

# Public Housing Plan

2018 - 2022



## Public Housing Plan 2018-2022 – Frequently Asked Questions

### Q. What is included in Public Housing Plan?

The 2018 Public Housing Plan (the Plan) is the Government's plan to increase public housing supply across New Zealand over the next four years, to June 2022. The Plan builds on and replaces the 2016 Social Housing Purchasing Strategy, and provides the public and housing sector with updated information about where, how many, and what type of additional public housing places are planned over the next four years.

### Q. What is the role of the Ministry of Housing and Urban Development with the plan?

The Ministry of Housing and Urban Development (HUD) will be the Government's lead advisor on housing issues. From 1 October some parts of the Ministry of Social Development's housing function is transferring to HUD, including responsibility for the Plan.

### Q. What does the plan tell us about demand for public housing?

Over the past two years since the 2016 Purchasing Strategy, there has been a significant increase in the number of people who require public housing. Between 1 July 2016 and 30 June 2018, the number of applicants on the Social Housing Register increased by 111 percent (or 5,577 applicants).

The Government is aiming to secure around 6,400 additional public housing places across New Zealand by June 2022. If possible, we will attempt to achieve more than this within existing budgets and the targets in the plan will be reviewed and updated annually based on demand and feedback about opportunities on the ground.

Nearly two thirds of these places are in the pipeline, so the emphasis of the plan is on the gap between what we are seeking overall by June 2022 (6,400 places) and what's in the pipeline (5,354 places) - about 1,000 places.

### Q. How do I find out about public housing in my region?

Information about housing supply and demand, including how the Government is tracking against the ambitions set out in the Plan is published online in the **Housing Quarterly Report** and **Housing Regional Factsheets**. Future annual updates to the Public Housing Plan will contain updated information about the number of additional public housing places being sought, based on what has been secured in the pipeline and to reflect any changes in national and regional demand, and funding availability.

### Q. Does the plan mean MSD will buy properties like motels?

Motels play a necessary role in delivering more Transitional Housing places quickly. However in the Public Housing Plan, the emphasis is on new public housing builds (as opposed to adding additional places through alternative sources such as leases and buy-ins), with a significant majority of the additional supply being brought on expected to be new builds. We are focusing on new builds to ensure that we are not displacing people in the broader housing market.

### Q. Does the plan look at affordable Housing and Kiwibuild?

The Public Housing Plan looks at increasing the supply of public housing and not the supply of affordable housing or Kiwibuild.



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## **Q. What provision has been made for the housing needs of, youth, elderly, Maori and Pacific peoples, people with disabilities, and refugees in the plan?**

Public housing is for everyone and all vulnerable New Zealanders (including refugees) will benefit from the increased housing supply outlined in the plan. For people with disabilities part of the assessment for housing includes a section on 'accessibility' which reflects where applicants have a need for modified housing, due to a disability or health issue. MSD shares this information with providers to ensure people with disabilities are matched to appropriate housing.

## **Q. What is the Government doing to address homelessness and the use of motels for the Emergency Housing Special Needs Grant?**

While we work to increase housing supply, our priority is that all New Zealanders have access to somewhere warm, dry and safe to live. Our preference is to place the individual or family into long-term public housing, or transitional housing. If neither of those options are available, we will continue to provide clients with an Emergency Housing Special Needs Grant (EH SNG) to pay for urgent short-term accommodation. Housing First is a programme to house and support people who have been homeless for a long time and face multiple and complex issues. Budget 2018 ensures that existing Housing First programmes are sustainable and expand the programme to support 550 more homeless people or families in more regions.

## **Q. At the end of June 2018 the register was over 10,500 applications – why are only 6,400 places being sought?**

The targets in this plan are just the start. If possible we will attempt to achieve more within existing budgets. Over the next four years the Ministry will work with HNZ and CHPs to bring on as many additional public housing places as possible within available funding. We will strive to achieve more than our target, with the budget we have.

## **For Housing Providers**

### **Q. What does the plan mean for Housing New Zealand and Community Housing Providers?**

The Ministry aims to secure approximately 70 percent of supply from HNZ and 30 percent from the CHP sector. This 70/30 split is a goal (rather than a target or a limit). The Ministry has the flexibility to adjust these numbers in response to new opportunities, feedback from the sector and what can be achieved on the ground.

Financial support is now available nationally to HNZ and CHPs to enable and incentivise the additional supply being sought. The operating supplement will be extended so it is now available to both HNZ and CHPs nationally for net new (new build and turn-key) and net additional buy-in public housing supply. Upfront funding, on the other hand, will now only be available in very limited circumstances.

### **Q. What if Community Housing Providers are only set-up to lease new places, not build places?**

The Ministry has developed an overarching strategic partnering model to guide how we work with other agencies and providers. As part of this approach, there is a shift away from a competitive and market-based approach to a more planned and collaborative approach. For example, there may be partnering opportunities for you with builders and developers in your region, the Ministry can help facilitate these partnerships.



