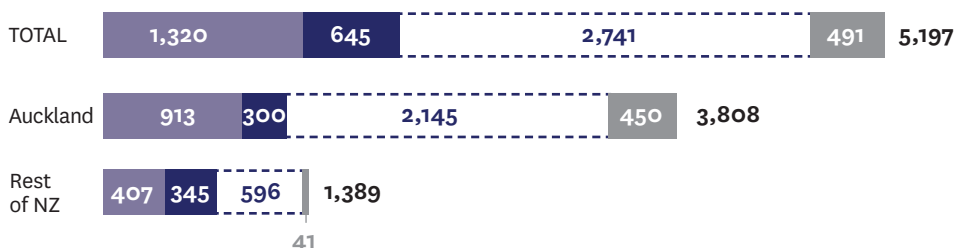
Public Houses

Public houses are properties owned or leased by Housing New Zealand (HNZ) and registered Community Housing Providers (CHPs) that can be tenanted by people who are eligible for public housing.

Public Housing Supply – Key points:

- There are currently 66,367 public houses. Of these, 5,083 community houses are provided by CHPs, and 61,284 state houses are provided by HNZ.
- In Auckland, the number of CHP houses contracted or approved in the Public Housing Supply 2020 Pipeline is at 913, an increase from 660 in the September quarter. In addition, there are 450 potential places that are likely to result from opportunities currently under discussion.
- MSD’s new supply programme is also actively pursuing CHP opportunities throughout the rest of New Zealand, with 41 potential new community houses in Canterbury and Wellington.
- MSD is in discussions with CHPs regarding proposals for new builds in Auckland, Wellington, Bay of Plenty, Napier, Palmerston North and Tauranga.
- HNZ’s redevelopment activity in Auckland continues, with 2,145 additional state houses through the Auckland Housing Programme, and 596 state houses in the rest of New Zealand.

Public Housing Supply Pipeline



■ CHP houses contracted or approved through MSD’s new supply programme (which includes additional, leases, buy-ins, new builds or turnkeys). MSD is actively pursuing a number of other opportunities through this programme.

■ Council properties placed in CHP ownership.

▭ HNZ Pipeline to June 2020, as at 31 December 2017.

■ Potential deals subject to approval, financing or evaluation, and includes deals at pre-proposal, proposal and submission stages. Includes a 50% probability weighting.

Notes:

- MSD is continuing to review the pipeline, and enhance its monitoring and reporting. From December 2017 a ‘potential’ category has been included.
- There may be some variations in MSD and HNZ reporting. This is due to differences in timing and processes. The MSD data provides a snapshot at a specific point in time, the HNZ data is drawn from an operational database that reflects changes in tenant status.
- HNZ short-term vacant properties are those that are currently between tenancies and are about to be re-tenanted.
- As advised by HNZ, HNZ long-term vacant properties are generally vacant for the following reasons: methamphetamine contaminated, undergoing major repairs or upgrades, pending redevelopment, or properties that are pending sale, lease expiry or demolition.
- HNZ short-term vacant and HNZ long-term vacant excludes community group housing managed by Housing New Zealand.

58,503

HNZ IRRS Places
(58,512 – 30 September 2017)

4,979

Registered CHP
IRRS Places
(4,787 – 30 September 2017)

1,602

HNZ Market Renters
(1,534 – 30 September 2017)

104

Registered CHP
Market Renters
(87 – 30 September 2017)

410

HNZ Short-term Vacant
(421 – 30 September 2017)

769

HNZ Long-term Vacant
(846 – 30 September 2017)

= 66,367

Total Public Houses
(66,187 – 30 September 2017)

The Ministry of Social
Development is
planning for

72,000

public houses to be
available by June 2020

Supporting Housing Needs

The Ministry of Social Development (MSD) provides a range of financially based housing products and support services to help vulnerable New Zealanders with an urgent housing need. Each product and service is designed to help support peoples' individual circumstances.

Housing First

Housing First is an internationally-recognised approach to addressing chronic homelessness. It provides stable housing (public or private) to people experiencing homelessness, before providing them with access to the support services they need to address issues underpinning their homelessness and to achieve positive long-term outcomes.

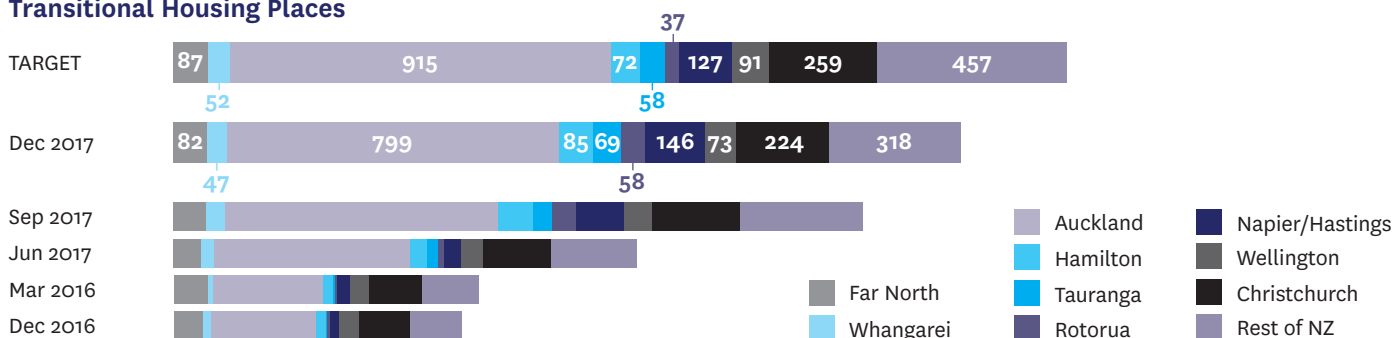
The Auckland Housing First programme is a two year pilot that started in March 2017, and is jointly-funded by MSD and Auckland Council. MSD has contracted five service providers who form the Auckland Collective and operate the programme across Auckland who engage with local councils, Housing New Zealand and private landlords, to secure appropriate accommodation for 472 of our most vulnerable people.

