



INSIGHT

Report



Financing the future

Building affordable housing pathways
for community housing

Edition 2:
Aug 2025

Edition 2: August 2025

Title: Financing the future:
Building affordable housing pathways for
community housing
ISBN: 978-1-0670604-2-8
Cost: \$20 NZD

For additional copies of this report please
contact CHA at support@cha.org.nz or call
04 385 8722.

Special thanks to: Westpac New Zealand
and the Monte Cecilia Housing Trust for their
support in making this publication possible.

Editor-in-Chief: Paul Gilberd

Editor: Rachel Ray

Design & Illustration: Craig Ray

Video & Podcasts: Sideways8media.com



CHA is a peak body supporting
and representing community
housing providers across
Aotearoa New Zealand.
Through our work, research
and publications, we advocate
for better housing policies and
raise awareness of housing
issues affecting all New
Zealanders.

This publication can
also be viewed and
downloaded as a PDF at
the CHA Hub by
scanning this QR code:



In this edition

Welcome	1
Charles Waldegrave: Restoring housing equity	2
CHA Story: Leo and Sean	12
James Palmer: Community Housing Funding Agency	14
Meet the team: Chris Glaudel	24
CHP Profile: Whangārei Accessible Housing Trust	29
Bridge Housing Trust: Redefining affordability	30
Heiko Jonkers: Banking on change	41
Sam Stubbs: Building for the long-term	46
Bernard Hickey: The 'Housing theory of everything'	51
Paul Gilberd: Reshaping the system	56

Welcome to the Insight Report

Edition 2: *Financing the future*

This edition shines a light on a wide range of innovative financial solutions, some already operating within the New Zealand housing system. At Community Housing Aotearoa, we believe we already have all the money we need to house everyone well, if we make different choices as a country. In many cases, the challenge isn't inventing new services, but scaling the ones we know are working.

The policies, partnerships and tools we need already exist. What's required now is greater collaboration, sharing, replication, and the will to act. It's about doing more of what's proven, more often, and in more places.

It's about turning intention into impact and potential into practice. The challenge is one of scale, coordination and urgency — not invention.

Our nation's choices today will shape the country we, and our children, will live in tomorrow.

Current trends are leading us toward a future divided by access to property and wealth. But that's not inevitable. Whether you're working, studying, renting, building, or retired, every one of us has a role to play.

We must hold in our hearts and minds a vision of a nation where all New Zealanders are well-housed, and commit to making that vision real.

We've chosen to focus this edition on finance because it remains the biggest barrier to scaling affordable housing. The stories shared here, of products, policies, services and people, reflect a growing ecosystem of solutions for low, and moderate-income, New Zealanders. Behind each example is the belief that systems change is possible, and already underway.

To say their struggle isn't ours is like saying their end of the boat we're all in is sinking, while ours stays afloat.

We're in this together. Let's build the future — together.



Paul Gilberd
CEO
Community Housing Aotearoa
paul@cha.org.nz

Restoring housing equity

*Examining the journey to date:
The return to home ownership
and financial inclusion*



DeepDive interview with
Charles Waldegrave

Over the past three decades, New Zealand has witnessed a profound transformation in its housing landscape. Historically celebrated as a model of equitable home ownership, the nation now finds itself entrenched in a housing crisis characterised by stark inequalities, affordability pressures, and a growing divide between asset-rich homeowners and asset-poor renters.

Central to understanding the current predicament, and charting a path forward, is a comprehensive grasp of the historical shifts in housing policy and their implications on social equity.

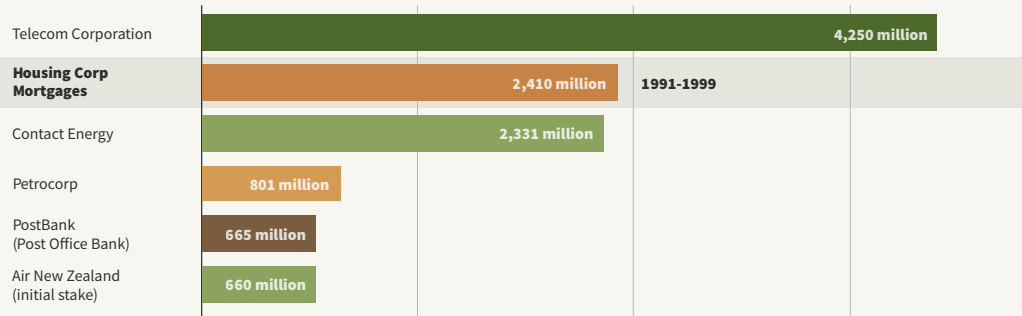
The post-war housing model: successes and lessons

In recent submissions to the Waitangi Tribunal, extensive historical analysis demonstrated that post-war New Zealand established one of the most robust and enviable housing policies globally, integral to the broader welfare state



Major New Zealand government privatisations (1988-1999)

Sources: Treasury's Crown Ownership Monitoring Unit paper "Annex III: List of major asset sales in New Zealand, 1988-1999" (December 2010). Additional detail on the Housing Corporation mortgage-book sale comes from investigative coverage by North & South magazine (August 2021).



structure. Home ownership formed the cornerstone of this policy, significantly bolstered by state interventions designed explicitly to facilitate widespread access.

This era, underpinned by visionary leadership such as Michael Joseph Savage and later Sid Holland, was characterised by intentional strategies aimed at home ownership, offering favourable mortgage terms and innovative financial supports, such as the capitalisation of family benefits as deposits. Indeed, at its peak, government subsidies accounted for nearly 30% of the cost of an average home.

The shift from public to private

However, the housing landscape shifted dramatically from the late 1980s onwards, particularly in 1991, when a radical policy pivot

occurred under the then National government.

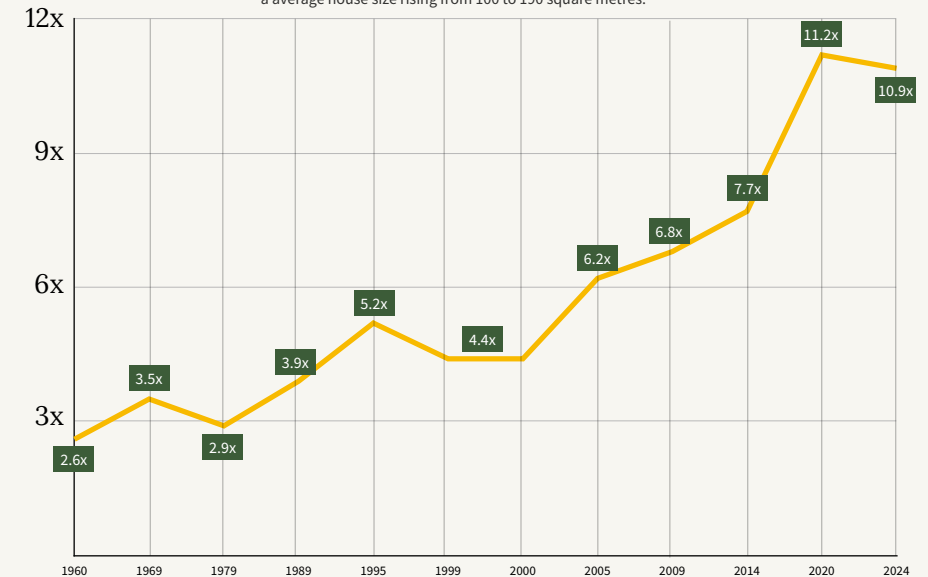
The sale of \$2.4 billion in state-owned mortgages to the private sector signalled not merely a financial divestment but a fundamental ideological shift away from state-supported home ownership toward reliance on the private housing market. This transition proved catastrophic in retrospect, severely limiting home ownership opportunities, especially for lower-income and historically marginalised communities, including Māori and Pacific peoples.

Rising inequality and housing unaffordability

As state involvement diminished, private sector dynamics became increasingly dominant. Rental markets expanded rapidly, driven by speculative investment and profit

Combined build & land cost vs average salary (1974 – 2024)

Sources: Stats NZ Infoshare Building consents / Stats NZ QES – Average weekly earnings / NZ Official Year-Book archive. Taking into account a average house size rising from 100 to 190 square metres.



motives rather than community welfare or social stability.