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## Q. Why are you using market rent limits that are from 2016?

Market rent limits are used by MSD to determine the maximum it will pay in income-related rent subsidy and operating supplement by number of bedrooms and location.

These limits were last updated in 2016 – they were designed to be future-proofed, with some limits still above average market rent in that area. The flexibility of the Operating Supplement being available at varying rates means the cost of providing new public housing supply can be met in any region, regardless of the market rent available there. MSD will re-consider current funding settings as part of a Government review of funding and regulatory settings across the housing continuum that is currently underway. Where needed, settings will be updated prior to publication of the 2019 version of the Plan.

## Q. What happens for existing properties that are at, or above those market rent limits?

MSD will continue to honour its contractual commitments to providers in respect to any existing public housing places that are at or near the market rent limit. If you have further questions, please talk with your MSD Relationship Manager about how market rental limits affect you.

## Q. Why is MSD signalling no/zero places being supplied by CHPs in a lot of regions?

There are a number of reasons, but a zero doesn't mean there is no supply sought from CHPs in that region:

- **The Plan is a starting point** for MSD to talk with housing providers about increasing public housing supply. If you are interested in working with the Ministry to increase the supply of housing, we would like to hear from you. Please contact us ([Housing\\_procurement@MSD.govt.nz](mailto:Housing_procurement@MSD.govt.nz)) to discuss – we welcome proposals from housing providers and will consider each one.
- **The 6,400 additional public housing places** the Plan seeks are distributed across the country, based on relative levels of demand and funding availability. All regions of NZ will see an increase in public housing supply over the next four years.
- **A significant number of the 6,400 additional places are in the pipeline** – these are planned or underway by HNZ or CHPs. In some locations, the full number of places sought is in the pipeline, meaning that much needed housing in that location is being planned or developed. The pipeline figures are estimates only, at this stage. The pipeline is fully funded and made up of net additional places to be delivered by Community Housing CHPs and HNZ. The CHP pipeline is made up of net additional places that are contracted, or where a contract is under offer or negotiation. The HNZ pipeline reflects their four year plan for net additional places – these places are not necessarily contracted, under offer, under negotiation yet, and are subject to change.
- **The Plan is also a snap-shot in time** – it is a four year plan to June 2022, but it is based on our current thinking and knowledge of public housing supply and demand. We'll monitor demand and supply regularly and report on this quarterly. Over the next four years the Ministry will work with HNZ and CHPs to bring on as many additional public housing places as possible within available funding. If we see demand increasing, or our funding availability changes (as a result of Government's budget processes), we may also be able to bring on more than the 6,400 places.



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## Q. What if I have a housing opportunity in an area where the plan signals there's no additional supply required?

In locations where the plan signals the Ministry is not currently seeking additional supply of public housing (either based on current demand or due to the places already being accounted for in the pipeline), we will consider any proposals that come through on a case by case basis as we know there is more demand. If you are interested in working with the Ministry to increase the supply of housing, we would like to hear from you. Please contact us ([Housing\\_procurement@MSD.govt.nz](mailto:Housing_procurement@MSD.govt.nz)) to discuss – we welcome proposals from housing providers and will consider each one.

## The difference between the Public Housing Plan and 2016 Purchasing Strategy

The plan builds on and replaces the 2016 Social Housing Purchasing Strategy, including:

- **Financial support is available nationally to HNZ and CHPs** to enable and incentivise the additional supply being sought. The operating supplement will be extended so it is now available to both HNZ and CHPs nationwide for net new (new build and turn-key) and net additional buy-in public housing supply. Upfront funding, on the other hand, will now only be available in very limited circumstances.
- **The Ministry aims to secure approximately 70 percent of supply from Housing New Zealand (HNZ) and 30 percent from the Community Housing Providers (CHP) sector.** This 70/30 split is a goal (rather than a target or a limit). The Ministry has the flexibility to adjust these numbers in response to new opportunities.
- **There is an emphasis on new builds** (as opposed to adding additional places through alternative sources such as leases and buy-ins), with a significant majority of the additional supply being brought on expected to be new builds. We are focusing on new builds to ensure that we are not displacing people in the broader housing market.
- **Strategic partnering** – the Ministry has developed an overarching strategic partnering model to guide how we partner with other agencies and providers, to meet the housing needs of New Zealanders, now and into the future. This is a simpler and easier way to work with us to increase housing. There is more information about strategic partnering on the MSD website.

## For more information

You can get more information on the Public Housing Plan 2018- 2022 or how to partner with the Ministry on:

- The Ministry of Social Development [www.msd.govt.nz](http://www.msd.govt.nz)
- Email [housing\\_procurement@msd.govt.nz](mailto:housing_procurement@msd.govt.nz)



**New Zealand Government**

Te Kāwanatanga o Aotearoa