As at 31 December 2017, 176 participants have been placed into secure and stable accommodation in both the public housing and private housing market.

Transitional Housing

An additional 238 transitional housing places became available in the quarter, with a total of 1,901 places secured for tenanting. MSD has a 2017/18 target of 2,155 places, which could support 8,620 families each year.

Transitional Housing Places



What is transitional housing?

Transitional housing provides warm, dry and safe short-term accommodation for people in need. It is managed by contracted providers, who are skilled in supporting tenants with a range of tailored social support, tenancy-related services, and are also responsible for maintaining the properties.

The transitional housing programme is led by MSD and Housing New Zealand and involves local councils and emergency housing providers.

There are currently 44 contracted providers across New Zealand, offering diverse properties, with additional places being brought on throughout New Zealand, with HNZ looking to purchase or build (on behalf of MSD) in Auckland, Whangarei, Hamilton, Tauranga, Rotorua, Napier and Hastings, Palmerston North, Wellington, and Blenheim.

People living in transitional housing pay rent of up to 25% of their income, which is in line with income-related rents for public housing. The balance is subsidised to providers by MSD.

1,901

Places secured for tenanting as at 31 December 2017 (1,663 – 30 September 2017)

2,155

2017/18 target for places secured for tenanting

\$354 million

Funding over four years from 2016

Emergency Housing

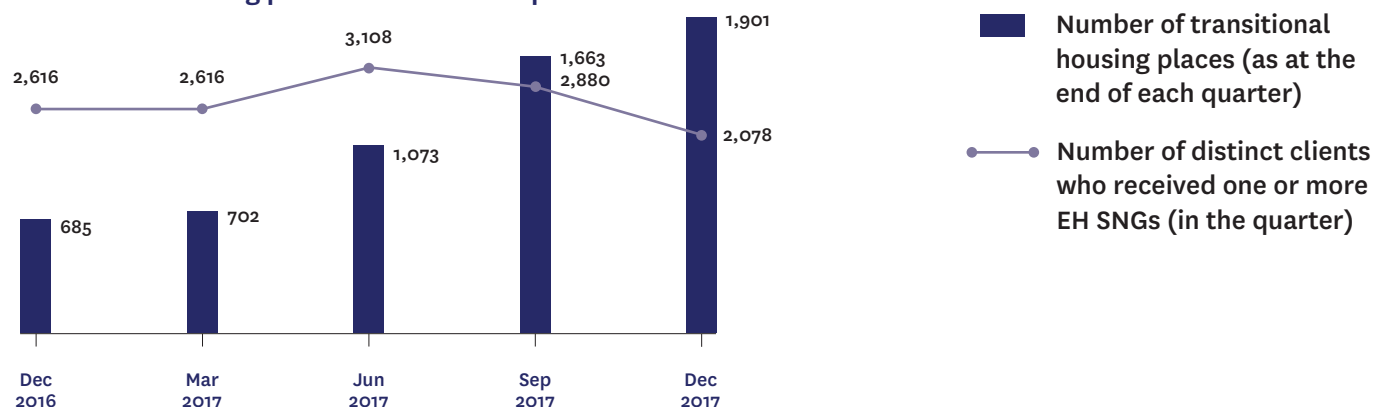
The Ministry of Social Development (MSD) has seen a 33% decrease in the number of Emergency Housing Special Needs Grants (EH SNG) being granted, and a 27% decrease in the number of individuals accessing the assistance, as more transitional housing places have become available.

Emergency Housing Special Needs Grant

The purpose of the EH SNG is to help individuals and families with the cost of staying in short-term accommodation (motels, hostels, campsites etc) if they are temporarily unable to access one of MSD's contracted transitional housing places.

The EH SNG pays for short-term accommodation for up to seven days at a time, with the accommodation being provided by commercial and community providers who are not contracted by MSD to deliver accommodation services.

Transitional Housing places vs EH SNG recipients



Every applicant for an EH SNG must make reasonable efforts to find secure accommodation. For most applicants, this includes applying for transitional housing and public housing.

The EH SNG payment normally does not need to be paid back by the applicant, but where the household has contributed to their own housing need, the EH SNG may be made recoverable at 25% of the applicants weekly income.

In the quarter ending 31 December 2017, 11% of EH SNG grants were issued as recoverable payments, which is unchanged from the quarter ending 30 September 2017.

EH SNG's grants made for the December 2017 quarter were typically made to people:

- who identify as Māori (3,502 or 57% of grants), or NZ European (1,280 or 21% of grants)
- who are aged between 25 to 39 years old (2,874 or 47% of grants), or 40 to 54 years old (1,574 or 26% of grants)
- receiving ongoing financial assistance through MSD (5,948 or 96% of grants).

6,172

EH SNG Grants in quarter ending 31 December 2017 (9,159 – quarter ending 30 September 2017)

2,078

Individual clients granted an EH SNG in quarter ending 31 December 2017 (2,880 – quarter ending 30 September 2017)

\$6.6 million

Total EH SNG amount granted in quarter ending 31 December 2017 (\$9.0 million – quarter ending 30 September 2017)

Notes:

- This is a count of grants. A client can have more than one grant in the time period.
- Emergency Housing assistance payments are granted as Special Needs Grants.
- The total amount granted may not be the same as the amount spent.