Consequently, the affordability and security previously associated with home ownership was severely compromised. Rental inflation consistently outpaced income growth, pushing a considerable proportion of the population into precarious financial situations, where housing costs routinely exceed internationally recognised affordability thresholds of 30% of household income.

Current international metrics reveal New Zealand's housing cost-to-income ratio sits alarmingly between seven to eight times the

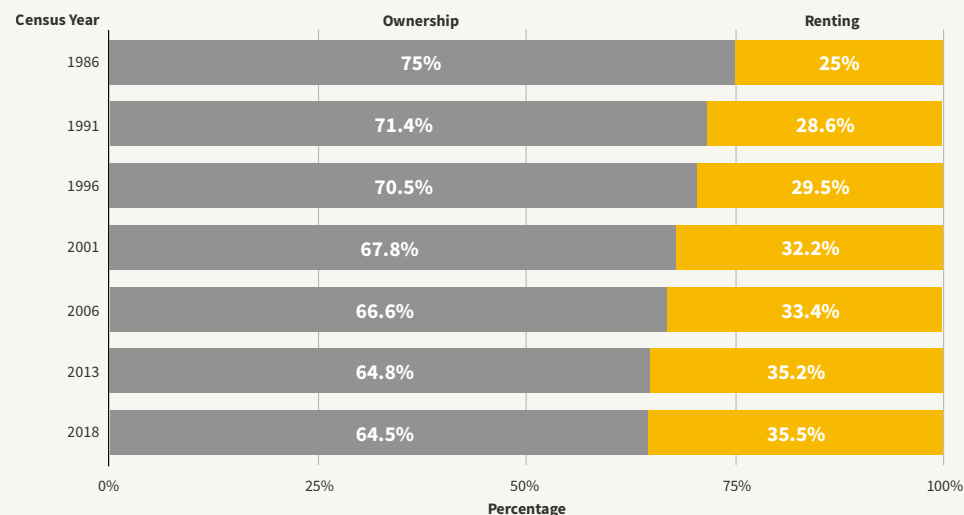
median income, significantly beyond the recommended affordability ratio of three.

Impacts of asset inequality: economic vulnerability and social costs

This shift has created not only immediate financial hardship but also structural inequalities with profound long-term implications. New Zealand is now witnessing the solidification of a divided society, approximately 60% with property assets and 40% without, effectively establishing an entrenched class of asset-poor citizens.

NZ Household Tenure – Owners vs Renters (1986–2018)

Sources: Stats NZ 2018 Census tenure table / Stats NZ tenure time-series 1986–2013 / RNZ interview – Waldegrave 2023



This scenario disproportionately affects Māori, Pacific peoples, and lower-income Europeans, exacerbating socio-economic disparities and limiting intergenerational wealth transfer opportunities.

The lack of adequate housing assets among this significant segment of the population imparts severe vulnerabilities during

economic shocks, such as the recent COVID-19 pandemic. Homeowners were able to negotiate mortgage holidays and financial leniency, preserving their financial stability.

Conversely, renters had little recourse, with negligible rental relief, perpetuating cycles of economic instability and hardship. Additionally, extensive research demonstrates that home ownership correlates positively with better health outcomes, educational achievements, reduced welfare dependence, and lower crime rates — benefits that persist even when controlling for income and educational differences.

“

New Zealand is now witnessing the solidification of a divided society, approximately 60% with property assets and 40% without.

”



Reviving home ownership: the role of progressive financial models

Addressing these entrenched challenges demands a return to policy strategies that prioritise home ownership and financial inclusion. Importantly, this is not merely about reviving historical models verbatim but re-envisioning them within contemporary economic realities.

Progressive home ownership and shared equity schemes stand out as pivotal financial models capable of bridging affordability gaps. Community Housing Providers (CHPs), given their localised presence and non-profit status, are uniquely positioned to deliver these models effectively.

International examples from the United Kingdom and United States highlight how CHPs successfully provide mixed-tenure housing solutions, combining rental options with pathways toward ownership through shared equity and rent-to-buy schemes.

Strengthening community housing providers

New Zealand's community housing sector, despite its potential, currently faces structural and financial challenges that limit its effectiveness.

Recent government initiatives, such as the Community Housing Funding Agency, offer promising avenues by facilitating lower-cost financing for CHPs, enabling them to compete with larger state entities like Kāinga Ora. Yet, such initiatives remain insufficient in isolation. They must be accompanied by robust

state incentives comparable to those historically offered for home ownership.

Inclusionary housing and legislative reform

Furthermore, current reliance on Income-Related Rent Subsidies (IRRS) has inadvertently skewed the sector toward rental provision, undermining CHPs' ability to deliver diversified tenure models.

While IRRS effectively supports immediate housing affordability, it paradoxically creates disincentives for improving one's socio-economic circumstances, as increased income often leads to eviction

from subsidised housing. This policy contradiction perpetuates dependency rather than fostering independence and stability.

To meaningfully address housing affordability and equity, government interventions must shift from short-term subsidies to sustainable financial instruments and legislative reforms. Inclusionary zoning represents another strategic lever worth exploring.

Internationally proven as effective, inclusionary zoning mandates developers to set aside a proportion of new developments for affordable housing, effectively blending market-driven housing supply with

social responsibility. When carefully regulated to avoid stigmatisation and ensure quality parity, such zoning can diversify housing options and enhance social cohesion within communities.

“

Introducing a capital gains tax, excluding the primary family residence, is an essential financial reform.

”

Housing timeline - Key events

<p>Michael Joseph Savage begins the welfare state; strong focus on state housing and home ownership.</p> <p>Robert A. Lee supports social housing initiatives.</p> <p>State Advances Corporation revived: state housing tenants can buy their homes with affordable government mortgages.</p>	<p>Sid Holland pushes home ownership. 4.7 - 4.75% loans.</p> <p>De-emphasises social housing, introducing stigma toward it.</p> <p>Walter Nash's Labour Government responds: introduces 3% State Advances mortgages.</p> <p>Allows use of the family benefit as a home deposit.</p> <p>By the 1960s, government effectively contributes ~30% of average house price for eligible buyer.</p>	<p>Oil shocks and UK joining the EEC disrupt NZ exports.</p> <p>Despite economic pressures, home ownership remains accessible due to: Post Office Bank schemes / 5-year savings incentives / Interest deductions.</p> <p>Māori home ownership climbs to ~50%, Pākehā to ~70%.</p>	<p>National Government undertakes asset sale: sells \$2.4 billion in housing mortgages to private sector.</p> <p>Marks a turning point - dramatic decline in access to home ownership begins.</p> <p>Rise in private rentals; home ownership declines.</p> <p>Emergence of community housing providers with small-scale shared equity and rent-to-buy schemes.</p> <p>Government still fails to incentivise home ownership significantly.</p>	<p>National introduces Income Related Rent Subsidy (IRRS) for community providers.</p> <p>Tenants pay max 25% of income. Government covers the rest up to market rent.</p> <p>CHPs shift away from ownership options toward rentals, including IRRS funded social housing.</p>	<p>Labour Government builds more state housing, but security of tenure is lost - no longer 'for life'. Renters must leave if income improves.</p> <p>Rise of the "Bank of Mum and Dad": Fifth-largest lender in NZ lending \$22 billion (within the last 5 years).</p>	<p>Chris Bishop (National) Commits \$150M to the Community Housing Funding Agency to help CHPs leverage private finance. Aims to level playing field with Kāinga Ora.</p> <p>Cap of 72,000 state houses has been set.</p> <p>Capital Gains Tax discussed but still politically blocked.</p>	<p>Home ownership down to around two-thirds. Rising private renting (~1/3 of households).</p> <p>NZ's median house price is 7 - 8x median income (vs. affordable threshold of 3x) - and around 11x average salary multiple.</p> <p>60/40 "asset vs non-asset" class is forming, with Māori, Pacific peoples, and low-income Pākehā most affected.</p>
---	---	---	---	--	--	---	---

1940s

1950 - 1960s

1970s

1990 - 2000s

2014

2019 - 2023

2023 - 2025

Current state

Reforming investment incentives: introducing capital gains tax

Crucially, achieving these structural changes requires confronting the perennial political barrier of property as a primary investment vehicle.

