Alternative housing tenures – the opportunity for New Zealand

Research Update 5:
Affordable alternative housing tenure enablers and barriers in a New Zealand context: Experiences of Māori collectives

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1. Context

"Housing is fundamental to our economic and social wellbeing and plays a central role in individual and community health outcomes, family stability, and social cohesion. A responsive housing market facilitates labour market mobility, allowing people to move to take up job opportunities and enhancing the productivity of the economy."[1] Unfortunately, housing markets around the world, including in New Zealand, have struggled to provide adequate, good quality affordable housing with long term security of tenure to meet their populations' needs. Some housing markets have responded to pressures within their housing systems to provide a range of alternative tenure structures and these responses have varied between countries. New Zealand is also a signatory to a number of United Nations conventions that state households' ability to access good quality housing at an affordable price is considered a human right.

This research update is the fifth in a series which presents the initial results of our research project "Alternative housing tenures – the opportunity for New Zealand". This research update focuses on the results of 30 semi-structured interviews across a range of organisations involved in the wider housing system, and specifically, the experience of Māori housing providers. The focus of the survey was on factors enabling or barriers limiting the growth of alternative affordable housing tenures in New Zealand. Previously published research updates from this research project summarised the results from our analysis of housing market outcomes including trends in the intermediate housing market, renter housing stress, and renter housing need and unmet need.

2. Industry sector interviews

The objective of the industry and sector interviews was to investigate the barriers and enablers impacting on providers offering alternative tenure models in New Zealand, how they operate within the housing and related systems to provide affordable housing and their ability to operate at scale. Semi-structured interviews were used with sector participants to identify and collect information on alternative tenure models already in use domestically. The interviews included affordable housing providers interested in alternative tenures, iwi groups offering or developing alternative tenure models, financiers and equity investors, property sector participants and their advisors; and local and central Government representatives.

A total of 30 interviews were conducted which included 17 affordable housing providers and iwi groups, 13 financiers and equity providers, property market participants, their advisors, and local and central government organisations. This research update draws specifically from the interviews with Māori collectives providing alternative tenures, and is supplemented from information from secondary data sources (such as Te Ara Mauwhare Pathways to Home Ownership Trials – Summative Evaluation 2021) in efforts to reduce the research burden on Māori participants.

[1] New Zealand Productivity Commission (2015) Using land for housing. Page 1.

3. Interview outcomes

The semi-structured interviews indicated a number of system based issues impacting on the ability of alternative tenure housing models to grow, and supported the narratives emerging from secondary data sources.

The key factors emerging from our interviews and secondary sources impacting on the potential growth of alternative affordable housing tenures for Māori collectives included:

- Central government partnership and institutional racism;
- Place-based approaches and the relationship with whenua (land);
- Legal challenges;
- Building capacity, not just houses; and
- Intermediate tenures: but for whom?

Note: a more extensive commentary of the findings will be presented in the full technical report which will be published in mid-2023.

Central government partnership and institutional racism

Māori collectives consistently reflected on the systemic racism embedded across the housing sector. While day-to-day interactions with individuals from government agencies and departments were generally described as positive and supportive, many of the overarching frameworks and policies are not fit for purpose. One participant described those frameworks and policies as operating on a "low-trust model", where iwi find themselves consistently battling against a systemic way of being. Culture cannot change overnight, but in many cases, those in positions of power appear oblivious to the impact and power their role has over Māori collectives and the flow-on implications this has on-the-ground.

Treaty partnership means relationships with government departments are different for iwi than with other housing providers. There is a need to recognise and consider historical redress, to understand what 'partnership' looks like, and the difference between partnering with iwi (not just collaborating). This looks different for iwi who are pre- or post-settlement. For settled iwi, the use of land returned in a settlement raises concerns of 'double-dipping' when considered next to non-Māori collectives such as Queenstown Lakes Community Housing Trust (QLCHT) who access land through a planning tool (inclusionary housing).

Place-based approaches and the relationship with whenua (land)

Māori often hold deeply embedded relationships with the whenua on which they are located. For housing on ancestral Māori land, the provision of housing plays an important part in supporting Māori to not just be housed, but to connect (or reconnect) with wider elements of culture and cultural landscapes. As well as the potential to connect with and live on the whenua, housing in your ancestral rohe can support connection-building with other whanaunga (relatives), learning of whakapapa, being supported or encouraged to learn te reo and more.