Public Housing Demand

The number of people eligible for housing support on the Social Housing Register has increased by 5%, as more people are talking with the Ministry of Social Development (MSD) about their housing situation.

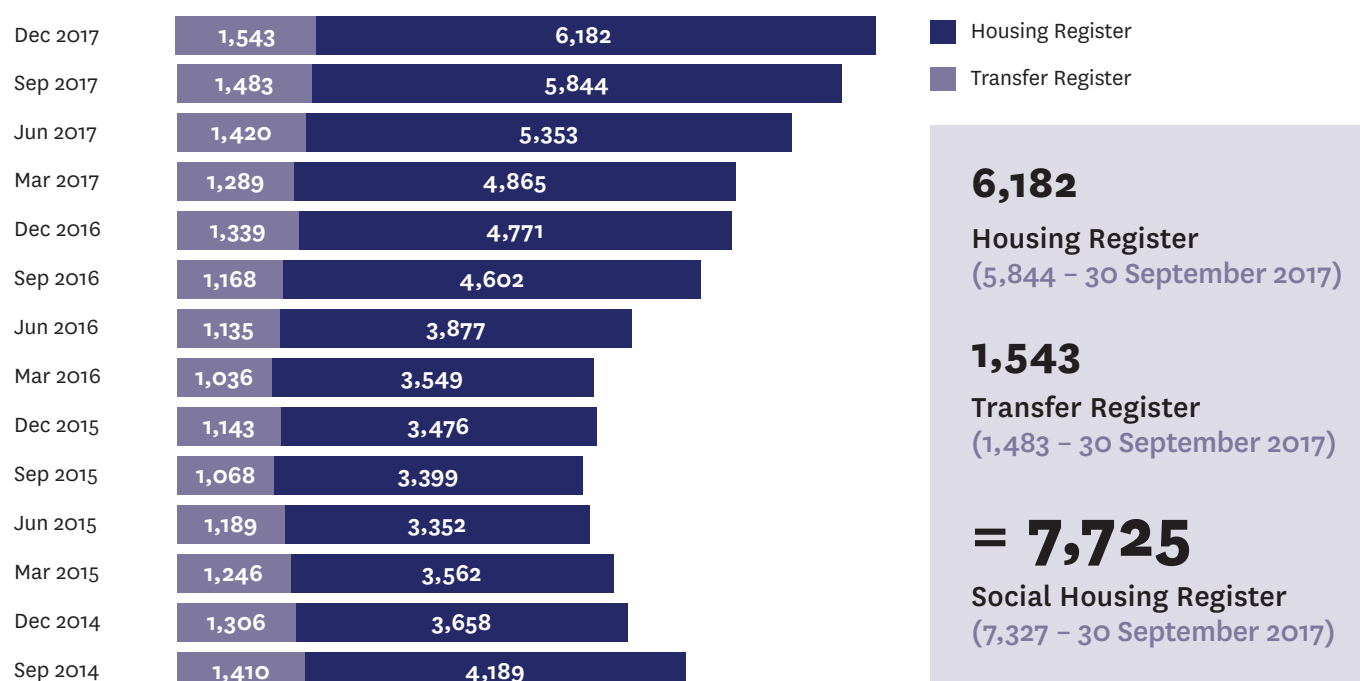
Social Housing Register

When New Zealanders are in need of public housing, their needs are recorded on the Social Housing Register, which is comprised of a Housing Register and a Transfer Register.

The Housing Register is prioritised by need and consists of applicants who have been assessed as being eligible for public housing. The Transfer Register is made up of people already in public housing, but who have requested and are eligible for a transfer to another property.

People on the Social Housing Register are generally in some form of housing, with 95% of applicants on the register already receiving housing support from MSD.

The Social Housing Register has grown by 5%, particularly the highest priority clients.