The absence of a capital gains tax or similar wealth taxes in New Zealand incentivises speculative housing investment, inflating prices and diverting capital away from productive economic activities. Introducing a capital gains tax, excluding the primary family residence to minimise disruption, is an essential financial reform.

Though politically sensitive and with delayed revenue impacts, such a tax would eventually redirect investment towards productive sectors and housing affordability solutions.

“

Addressing New Zealand's housing crisis is more than economic prudence — it is a moral imperative.

”

A call for political courage and strategic vision

At a fundamental level, policy discourse must re-frame housing from being viewed merely as a market product to recognising it as a critical human need and social good. Housing policies must prioritise long-term societal benefits, community stability, and individual wellbeing above short-term market dynamics and speculative gains. This requires bipartisan commitment and ideological flexibility from political actors, transcending entrenched party position — market primacy on one side and state housing dependency on the other.

New Zealand's historical experience clearly demonstrates that home ownership, when strategically supported by the state and coupled with community-centric models, provides profound social and economic benefits. The country has solved these issues before, suggesting that the primary barrier today is political will, rather than economic feasibility. The post-war policy approach, combining government incentives, financial innovations, and local community-driven initiatives, can be adapted and scaled within the current economic context. Progressive

home ownership programmes, expanded shared equity schemes, inclusionary zoning mandates, and strategic tax reforms collectively represent a viable and necessary policy pathway.

Ultimately, the party or coalition that boldly embraces these comprehensive housing reforms will secure not only immediate electoral support but also a lasting political legacy. Addressing New Zealand's housing crisis is more than economic prudence — it is a moral imperative.

The nation owes it to current and future generations to restore equitable access to housing, underpinning social stability, economic productivity, and genuine community wellbeing. As New Zealand has historically proven, a strategic, committed return to home ownership models and financial inclusion initiatives can, once again, make the country's housing system a global exemplar of fairness and opportunity.

Click the QR code to leave feedback on this article



DeepDive interview

Each Insight Report will feature at least one DeepDive interview, offering in-depth discussions on the housing landscape and other related topics.

Click or scan the QR codes below to watch or listen to the full interview with Charles.



Watch - Video
Click or Scan



Listen - Audio
Click or Scan

Charles Waldegrave is a psychologist, social policy researcher, Anglican priest, and co-founder of the Family Centre Social Policy Research Unit. He is a pioneering figure in New Zealand's housing and social policy landscape.



CHA Story

Queenstown: Leo and Sean

CHA Stories are all about capturing the lived experiences of people on their housing journey. In this story we spoke with Leo and Sean from Queenstown.

“There isn’t any housing... or if there is, you can’t afford it.” That blunt verdict from Leo, a young business-owner, captures Queenstown’s reality.

Even modest homes now easily clear the million-dollar mark, with a mean value of roughly \$1.6 million. Far beyond the reach of nurses, chefs or retail staff who keep the community running.

Rents tell the same story. A single-bed flat averages more than \$500 a week before power — an impossible burden when wages barely cover groceries and petrol. Couples stretch budgets, while friends cram eight to a house or retreat to campground cabins in winter.

Leo and her partner Sean are “lucky” to occupy a one-bed granny flat above relatives in Arrowtown, yet they know it’s a stop-gap. Every week they weigh quitting the district

they love, because the next step up the ladder simply doesn’t exist. If people with supportive families feel cornered, imagine the plight of migrant workers sleeping in cars, too afraid to reveal their locations for fear of being moved on.

The Queenstown Lakes Community Housing Trust offers some hope via inclusionary zoning homes, but its waiting list is now around 1,400 families — evidence of demand the market refuses to meet. Meanwhile, whole streets sit dark at night.

Holiday houses that function as safety-deposit boxes for absentee owners yield nothing to the community in terms of value or function.

Market purists fall back on the trickle-down orthodoxy of “build enough, and prices will fall.” — Leo has a two-word reply — “Doesn’t work.” Supply has risen for years, and affordability has only worsened. Without policy intervention, Queenstown risks becoming an ‘Aspen-by-the-Lake’. Beautiful, exclusive, and hollow.

The fixes are neither radical nor untested. First, support and strengthen inclusionary zoning, to ensure new subdivisions actually house workers. Second, expand

shared-equity and rent-to-buy programmes so stable earners can convert rent into ownership. Third, levy meaningful charges on empty homes and land-banked sections, nudging investors to put roofs over people, not profits.

Yes, these measures demand political backbone, but the alternative is economic self-harm. If teachers, police and baristas live two hours away, tourism quality and the town collapses. As Leo warns, “If all the people who can’t afford to live here leave, there would be no town.”

Queenstown markets itself as an ‘Adventure Capital’. Now it must tackle its greatest adventure challenge — daring to design and support a housing system that lets key-workers and ordinary people stay, raise families and strengthen communities.

Do that, and the town keeps its soul. Fail, and the lights may keep going out — one empty holiday home at a time.

Click the QR code to leave feedback on this article



Watch and listen

Click or scan the QR codes below to watch or listen to the full interview with Leo and Sean.

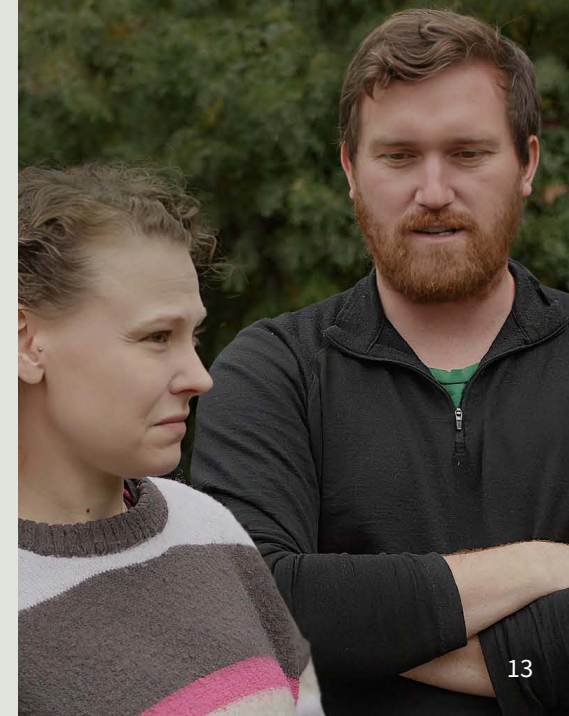
Don't forget to subscribe to the CHA Hub YouTube channel — and the CHA Hub Podcast, wherever you get your podcasts.



Watch - Video
Click or Scan



Listen - Audio
Click or Scan



The Community Housing Funding Agency

Unlocking investment for a new era in affordable housing in Aotearoa New Zealand



DeepDive interview with James Palmer

New Zealand's housing affordability crisis has reached unprecedented levels, with 20,000 families on waiting lists for homes that don't exist and a conservative cost of \$13 billion just to provide for those currently in need. But amid this daunting challenge, a new financial structure is emerging that could fundamentally transform how the country delivers affordable housing.

James Palmer, who has led the Community Finance team for six years, recently established the Community Housing Funding Agency (CHFA) in response to what he describes as an overwhelming crisis requiring an equally substantial solution. The agency represents a paradigm shift in how New Zealand approaches housing finance, drawing on proven international models while leveraging the country's growing pool of retirement savings.



DeepDive interview

Click or scan the QR codes below to watch or listen to the full interview with James.



Watch - Video
Click or Scan



Listen - Audio
Click or Scan

James Palmer is Chief Executive of the Community Housing Funding Agency (CHFA), a social finance group supporting affordable housing across New Zealand. With a background in economics and investment, he leads CHFA's work with providers and iwi to deliver long-term, impact-focused finance for quality homes.



The scale of the challenge

The numbers behind New Zealand's housing crisis are sobering. With nearly \$5 billion spent annually in government subsidies, despite worsening conditions the traditional approach has proven insufficient. James emphasises that the scale of the problem demands an equally ambitious response.