On the other hand, a gap remains on how government could support housing for Māori living away from their ancestral whenua (e.g. mātāwaka, Māori who live in a region but who are not mana whenua). Most support is targeted to those living on their whenua within their rohe.

Beyond the intrinsic connections to ancestral lands, a place-based approach is also necessary to ensure the specific needs and affordability levels of that specific rohe can be addressed, rather than a blanket approach that assumes all iwi (and the challenges facing different iwi in different rohe) are the same.

Legal challenges

Developing housing on multiply-owned Māori freehold land, or general land owned by Māori, is complex. As well as needing the support of other owners or trustees to build on Māori land, whānau seeking to build their own homes through the Kāinga Whenua loan scheme face restrictions on the type of whare (house) that can be built (one storey, at least 50 square metres, on piles, with 'reasonable' road access so the house can be removed in the event of default).

Navigating the many organisations involved (including Kiwibank for the loans, local authorities for consents and local bylaws, and the Māori Land Court to obtain and register a license to occupy) can be challenging and frustrating when whānau receive inconsistent or conflicting information and advice from different organisations.

New central government funding through the Whai Kāinga Whai Oranga initiative in 2021 is promising, but it remains to be seen how successful the initiative will be and whether it will continue with new budget allocations or sunset, as so often has been the case.

Building capacity, not just houses

While alternative tenure models can produce home ownership (or home ownership-like outcomes), they also have the potential to generate a variety of social and cultural benefits for whānau including financial literacy, confidence and empowerment, connection to culture and more. Māori collectives emphasise using social procurement practices to employ local people (and particularly, Māori) in the construction of housing developments. Whānau moving into the homes are often encouraged to be engaged in the build process to begin forging a connection to that home and place and take 'ownership' in more than just an economic way.

Several interviewees reflected on the 'whānau ora' approach that they follow. Here, it is more than just getting whānau into home ownership. There are extensive systems and resources into preparing whānau for their home ownership, such as through the provision of homeownership education, debt reduction, budgeting and more. Enrolment in financial literacy programmes in order to qualify for shared ownership housing models has the added benefit of improving the financial literacy of the iwi, hapū or hapori more broadly, as more whānau complete the programmes than are placed in homes.

Intermediate tenures: but for whom?

Comments from interviewees and literature raise the question of who intermediate tenures are really being designed for. Māori median household incomes are consistently lower than that of the New Zealand population generally. Where intermediate tenure models and products are based on the 'average' median household income, then they are not set up for Māori from the outset. For whānau Māori with lower household incomes, the ability to borrow is then less and so the subsidy needed from providers is higher.

Similarly, Māori providers are pressed to have the knowledge and capacity to deliver a broad suite of options for whānau. In many circumstances, the type of tenure model that is required is not always clear at the beginning of the process, and often, the specific model chosen will depend on the whānau that collectives are working with. The affordability of the whānau determines the ownership model used.

4. Summary

The semi-structured interviews and associated literature on Māori housing collectives highlighted a range of system based issues impacting on the ability of alternative tenure housing models to grow. These traverse a wide range of areas with the key themes in the interviews and literature identifying:

- Māori collectives face institutional racism across the housing sector, having to work against a systemic way of being and having to "squeeze our unique selves into square holes" set by high-level policies and frameworks.
- Building a home on general land is complex, and even more complex on multiply-owned Māori land. Navigating the many organisations and agencies involved can be challenging and time-consuming. More sharing of successful, standardised structures and processes through a centralised space could help Māori organisations who are feeling like they are having to 'reinvent the wheel' all the time.
- Successful Māori housing developments have the potential not to just house Māori, but to support wider aspects of wellbeing and whānau ora by building financial literacy, empowering whānau, and supporting connection (or reconnection) to the land and to aspects of their culture. The focus is much broader than on just building houses.
- The most appropriate tenure model is not always clear from the outset, and is often not known until collectives know the whānau and households that they are working with. The affordability of the whānau determines the model used.
- Māori-specific, place-based approaches are needed to ensure Māori are not marginalised further where 'mainstream' tenure models fail to account for the differences in Māori household incomes and the challenges facing different iwi across different rohe.

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