Key figures at a glance

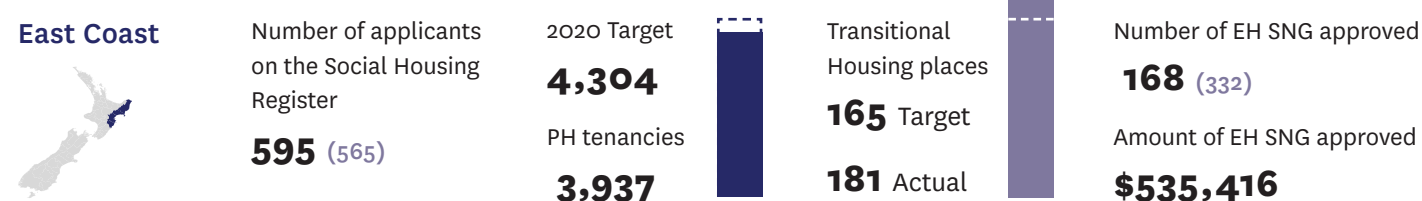
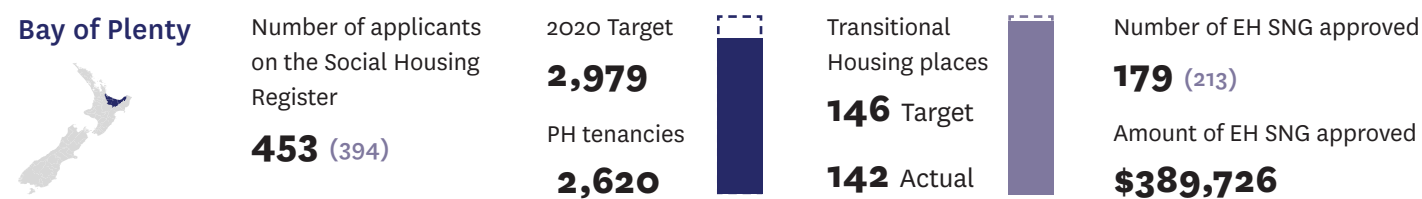
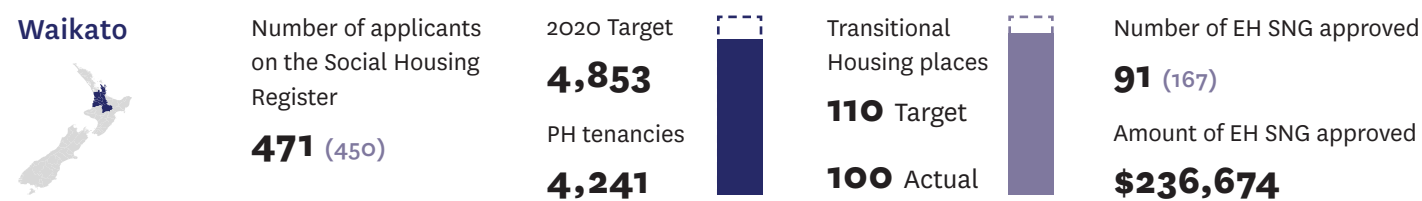
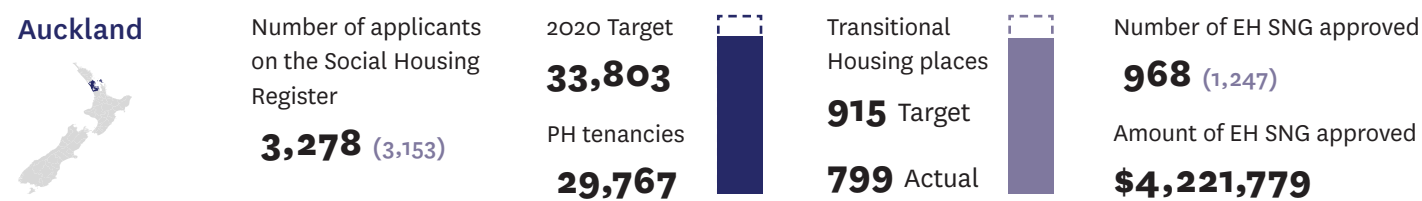
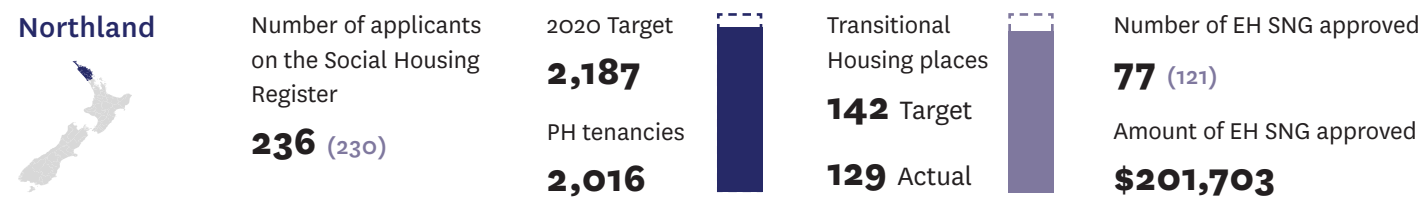
- As at 31 December 2017, the Social Housing Register was up 5% compared to the September quarter, which was not as high as the 8% increase from the June 2017 quarter.
- Living situations for applicants currently on the Social Housing Register include, private accommodation (26%), boarding (21%), currently in public housing (17%), in emergency accommodation (16%), temporarily sharing with family or friends (12%), in a temporary facility (2%), or in a homeless situation and are not accessing or seeking additional housing support from MSD (5%).
- The number of applicants on the Housing Register and on the Transfer Register fluctuates. This is because people are constantly coming on and off the registers, or because their circumstances are changing in ways which result in a change of priority rating. These include:
 - Attaining better information through regular contact with people on the registers to ensure MSD has the most up-to-date information about their circumstances, their housing needs and their social assistance needs.
 - Helping people on the registers move into the private rental market with extra financial help such as rent and bond assistance, help with moving costs, the Accommodation Supplement, and help with finding paid work.

Regional Overview

The top two Territorial Authorities for applicants on the Housing Register as at 31 December 2017 continued to be Auckland (2,566) and Christchurch (451), which account for almost half of the applicants on the register.