The crisis extends beyond simple supply shortages. New Zealand currently has less than 5% affordable housing stock, similar to Australia, placing both countries at the top of global affordability crisis rankings. In contrast, the UK and France maintain 17% affordable housing stock, while the Netherlands achieve 30%.

What makes the situation particularly frustrating, according to James, is that New Zealand has never had more money available for investment. With \$300 billion

“

A multi-billion dollar crisis has to have a multi-billion dollar solution. Otherwise you never fix it.

”



in funds under management nationally, and KiwiSaver alone representing \$120 billion (projected to reach \$200 billion by 2028), the resources do exist to make a significant impact.

Understanding the funding gap

The core challenge lies in what's known as the “funding gap” — the difference between what people can afford to pay and what landlords need to charge to make ends meet. For someone earning New Zealand's average income of \$65,000, affordable housing should cost no more than \$375 per week (30% of pre-tax income). However, market rents often reach \$700-800 per week.

This gap has traditionally been filled through the Income Related Rent Subsidy (IRRS), where the government pays community housing providers the difference over a 25-year contract period. While this addresses the affordability issue for tenants, it creates another problem: community housing providers have been paying premium interest rates on the finance needed to build and purchase properties.

James explains that finance typically represents 60-80% of each

“

If just 5% of that was directed towards affordable housing, you could do 20,000 homes.

”

new home's cost, making it the largest expense over the 25-year contract period. The inefficiency of having charitable organisations pay higher interest rates than individual homeowners creates a system where taxpayers fund this inefficiency while receiving fewer homes in return.

“Who goes out and borrows together half a billion dollars and instead of getting a discount pays a premium? And the real tragedy is we as taxpayers have been fitting the bill for that inefficiency.”

The international blueprint

CHFA draws inspiration from successful models overseas, particularly Housing Australia, which launched simultaneously with Community Finance and has already delivered \$4.9 billion worth of loans to community housing providers. The Australian model demonstrates the potential impact:

they estimate savings of \$850 million in interest compared to traditional bank lending.

The UK's Housing Finance Corporation, established in 1987, provides an even longer track record. After nearly four decades of operation, it manages over £8 billion worth of loans to housing providers, with 42% of its loan book still covered by legacy government guarantees.

These international examples highlight a crucial insight: successful housing finance systems require government, banks, fund managers, and charitable providers to work together rather than operating independently.

How CHFA works

The Community Housing Funding Agency operates as a financial intermediary, bringing together multiple funding sources to provide lower-cost finance to community housing providers. The structure includes partnerships with banks (particularly ANZ), a \$150 million government facility, and bonds purchased by seven KiwiSaver fund managers.

This approach creates what James describes as a “circular reference” where New Zealand

workers' retirement savings are invested in domestic, affordable housing projects. The model offers lower risk than purely private investments because government provides the revenue stream through housing subsidies.

The collective approach dramatically increases the sector's buying power. Instead of individual providers with \$10 million balance sheets negotiating separately, CHFA brings together borrowers representing \$2 billion in combined debt, making the sector significantly more attractive to institutional investors.

“When you're facing the KiwiSaver providers, you're suddenly a really attractive sector. And that means we can borrow more and more to deliver affordable housing. And we can also borrow at a lower cost.”

The power of collective action

CHFA's impact extends beyond simple cost savings. The agency actively works with community housing providers on pipeline development, helping newer organisations learn from more experienced ones. This knowledge sharing addresses one of the sector's key challenges: varying levels of experience and capability

across different providers.

Currently lending to 14 community housing providers (up from five the previous year), CHFA expects to work with over 20 organisations within the current year. This growth represents a significant coming together of the sector, creating opportunities for shared learning and standardised best practices.

The agency focuses on what James calls the “top 35” community housing providers — not necessarily the best in terms of service quality, but those managing the most properties and therefore responsible for 95% of IRRS-funded homes in the community housing sector.

“Instead of their buying power just on their own, they might have a \$10 million balance sheet. When we put all of our borrowers together and who's coming on board, it will be \$2 billion.”

Financial structure and innovation

CHFA operates as a social enterprise, consciously maintaining lower profit margins than traditional banks to pass savings directly to community housing providers. The agency offers both



floating and fixed interest rates, with the ability to provide fixed rates for longer periods than banks typically offer to the community housing sector.

Currently offering fixed rates from one to five years, CHFA expects to extend this to seven or 10 year fixed rates as the organisation scales. This longer-term certainty is particularly valuable given that government contracts typically run for 15-25 years.

The agency's bond programme and government support enable it to achieve investment-grade credit ratings, further reducing borrowing costs. James notes that Housing Australia's bonds now carry AAA ratings — higher than current US Treasury bonds following Moody's recent downgrade.

Addressing the broader housing continuum

While CHFA initially focused on IRRS-funded projects, the agency is expanding to support various tenure types, including progressive home ownership and other affordable rental programmes. This flexibility responds to growing recognition that different communities need different housing solutions.

The savings generated through lower interest rates create new possibilities across the housing continuum.

James calculates that a 1% reduction in interest rates saves approximately \$400 per month on an average home loan — a significant amount that could enable new interventions or help more families transition from renting to ownership.

“For someone on a low income, \$400 a month actually makes a hell of a difference. In fact, most of us, \$400 a month would be quite nice.”

Regional innovation and local solutions

Recent government announcements signal a shift toward localised decision-making, with regions like Rotorua and Hawke's Bay developing their own mixed-tenure approaches. CHFA's flexible financing model supports this trend by offering the same low rates regardless of funding source or tenure type.

This regional approach aligns with James's vision of “smarter contracts” that could allow tenants to remain in the same home even as their circumstances improve, with government subsidies adjusting



accordingly rather than forcing disruptive moves.

The agency has observed significant regional variations in both housing costs and financing conditions, with some providers currently paying interest rates around 8% annually that CHFA can refinance at rates in the low 4% range.

Future prospects and challenges

Looking ahead, James identifies several key factors that will determine CHFA's success. Political

continuity emerges as a crucial element, with housing challenges transcending normal electoral cycles but solutions requiring sustained commitment across multiple governments.

“It would be great if there was a little bit more commonality in where do we want to go and how are we going to do it? Because I think our three-year election cycle isn't helpful to this.”

The agency's growth depends partly on additional government support, particularly guarantee mechanisms that could enable

work with smaller or higher-risk providers. Currently, CHFA could work comfortably with approximately 30-40 community housing providers, but additional tools could expand this reach.

James emphasises that success requires continued collaboration across all stakeholders: community housing providers choosing to work with CHFA, government agencies supporting the model, and fund managers maintaining their investment commitment.

Building quality and efficiency

Beyond financing, CHFA's sector overview reveals significant opportunities for improving construction quality and efficiency. James highlights examples like Ōtautahi Community Housing Trust, which demonstrated mixed-tenure developments with an average build cost of \$404,000 (excluding land) for high-quality one to four-bedroom homes.

“

It's extraordinary if you're in a role like mine, seeing... old Housing New Zealand houses that were left just in a dilapidated state.

”

This focus on building standards addresses long-term sustainability concerns. James notes the false economy of deferred maintenance, pointing to deteriorating pensioner flats and former Housing New Zealand properties as evidence of what happens when revenue streams don't support proper upkeep.

“We professionalise long-term maintenance. It's extraordinary if you're in a role like mine, seeing some of the pensioner flats and old Housing New Zealand houses that were left just in a dilapidated state.”

The path forward

The Community Housing Funding Agency represents more than just a new financing mechanism — it embodies a fundamental shift toward collaborative, efficient approaches to addressing New Zealand's housing crisis. By bringing together retirement savings, government support, and community housing expertise, CHFA creates a sustainable model that could transform how the country delivers affordable housing.

Success will require sustained effort across multiple dimensions: continued political support, sector collaboration, and ongoing refinement of financing and delivery

mechanisms. But the foundation now exists for addressing the housing crisis at the scale it demands.

“I think every person in the sector would agree that, you can in the morning be optimistic and in the afternoon be pessimistic. But I think it's about, you know, just remembering what we can achieve in a year or five years is a lot more than we probably give ourselves credit to do.”