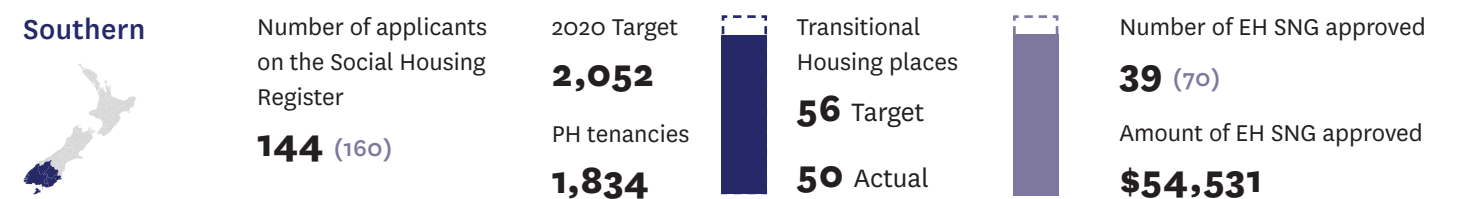
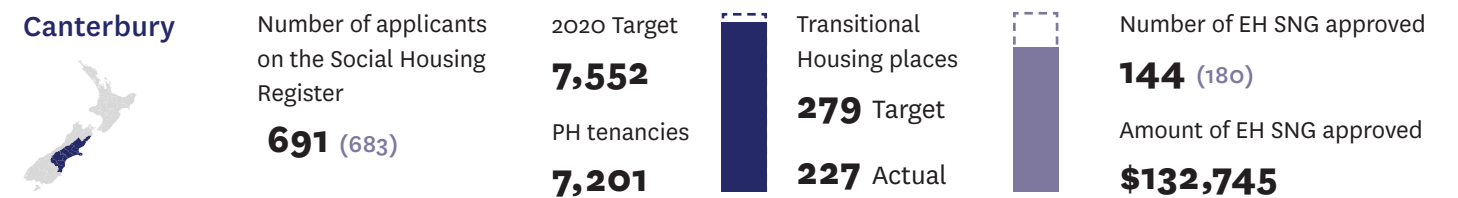
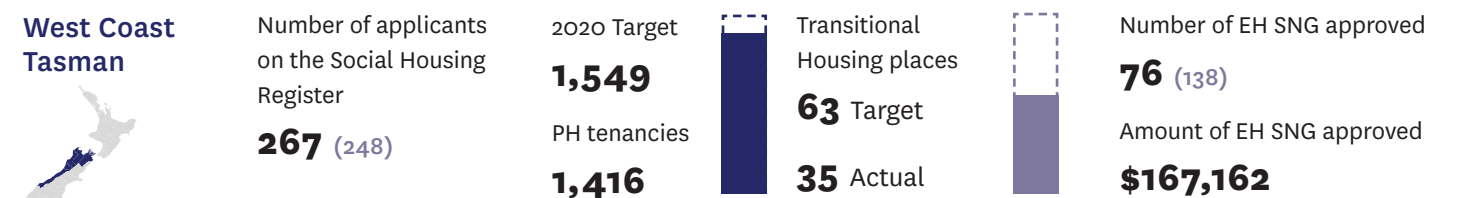
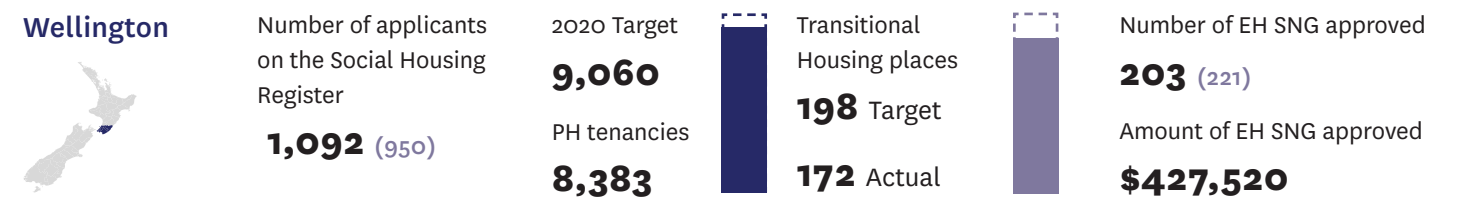
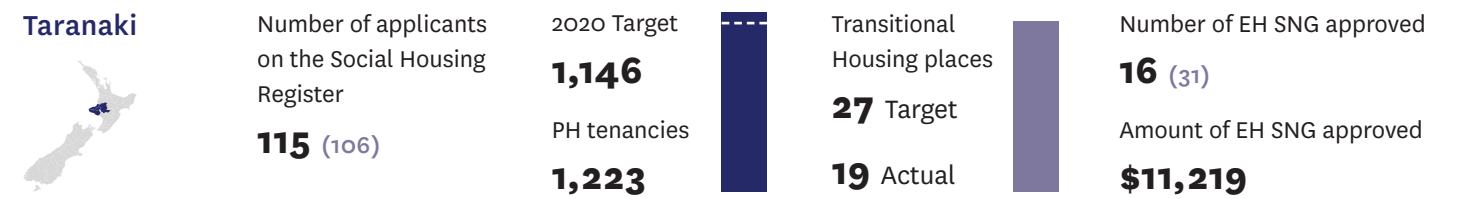
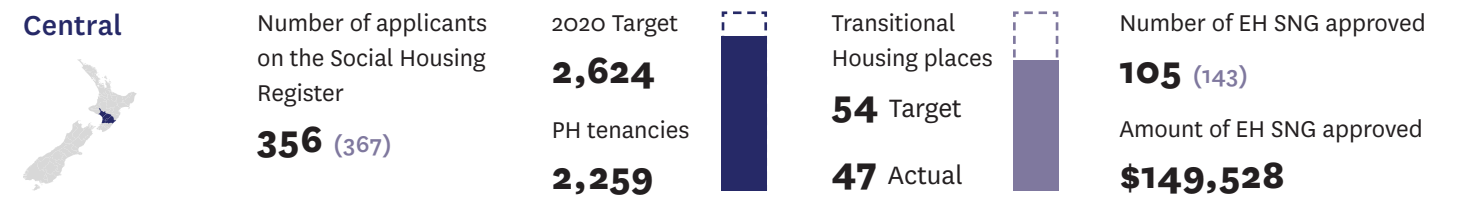
Compared with the same time last year, there was an increase in the number of Housing Register applications. Of particular note at a localised level, the Territorial Authorities of Wellington, Porirua, Lower Hutt, and Upper Hutt, collectively saw an increase of 71% (up 315 applicants), in addition to Auckland (up 24% or 490 applicants), and the rest of New Zealand (up 34% or 620 applicants).

The 2020 targets outlined below are based on the Purchasing Strategy 2016, that dates back to data from September 2016.



Notes:

- Numbers in brackets denote previous quarter figure.
- Social Housing Register includes both the Housing Register and Transfer Register as at 31 December 2017.
- Transitional Housing – Actual is at 31 December 2017, and regional targets are adjusted based on demand.
- Emergency Housing – Number of EH SNG is the number of distinct clients who were granted a SNG in the quarter ending 31 December 2017, based on the housing region the last grant of the quarter was made in.
- Emergency Housing – Amount of EH SNG is the total value of grants issued in the quarter ending 31 December 2017, per housing region
- Public Housing (PH) Tenancies includes Housing New Zealand and community housing provider tenanted properties that are either subsidised through Income-Related Rent Subsidy or the tenant is paying market rent, and is at 31 December 2017.

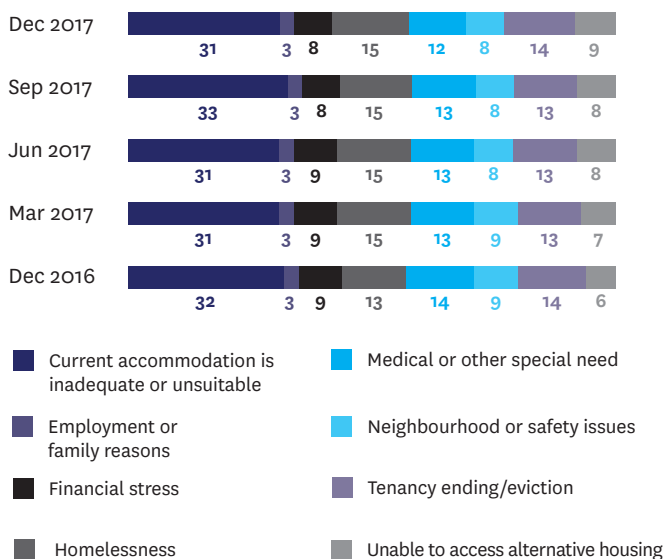


Note: These applicants have a primary address that is not geo-coded so cannot be attributed to a specific Territorial Local Authority.

Characteristics of People on the Social Housing Register

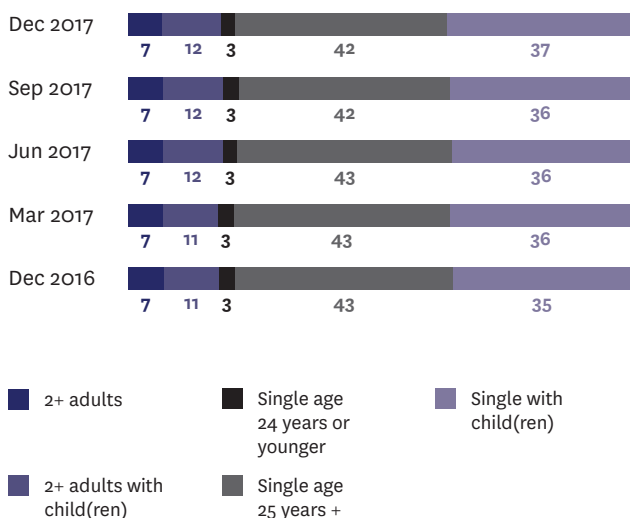
As the Register increases, the characteristics of households remains relatively unchanged.

Main reason for application (%)



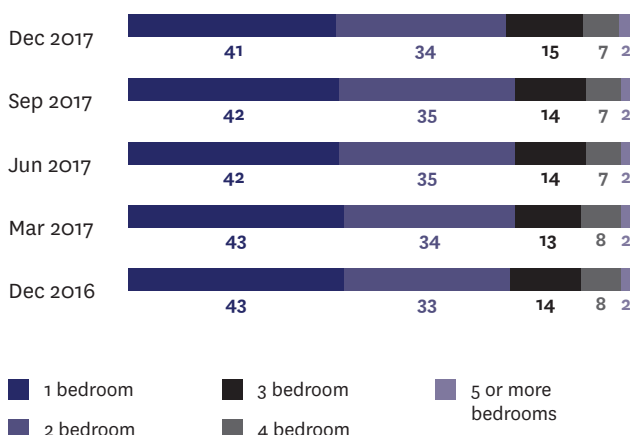
- The main reason for application is captured at the initial application for public housing through an assessment. The main reason given for applying for the Housing Register as at 31 December 2017 was 'current accommodation being inadequate or unsuitable' – this accounts for 1,993 applicants or 32% of applicants on the Housing Register.
- The second most common reason given for applying for the Housing Register as at 31 December 2017 was 'homelessness' – this accounts for 1,164 applicants or 19% of the Housing Register.
- The most commonly self-identified ethnicity reported for 'homelessness' main applicants was Māori, who made up 58% of these applicants (671 main applicants), followed by New Zealand European (261 applicants or 22%).
- The most common age group for 'homelessness' main applicants was those aged 25 to 39 years (43%), followed by those aged 40 to 54 years (31%). There were also 30 (6%) applications recorded on grounds of 'homelessness' where the applicant was aged from 16 to 19 years old.
- The number of Māori and Pacific peoples listing their primary reason for applying as 'homelessness' has remained at 68% in the September 2017 and December 2017 quarters.
- The main reason given for applying for the Transfer Register was 'neighbourhood or safety issues' – accounting for 443 applicants or 29% of applicants on the Transfer Register.