As CHFA continues to develop and scale its operations, the agency offers a blueprint for how New Zealand can leverage its financial resources to create the affordable housing supply its people desperately need. The challenge remains enormous, but for the first time in decades, the tools and structures exist to address it at the required scale.

To learn more about the work of the Community Housing Funding Agency visit their website at: chfa.co.nz

Click the QR code to leave feedback on this article



Subscribe to the Insight Report

If you would like to subscribe to the CHA Hub Insight Report — or would like to invite a colleague to subscribe — click or scan the QR code below.

We plan to publish 3-4 printed reports each year and subscribers also get access to full reports and indepth articles on the CHA Hub website, which launches later this year.



Click or scan to subscribe





Meet the team:

Chris Glaudel

From California to Aotearoa

In a sector dedicated to providing stable and affordable housing for all New Zealanders, Chris Glaudel brings a wealth of international experience and a unique perspective to his leadership role as Deputy CEO at Community Housing Aotearoa. His journey from California to Aotearoa spans decades of work in housing development, asset management, and community-focused initiatives.

Early life

Though born in Iowa, Chris grew up in California — first near Los Angeles and later in Bakersfield, a region immortalised in *The Grapes of Wrath*. Here, Chris developed an appreciation for diverse communities and economic realities.

Initially drawn to the sciences, he eventually majored in history at Fresno State University, developing skills in critical thinking and communication. Even in middle school, he showed an interest in international affairs — subscribing to U.S. News and World Report while

his brother read *Sports Illustrated*.

A formative international experience

After university, Chris joined the U.S. Peace Corps. Although initially posted to Ghana, he opted for a role where he could learn a foreign language and was sent to Mauritania, in Northwest Africa.

There, he worked on an afforestation project in a village of about a dozen families. When the Gulf War began, the programme was suspended. Rather than returning home, Chris transferred to Cameroon, where he continued his service in the tropical highlands — a stark contrast to Mauritania's desert environment.

"It was a wonderful experience to see the world not as a tourist, but as someone living alongside the people I was working with," he reflects. "It was grounding, and made me reflect on how different life can be depending on the lottery of birth."

The path to housing

Back in California, Chris enrolled in an MBA at UC Davis, specialising in environment and resource management. His time in the Peace Corps convinced him that business development, not just aid, was key

to improving people's lives.

After graduating, he joined Rural California Housing Corporation, a non-profit focused on mutual self-help housing and rental development. "It wasn't a deliberate decision to get into housing," he says. "It was more about applying business skills for community good."

Building a career in California

Chris started as a project manager overseeing subdivision and rental housing developments — learning finance, contracts, and tax credit systems. He later led the development team, managing multiple project managers, and helped the organisation merge with Mercy Housing California — a national provider backed by 13 religious congregations.

Later, he transitioned to asset management, overseeing a portfolio of 120 properties across California — around 5,000 apartments. These homes served a range of tenants: elderly residents, working families, and people facing housing barriers.

Eventually, he supported Mercy Housing teams in Washington, Colorado, Arizona, and Utah, gaining a national perspective on housing challenges.

Bringing global experience to Aotearoa

Now in a senior role at Community Housing Aotearoa and running a consulting practice, Chris draws heavily on his American experience in both housing development and asset management.

He often quotes Sister Lillian Murphy, former CEO of Mercy Housing: “There is no mission without the business.”

“It’s not either-or,” he says. “If we don’t have good business discipline — if we’re not collecting rents, paying bills, or investing in our homes — then we can’t serve the people we’re here to support.” This practical philosophy helps him engage effectively with New Zealand’s diverse housing organisations — from small volunteer trusts to large-scale providers.

Challenges in New Zealand

Chris sees several structural issues in Aotearoa’s housing market. Certainty in pricing, consenting, and infrastructure is foundational — but funding certainty is also critical.

In contrast to the US, where the

Low Income Housing Tax Credit Program has operated steadily since 1986, New Zealand’s approach has been stop-start. Chris cites discontinued initiatives like the Housing Innovation Fund and Social Housing Fund as examples of how gaps in funding forced providers to let go of experienced staff, disrupting progress.

A nation of relationships

Despite the challenges, Chris sees huge potential in New Zealand’s greatest asset: its tight-knit communities. Moving from California’s 30 million people to a nation of just over five million underscored the power of relationships.

“I think the strength here is in relationships. That’s how we’ll progress,” he says.

He highlights the MAIHI Ka Ora strategy and Whai Kāinga Whai Oranga funding programme as successful examples of Māori-Crown partnership. “Māori, iwi, hapū bring that long-term view. That aligns with the mindset I had in California — thinking in terms of stewardship and perpetuity.”

This long-term lens is what distinguishes the community housing sector from private

development and points to a more sustainable housing future.

Looking ahead: risks and priorities

Asked what he would change with a magic wand, Chris calls for long-term investment in housing that values social outcomes: “Better education, health, economic participation, and social connection — we know these come from secure housing. But we don’t always make policy choices that reflect that.”

He warns against treating housing purely as an investment vehicle, which promotes inequality. He’s especially concerned about Māori and Pasifika households facing rising rents, declining home ownership, and retirement without assets.

Recent research he contributed to revealed that of 600,000 renter households in Aotearoa, nearly 194,000 spend over 30% of their income on rent — 88,000 of them spend over 50%. These households often face impossible trade-offs between heating, healthcare, and children’s opportunities.

With most having just \$5,000–\$10,000 in net wealth, a single setback — like a car repair or illness can destabilise them. Chris sees this as a warning sign of an eroding

safety net: “We’re losing that certainty that we’ll be looked after in old age, even after contributing to society.”

Progress and foundations

Chris welcomes the Government’s support for the Community Housing Funding Agency and the new credit facility. These are the results of years of groundwork — including efforts led by former CHA Chief Executive Scott Figenshow.

Between 2014 and 2016, Chris and partners like Auckland Council worked to establish what became Community Housing Solutions (originally New Zealand Housing Bonds Ltd). Though early versions didn’t succeed, the vision persisted.

“In 20 years, people will look back and recognise this as foundational for long-term community housing growth,” he says.

Building for the future

Looking forward, Chris sees a need to better utilise the more than \$4 billion New Zealand spends annually on housing — redirecting from rent subsidies toward building and retaining affordable housing assets, especially under Māori and non-profit ownership.

In the US, failure to preserve subsidised housing led to a crisis in the 1990s. Chris warns New Zealand not to repeat that mistake. “If government is subsidising it, then the housing should remain affordable. That means ownership by registered charities and community trusts.”

Chris’s work is driven by a deep belief in housing as the foundation for wellbeing. His time in Mauritania, witnessing a society shift from 80% nomadic to 80% settled in one generation, challenged his thinking about home and stability.

His own upbringing in a stable, home-owning family stood in contrast to peers who moved often. That contrast shaped his career. Combined with the chance to work across finance, planning, design, and policy, and to meet people committed to change. Housing became more than a job — It became a mission.

You can email Chris Glaudel at projects@cha.org.nz

Click the QR code to leave feedback on this article



DeepDive interview

Click or scan the QR codes below to watch the full DeepDive video interview with Chris — or listen to the audio podcast.



Watch - Video
Click or Scan



Listen - Audio
Click or Scan

Through his leadership at Community Housing Aotearoa and consulting across the sector, Chris advocates for a future, where all New Zealanders can live in stable, secure, and affordable homes.



CHP Profile

Whangārei Accessible Housing Trust



Whangārei Accessible Housing Trust is a purpose-led organisation ensuring disabled people can live with dignity, security, and independence in homes designed for their needs. Established in 2006, the Trust’s te reo Māori name means “doorway to a new world” – a phrase that captures the spirit of transformation driving its work across Auckland and Te Tai Tokerau.

The Trust began by adapting eight existing homes but soon shifted to building new ones, enabling more accessibility features at little or no extra cost. Today, through strong governance and long-term planning, it owns and manages 31 fully accessible properties – seven in Auckland and 24 in Whangārei.

As a registered Community Housing Provider, the Trust is committed to creating safe, lifelong homes that empower disabled



tenants to live independently. It works closely with tenants and supports local providers to deliver practical, person-centred solutions.