Household composition (%)



- Household composition describes the people who will be housed with the applicant. This may include extended family or boarders who are permanent members of the household, and provide or receive financial, physical and emotional support.
- The most common type of applications on the Housing Register as at 31 December 2017 continued to be single adult households, which made up 48% of the Housing Register (2,960 applicants).
- The second most common type of application was from single adult households with children (2,186 applicants or 35%). The increase in the Housing Register applicants since 30 September 2017 (up 338) was led by an increase in single adult households without children.
- The two most common type of applications on the Transfer Register as at 31 December 2017 continued to be single adult households with children (643 applicants or 42%), and single adult households (533 or 35%).

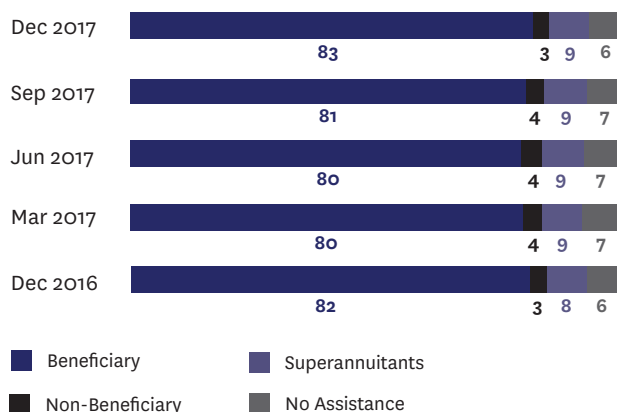
Bedrooms required (%)



- Number of bedrooms required is the number of bedrooms assessed as being required based on the number and composition of the people that will be housed with the applicant.
- The most common number of bedrooms needed for applicants on the Social Housing Register as at 31 December 2017 continued to be one bedroom (3,201 applicants or 41%), followed by two bedrooms (2,606 applicants or 34%).
- The high demand for one or two bedroom properties continues to align with the household composition data from September 2017, which showed that around 80% of applicants on the Housing Register were for single adults with child(ren) or single adults.

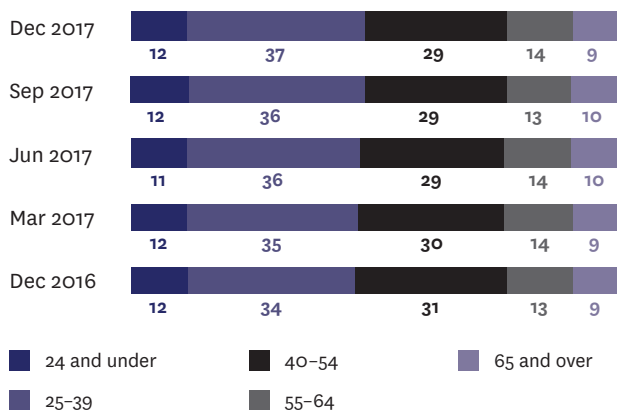
Characteristics of People on the Social Housing Register continued...

Household income type (%)



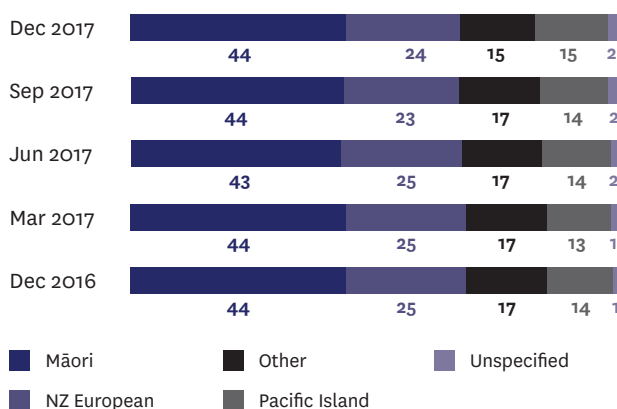
- A large majority (83%) of applicants on the Social Housing Register as at 31 December 2017 received a main benefit.
- The most common benefit received continued to be Jobseeker Support (JS), which made up 31% of applicants (2,378), followed by Supported Living Payment (SLP) (1,858 applicants or 24%), and Sole Parent Support (SPS), (1,812 applicants or 24%).
- Almost half of the growth in the Social Housing Register for the quarter came from an increase of applicants on Jobseeker Support (up 174 applicants or 8%).

Age of main applicant (%)



- The following age group data in this report is for the main applicant only, and does not include any other individuals associated with the application.
- The most common age group for main applicants on the Social Housing Register as at 31 December 2017 continued to be those aged 25 to 39 years (2,823 applicants or 37%), followed by those aged 40 to 54 years (2,241 applicants or 29%).
- Overall, the proportion of applicants across all age groups remains relatively unchanged over the past 12 months, with no significant changes or trends across any age group.

Ethnicity of main applicant (%)



- The following ethnicity data is self-identified and multiple ethnicities may be chosen by an individual as fits their preference. Multiple selected ethnicities are then prioritised into a hierarchy. Ethnic groups to not currently align with Statistics New Zealand ethnicity groupings.
- The most commonly reported ethnicity on the Social Housing Register as at 31 December 2017 continued to be Māori, who made up 44% (3,389 applicants), followed by New Zealand European (1,826 applicants or 24%).
- In particular, growth in the Housing Register since September 2017 was driven by increased numbers of Māori (up 150 applicants) and Pacific peoples (up 95 applicants) during the quarter.

Note:

- Main reason for application is recorded at the initial application for public housing only. All other characteristics can change while the application is on the Social Housing Register, based on any change to the household.
- Figures have been rounded.

Transitions

Over the quarter, 1,673 applicants from the Social Housing Register were housed, with an average time of 58 days to house. This is a decrease of 11%, and on average 8 days longer, when compared to the number of applications housed in the September quarter.