Led by trustees with lived experience of disability, the organisation actively promotes better accessible design across the sector and offers guidance to others developing or modifying homes. Its work shows what’s possible when inclusion is designed into housing from the outset.

Click or scan the QR code to visit their website and learn more about their homes and kaupapa.



Whangārei
Accessible Housing
Trust



Website
Click or Scan

Redefining affordability

How Bridge Housing is making home ownership work for more New Zealanders



DeepDive interview with
Jennifer Palmer

In a brand-new two-bedroom home in Cambridge, Waikato, Jennifer Palmer, General Manager of Bridge Housing Charitable Trust, explains how innovative financing structures are making home ownership accessible to families who would otherwise be locked out of the property market. The home, which would typically cost well over \$600,000 in today's market, is available for \$330,000 through Bridge Housing's Secure Home programme — a figure that represents a fundamental shift in how affordable housing can be delivered in New Zealand.

Bridge Housing's flagship Secure Home programme demonstrates

how creative financing can slash housing costs by removing the most significant barrier to home ownership: land cost. Under this leasehold model, families purchase the house but not the underlying land, effectively halving the purchase price. She explains that this approach originated in Queenstown, where similar pressures around housing affordability led to the development of this innovative solution.

“In short, the household comes and they buy the house, but not the land. It really removes the land cost from that initial purchase price, meaning they're buying at about half the price.”

The financial mechanics are straightforward yet revolutionary. Families secure a 100-year lease on the land while owning the dwelling outright.

They pay a nominal ground rent, a manageable ongoing cost that replaces the substantial upfront land purchase. This structure enables households with incomes starting from the mid \$70,000s to access home ownership, a remarkable achievement in New Zealand's current housing climate.

Perhaps most importantly, the programme addresses the long-term financial sustainability concerns that might deter potential homeowners. When families decide to sell, they receive their original purchase price plus inflation, ensuring they build equity over time. The home then returns to Bridge Housing's affordable housing pool, maintaining affordability for the next family. Jennifer describes this as "a win-win" situation where "the household that's left, while they haven't had the big capital gains, they've done so much better than if they'd been renting, they'd been paying off their own mortgage and building equity."

“

This co-ownership arrangement allows families to enter the market with as little as a 5% deposit.

”



Expanding access through shared equity

Recognising that even reduced purchase prices may be beyond some families' reach, Bridge Housing has introduced the First Home Partner programme, a shared equity model that further democratises home ownership. This co-ownership arrangement allows families to enter the market with as little as a 5% deposit, with Bridge Housing taking up to a 20% ownership stake in the property.

The shared equity model functions as a financial stepping stone, with families typically buying out Bridge Housing's share within ten years, transitioning to full freehold ownership. This approach acknowledges the reality that many families need time to build their financial capacity while still providing immediate access to the stability and equity-building benefits of home ownership.

For larger families requiring four-bedroom homes, the First Home Partner programme makes properties in the \$600,000 range accessible — still challenging for many households but representing a significant improvement over market rates. Jennifer acknowledges that "that's completely unaffordable for a lot of people," highlighting

“

It's innovative to offer a mortgage product effectively to a family who are buying the house but not the land.

”

the ongoing need for multiple intervention points across different income levels and household sizes.

Banking partnerships: making innovation mainstream

The success of Bridge Housing's programmes relies heavily on forward-thinking banking partnerships, with Westpac Bank playing a particularly crucial role. Jennifer describes Westpac as "amazing to work with" and notes their support has been comprehensive, covering both development finance and household lending. The bank's willingness to provide mortgages for leasehold properties represents a significant innovation in New Zealand's lending landscape.

"Westpac has been amazing to work with. They've been supportive. They've provided the development finance for a number

of our developments and also lending to our households.”

“It’s innovative to offer a mortgage sort of product effectively to a family who are buying the house but not the land,” Jennifer acknowledges. This required banks to reassess traditional lending criteria and recognise the security inherent in the leasehold model. The partnership demonstrates the “very, very low risk to the bank” while opening new pathways for families to access finance.

“

We don’t really have a definition... it’s as affordable as humanly possible.

”

More recently, ASB has joined as a partner for the First Home Partner programme, indicating growing banking sector confidence in these alternative ownership models. Jennifer expresses hope that this trend will continue, with more financial institutions recognising the viability and social impact of these innovative lending approaches.

The involvement of Hamilton City Council in providing development finance for their Hamilton projects

further demonstrates how diverse funding sources can be assembled to make affordable housing financially viable. This multi-partner approach to financing has proven essential for scaling affordable housing delivery.

The economics of affordability

Bridge Housing’s approach to affordability is pragmatic rather than formulaic. Rather than working to predetermined affordability ratios, Jennifer explains their philosophy: “It’s as affordable as humanly possible.” This means stripping away non-essential features and costs at every stage of development, from design to construction to financing.

“We don’t really have a definition. It’s as affordable as humanly possible. So every time we work with planners or architects or lawyers or whoever it might be, that is the number one pillar.”

The trust’s commitment to maximising affordability extends to their partnerships with architects, planners, and other professionals, with cost reduction being the primary consideration for every decision. Jennifer notes that “there won’t be Juliet balconies and there won’t be this and there won’t be that,” emphasising function over

form to keep costs minimal.

This approach has yielded remarkable results, with recent developments in partnership with local builders achieving sale prices as low as \$292,000 for two-bedroom homes. These prices enable household incomes in the mid-\$70,000s to access home ownership — a demographic typically excluded from traditional lending scenarios.

However, she acknowledges the limitations of any single approach, noting that “we still had applicants who couldn’t afford that, of course.” This reality underscores the need for multiple intervention points and programmes targeting different income levels and household compositions.

Overcoming financial literacy and trust barriers

Despite offering homes at roughly half market price, Bridge Housing discovered that price alone wasn’t sufficient to generate immediate uptake. The organisation now has 26 households living under their programmes, but Jennifer notes “It took us two years to get there.” This timeline reflects the significant education and trust-building required to help families transition from rental to ownership mindsets.



The Trust employs a dedicated staff member, who works intensively with families, often for eight months to a year, addressing financial literacy gaps and building confidence in the home ownership process. This support includes practical assistance like ensuring families contact lenders and complete necessary paperwork, as well as holding them accountable for meeting financial obligations.

Jennifer explains that many families are “intergenerational renters” for whom “the possibility or the option of home ownership is not even in their universe of available choices.” Overcoming this psychological barrier requires sustained relationship-building and education about the differences between renting and owning, as well as the specific mechanisms of Bridge Housing’s programmes.

Development finance and sustainability

Bridge Housing’s financial model relies on a balanced approach combining charitable funding, government support, and market-rate development. The organisation develops some properties for sale at market rates, using these profits to subsidise their affordable housing programmes. This approach creates a sustainable funding cycle while

reducing dependence on external grants and donations.

The Brian Perry Charitable Trust has been instrumental in this model, donating approximately \$10 million worth of land to make developments financially viable. She explains that such generosity “must obviously come to an end at some point, and we’ll need to find other sources of land discounted,” highlighting the ongoing challenge of land acquisition costs.

Government programmes have also been crucial, with Jennifer noting the importance of schemes like the Progressive Home Ownership (PHO) programme, which provided interest-free loans for affordable housing developments. The withdrawal of such programmes has created what she describes as a “middle of the continuum gap” that makes financing affordable housing significantly more challenging.

The role of inclusionary housing and zoning

“

Inclusionary zoning would probably be number one and have the greatest impact.

”



Looking toward systemic solutions, Bridge Housing strongly supports inclusionary zoning as a mechanism for securing affordable housing within mainstream developments. Jennifer explains this as sharing “the value uplift” that occurs when developers receive consents, arguing that “affordable housing is integral to our community” and developers should contribute their share.

Trustee Peter Southwick frames this differently, suggesting that affordable housing provision should be a prerequisite for development consent rather than an afterthought.

This approach would fundamentally alter the financing dynamics of development, making affordable housing a standard component of new housing supply rather than an exceptional add-on.

The organisation supports both local and central government implementation of inclusionary zoning, recognising that a national framework could reduce litigation risks for individual councils while creating consistent expectations across regions.

Future financing challenges and opportunities

Jennifer identifies access to affordable land as the primary constraint on scaling their model, noting the need for “inclusionary zoning, whatever that might look like, but working with developers to ensure that a portion of every development is affordable and genuinely affordable.” This systemic approach to land supply could dramatically improve the financial viability of affordable housing development.

The recent announcement of government support for the Community Housing Funding Agency represents a significant opportunity, with Jennifer welcoming the prospect of reduced borrowing costs. “If we can drop the cost of finance, amazing,” she notes, describing it as another crucial lever in bringing down overall housing costs.

However, Jennifer is realistic about the complexity of housing system change, stating definitively that “there is absolutely not a silver bullet.” She emphasises that sustainable solutions require “interventions from all of the parties,” including local government, central government, community

housing providers, developers, and financial institutions.

“There is absolutely not a silver bullet... You know, it takes interventions from all of the parties... we all have to be doing different things and developers certainly have a role to play.”

Regional impact and scalability

The Hamilton region faces particular challenges, with Jennifer noting it has “one of the lowest rates of home ownership in the country, in fact, potentially the lowest rate.” With home ownership rates approaching 50%, the region faces a looming retirement crisis as renters age without building equity or securing stable housing.

“We’re going to be at a point where less than 50% of people own their own homes, which may not seem like a crisis today, but the crisis is coming... if we don’t have that in place here, we are facing a future train wreck.”

The rental market’s extreme tightness — with Lodge Real Estate managing 4,000 people seeking rentals while having fewer than 20 available properties at any time — demonstrates the urgent need for alternative housing pathways.

Bridge Housing’s model offers a replicable approach for other regions facing similar challenges. The combination of leasehold and shared equity programmes, supported by innovative banking partnerships and strategic use of charitable resources, provides a framework that could be adapted to different local contexts and market conditions.

A blueprint for affordable home ownership

Bridge Housing’s experience in Cambridge and the wider Waikato region demonstrates that innovative financing can make significant inroads into housing affordability challenges. By removing land costs through leasehold arrangements, providing shared equity pathways, and building strong banking partnerships, the organisation has created home ownership opportunities for families earning between \$75,000 and \$130,000 annually.

The success of these programmes relies on multiple subsidy layers and partnerships across sectors, confirming Jennifer’s assertion that “everyone has to do their part.” As the Community Housing Funding Agency begins operations and government support structures evolve, models like Bridge Housing’s

DeepDive interview

Click or scan the QR codes below to watch or listen to the full interview with Jennifer.



Watch - Video
Click or Scan



Listen - Audio
Click or Scan

Jennifer Palmer is the General Manager of Bridge Housing Charitable Trust, where she spearheads the “Secure Home” leasehold model that lets families buy the house but not the land, immediately halving the upfront cost of ownership.



leasehold and shared equity programmes point toward scalable solutions for New Zealand's housing affordability crisis.

The key insight from Bridge Housing's work is that affordability isn't just about building cheaper houses — it's about reimagining the entire financing ecosystem around home ownership. Through creative partnerships with banks, councils, and charitable trusts, combined with innovative ownership structures, they've demonstrated that significant progress is possible even within current policy constraints.

As Jennifer concludes, while there may be no silver bullet, sustained effort across multiple fronts can create meaningful pathways to home ownership for families currently excluded from the market.

Click the QR code to leave feedback on this article



Banking on change

Changing our approach to affordable housing solutions



DeepDive interview with Heiko Jonkers

At the recent CHA Conference, Heiko Jonkers from Westpac offered a compelling perspective on how the banking sector can play a pivotal role in addressing New Zealand's housing affordability crisis. With over 20 years of experience in credit strategy and property lending, Heiko has transformed his role from a traditional banking position to becoming a passionate advocate for affordable housing solutions.

A personal journey into affordable housing

Heiko's involvement in affordable housing began five years ago through an unexpected opportunity to create funding packages for prefabricated homes. This initial exposure to the challenges of securing finance for non-traditional housing led to deeper conversations about shared equity and leasehold opportunities, ultimately revealing the scale of need within New

Zealand's community housing sector.

He reflected, "I've never had a role where I've felt more passionate about what I do", describing how what began as a side-of-desk activity evolved into a full-time commitment at Westpac. His transition highlights a growing recognition within the banking sector that addressing housing inequality is not just a social imperative, but a business opportunity that aligns with corporate values.

“

The average age of first home buyers is now 37... already over 25% through their working life.

”

The stark reality of housing inequality

"The average age of first home buyers is now 37. So if people aren't getting into their home until they're 37, they're already over 25% through their working life."

The statistics that he shared paint a troubling picture of New Zealand's housing landscape. This delay has cascading effects that extend far beyond individual home ownership aspirations.

"People who live in their own homes have better health outcomes. The houses are better quality. They're better looked after." He emphasised that home ownership enables people to leverage their property as security for business ventures, particularly important in New Zealand where 97% of businesses are small enterprises that rely on family homes as collateral.

The delayed entry into home ownership creates a concerning cycle: people buy more expensive homes later in life, requiring larger portions of their income to service mortgages, leaving less time and capacity to save for retirement.

This trajectory suggests a future where more people will reach the end of their working lives without adequate housing security, ultimately requiring government support.

Innovative financial solutions: shared equity and leaseholds

Heiko outlined two key financial innovations that Westpac is championing to address housing affordability: shared equity and leasehold structures. These approaches recognise that the fundamental problem is

not necessarily the borrower's creditworthiness, but the mismatch between house prices and what people can afford.

Using a \$100 house analogy, Heiko explained how shared equity works: if a buyer has \$10 in equity and can borrow \$65, they're \$25 short of the purchase price. A community housing provider, charity, iwi, or church can contribute that \$25, becoming a 25% stakeholder in the property. The homeowner then has 15 years to buy back that equity at market value, sharing in any capital gains proportionally.

He noted that the equity partner's share may increase in value, so does the home owner's portion, creating leveraged upside for the buyer.

"A rising tide raises all boats. So if the value of the equity is going up, the value of the borrowers' equity that they've put in the home is also going up."

Leasehold structures offer another pathway, where buyers purchase long-term rights to occupy land rather than owning it outright. While acknowledging that leasehold is not as advantageous as freehold ownership, Heiko argued that it's still superior to renting without any investment return, particularly when properly structured with long terms

(50-100 years) and capped ground rent increases.

Banking sector transformation

Westpac's approach to these innovative housing solutions reflects a broader shift in banking attitudes. Heiko emphasised that borrowers in shared equity or leasehold arrangements are not necessarily vulnerable — they simply need smaller loans. This perspective allows the bank to treat these customers as standard borrowers, providing the same rights, benefits, and pricing as traditional mortgage products.

He explains that "The product that the customer gets from Westpac is a standard mortgage, but it's a mortgage that's been right-sized to the level of affordability." This approach removes the stigma and additional complexity that might otherwise discourage potential homeowners from exploring these options.

The bank's commitment extends beyond just providing finance. Heiko described how Westpac offers free advisory services to Community Housing Providers (CHPs), helping them structure operations and understand banking requirements. This collaborative approach aims to

build long-term relationships and sustainable housing solutions.

“

Banks have huge motivation to affect positive societal change.

”

The scale of the challenge

Despite these innovations, Heiko was candid about the scale of the challenge facing New Zealand. The entire community housing sector has delivered only a very small percentage of the homes needed, while the actual need runs into hundreds of thousands. This reality demands what he termed a "bulk approach" to make meaningful progress.

The solution, according to Heiko, requires either house prices to decrease gradually or incomes to rise faster than house price inflation. Given the risks associated with rapid house price declines, the focus should be on modest house price growth combined with income increases, alongside greater acceptance of alternative ownership models.

Government partnership and policy consistency

Heiko identified policy consistency as the single most important factor the government could address. He pointed out that construction markets cannot respond quickly to policy changes, yet housing strategies shift every two to three years with changes in government.

This instability makes it difficult for CHPs to plan, reduces bank confidence, and prevents the construction sector from scaling up effectively. He argues that long-term policy certainty would allow all stakeholders to plan effectively and deliver housing solutions at scale. "Rather than just focusing on the banking aspects of that, the key lever that the government could pull, and it's really just one lever, consistency".