Applications Housed

Over the December 2017 quarter, 1,652 applicants from the Housing Register were housed, and 21 applicants from the Transfer Register were re-housed. The majority of applicants housed from both registers were for Priority A applicants (1,579 compared to 94 Priority B applicants). When housed, the majority of applicants from both registers went into a Housing New Zealand property (1,350), while 323 were housed in a community housing provider property.

Time to House

Time to house is defined as the average number of days it takes from the time an application is first registered on the Housing Register or Transfer Register, to the day a tenancy commences for that application.

Applications housed	Mean time to house (days)	Median time to house (days)
Dec 2017 1,673	122.4	58
Sep 2017 1,876	105.5	50
Jun 2017 1,725	115.9	55
Mar 2017 1,799	107.5	52

Notes:

- After September 2015 time to house is defined as the number of calendar days between the date an application is first confirmed on the Social Housing Register as an 'A' or 'B' priority and the date a tenancy is activated for that application. The date a tenancy is activated may differ from the tenancy start date.
- This table includes both A and B priority applications.
- The quarter in which the tenancy was activated is the quarter in which the application has been reported as housed in.
- Applications housed may have been housed with Housing New Zealand or with a community housing provider.

Housing Support Products

Housing Support Products (HSPs) consist of a range of products designed to assist people to achieve or sustain accommodation in the private housing market. HSPs also help to ensure that people who most need public housing can access it by reducing the number of people on the register, and by helping those who can sustain alternative housing to transition out of public housing.

The use of HSP decreased from the last quarter, down 14% from \$862,614 over the September 2017 quarter to \$745,122 over the December 2017 quarter. This decrease is largely due to less applications being housed and less public housing tenancies being ended, and therefore less people moving into the private housing market.

\$412,223	\$36,534	\$53,567
Bond Grants (\$486,725)	Letting Fees (\$55,013)	Moving Assistance (\$54,590)
\$81,723	\$8,671	\$152,406
Rent in Advance (\$96,968)	Tenancy Costs Cover (\$6,959)	Transition to Alternative Housing Grant (\$162,359)
= 727		
Grants for 402 distinct clients (total \$745,122)		
(875 grants for 478 distinct clients, total \$862,614 – 30 September 2017)		

Notes:

- A client may have multiple grants during the period for different purposes, but will only be counted once in the overall total of distinct clients.
- This does not include the HSP Relocation from Auckland Assistance.

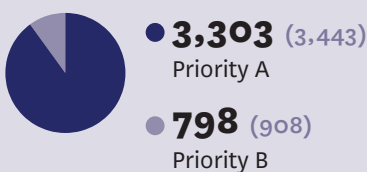
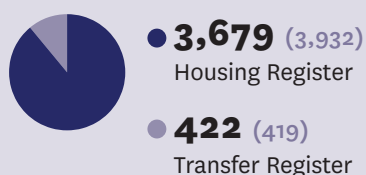
Public Housing Overview – December 2017

The information below illustrates the entries on and off the Social Housing Register for the December 2017 quarter, with the numbers in brackets showing the September 2017 quarter.

7,327 Existing applications from September quarter

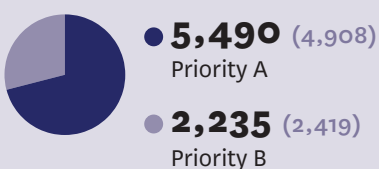
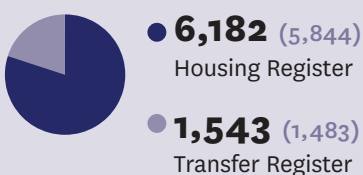
4,101

New entries over December 2017 quarter (4,351 over September 2017 quarter)



7,725

Current applications at 31 December 2017 (7,327 at 30 September 2017)



1,835 Register exits over December 2017 quarter. In the September quarter, the 1,839 exits reasons were:

449 (382) Change in household circumstances

31 (59) Declined offer of public housing

14 (17) Moved to emergency housing

752 (639) Moved to private accommodation

6 (18) Moved to existing public housing tenancy

360 (347) No longer eligible for public housing

227 (215) Self exit – no longer requires public housing

1,673

Applications housed over December 2017 quarter (1,839 over September 2017 quarter)

1,652 (1,859) Housing Register

21 (17) Transfer Register

1,579 (1,763) Priority A applicants

94 (113) Priority B applicants

1,350 (1,599) housed in HNZ properties

323 (277) housed in CHP properties

58

Median time to house (days) over September 2017 quarter (55 over June 2017 quarter)

57 (49) days

84 (117) days

57 (49) days*

72 (58) days*

59 (51) days*

52 (41) days*

* these are not BPS measures.

1,903 Tenancies ended over December quarter. In the September quarter, the 2,252** exits reasons were:

404 (315) Moved to private accommodation

844 (637) Moved to new public housing tenancy

17 (18) Moved to emergency housing

645 (570) Change in household circumstances

50 (48) Moved as a result of a Tenancy Review

292 (296) Unknown

Note: The difference in register flow and outcomes is generally due to tenancy transfers where a tenancy is ended and a household is housed but do not originate from the Social Housing Register. Register exit and tenancy end reasons are measured 28 days after the register exit or tenancy end, to ensure an accurate outcome, and are therefore shown for the previous quarter (September), with a comparative to the previous quarter (June) shown in brackets. Change in household circumstances includes relationship changes, deceased, imprisonment, left NZ, entered residential care, or changes in living arrangements.

** As a result of ongoing data refinements, MSD has identified that figures published for 'Tenancies ended' was incorrect. The correct figures for tenancies ended in the September 2017 quarter are 2,252, and 1,884 in the June 2017 quarter.