While acknowledging the Government's current focus on moving people from emergency

housing into Income Related Rent Subsidies (IRRS), Heiko advocates for a broader approach that includes pathways to home ownership. He noted that renting, while providing shelter, doesn't offer the same longer-term benefits of home ownership such as security of tenure, connection to community and the ability to build intergenerational wealth.

A call for collaboration

"Banks aren't these big, horrid institutions that just want a straight financial return and are driven by corporate greed. Banks have huge motivation to affect positive societal change."

Heiko concluded with a clear message: banks want to help and are motivated to create positive societal change. He emphasised that Westpac is available to work with any organisation, whether planning one house or 100, and that this assistance comes without charge.

His vision for the future involves stronger partnerships between the private sector and government, where public funding is used more efficiently through collaboration rather than operating in isolation.

The goal is not to replace government involvement but to

create models that maximise the impact of public investment while leveraging private sector expertise and resources.

The interview revealed that behind the corporate facade of major banks lies a genuine commitment to addressing New Zealand's housing crisis. However, success will require sustained effort, policy consistency, and a willingness to embrace innovative financing models that challenge traditional approaches to home ownership.

As Heiko demonstrated, the banking sector stands ready to be part of the solution — the question is whether all stakeholders can work together to create the stable, long-term framework needed to deliver housing at scale.

DeepDive interview

Click or scan the QR codes below to watch or listen to the full interview with Heiko.



Watch - Video
Click or Scan



Listen - Audio
Click or Scan

Heiko Jonkers is Senior Product Manager — Social and Affordable Housing at Westpac New Zealand, a role that places him at the intersection of finance and social impact. With over two decades of experience in credit strategy and property lending.



Click the QR code to leave feedback on this article



“

The key lever that the government could pull... is consistency. Consistency of strategy, consistency of approach.

”



Building for the long-term

How long-term thinking can deliver affordable housing



DeepDive interview with Sam Stubbs

New Zealand's affordable housing situation is failing to improve to meet ever-rising demand. With the most unaffordable housing market in the OECD and 25% of families spending 40% of their disposable income on housing, the need for innovative solutions has never been more urgent. Sam Stubbs, Managing Director of Simplicity, believes he has found a path forward — one that challenges conventional thinking about housing as both an investment and a social necessity.

The investment case for housing

Sam's approach begins with a fundamental premise: housing is not just a social good, but an exceptional investment opportunity. "You and I will always pay the rent or the mortgage," he explains. "We need a roof over our head. It's the last bill you won't pay."

This insight drives Simplicity's entry into the build-to-rent market. As a non-profit owned by a charity with a 100-year outlook, Simplicity can afford to think differently about housing investment. Where traditional developers focus on quick sales and maximum short-term returns, Simplicity builds for the long haul.

The company's apartments are built to last at least 100 years — double New Zealand's 50-year building code minimum, and they cost around 30-40% less to build than comparable properties.

Rethinking risk and scale

The traditional view of residential property as a high-risk, speculative asset class is fundamentally flawed, according to Sam. When approached with long-term thinking and sufficient scale, housing becomes "a little like a government bond in terms of risk... if you own one or two investment properties, it's risky. If you own 10,000 of them, any one thing that happens is almost irrelevant."

The key is diversification and quality. This principle extends to community housing bonds, which Simplicity views as having government-like security due to rental housing subsidies that are

“

If you're building it for a hundred years, you build them out of more durable materials... you put in more reliable everything.

”

politically impossible to remove.

However, the finance industry's conservative nature creates barriers to innovation. "If you bespoke it, if you make it difficult to understand, if you layer lots of complexity, finance industry runs away because it's so easy just to lend to another homebuyer." The solution is making new housing models "look and feel like any other investment" — repeatable and familiar.

The economics of scale

New Zealand's housing industry suffers from a peculiar contradiction: it's the country's largest industry operated like a cottage industry. He explains "Everything is so small scale and bespoke because everyone wants their tile, their tap, their layout."

When Simplicity's building partners first started construction, they used 27 different types of windows and doors. Today, they use just seven. This standardisation,

“

We [construction / housing] are the largest industry in the country, and we're still operating like a cottage industry.

”

combined with volume purchasing power, creates dramatic cost savings. "When you're building hundreds a year, then you're a price maker."

The comparison with Canada is striking. Building a house in Calgary — a city similar in size to Auckland but with harsh winters requiring superior thermal performance — costs about half the price of Auckland construction. Sam emphasises — "There is no rocket science in this".

Breaking the finance bottleneck

The path to large-scale housing development requires patient capital — something the current banking system, with its focus on short-term returns and owner-occupier lending, isn't structured to provide. Banks hold over 60% of their loan books in residential property, yet remain reluctant to finance innovative housing solutions.

Simplicity's advantage lies in accessing KiwiSaver funds and other long-term investment pools that can match the investment horizon of housing assets, bypassing traditional banking constraints. Internationally, pension funds routinely invest in build-to-rent and social housing, viewing it as a stable, bond-like investment.

The government could accelerate this process by providing funding certainty. Rather than paying over \$2,000 per week to house families in motels, the government could support the construction of apartments that rent for \$600 per week and generate positive returns for investors.

Redefining the New Zealand dream

The traditional New Zealand dream of owning a standalone house on a quarter-acre section is becoming increasingly unaffordable and environmentally unsustainable. Sam argues for expanding the definition of a home to include quality apartment living and long-term rental arrangements.

"42% of people in the OECD live in an apartment, only 4% of New Zealanders do," he notes. The reluctance to embrace apartment living stems partly from poor

examples, but also from cultural expectations.

Long-term rental arrangements can provide the stability traditionally associated with home-ownership, while freeing up capital for more productive investments. Sam cites a Berlin example where the same family had rented from a pension fund for three generations, treating the apartment as their home with full security of tenure.

The social imperative

Beyond economics, he sees housing as fundamental to social cohesion. "The seeds of revolution are sown in inequity," he warns. Without stable housing, children lack the foundation for educational success and social mobility. "If you don't have money, you don't have choices in life. If you don't have choices, you don't have dignity."

The connection between housing and social stability drives Simplicity's approach to community development. Their high-density developments reserve one-third of land for buildings, one-third for green space, and plant 60 trees per apartment. They also plant a native tree somewhere in New Zealand every week for each apartment they rent.

Government's role in market signals

While market failure in affordable housing is evident, Sam believes the solution lies not in direct government provision but in clear, consistent market signals. "The biggest chequebook in town in any democracy is the government," he notes. "The government has not been sending the signals to the building industry: this is what we want, this is when we want them delivered, this is what we're prepared to pay."

The volatility in housing policy creates uncertainty that prevents private companies from investing in capacity and achieving economies of scale. Multi-decade contracts with consistent demand would enable the private sector to deliver affordable housing at scale.

A scalable solution

Simplicity's model demonstrates that New Zealand's housing crisis is solvable. By combining long-term

“

42% of people in the OECD live in an apartment, only 4% of New Zealanders do.

”

thinking, economies of scale, patient capital, and quality construction, they've created a template that others can follow. The company provides its intellectual property free to anyone wanting to replicate their approach.

Sam concludes — "We're determined to fight to make that happen and we're absolutely convinced you can... we now have a working model which shows it's possible and we just want to make that available."

The path forward requires courage from policymakers, patience from investors, and a willingness to challenge conventional wisdom about housing. But as Simplicity demonstrates, the tools to solve New Zealand's housing crisis already exist. The question is whether we have the will to use them.

Click the QR code to leave feedback on this article



DeepDive interview

Click or scan the QR codes below to watch or listen to the full interview with Sam.



Watch - Video
Click or Scan



Listen - Audio
Click or Scan

Sam Stubbs is Managing Director of Simplicity, a role that positions him at the forefront of reimagining housing as both investment and social infrastructure. With decades of experience in fund management and a 100-year vision for affordable housing.



The 'Housing theory of everything'

Unpacking New Zealand's housing issues and pathways forward



DeepDive interview with
Bernard Hickey

Bernard Hickey, journalist and editor of the influential newsletter *The Kākā*, offers a compelling diagnosis of New Zealand's economic and social woes through what he calls the "housing theory of everything."

He argues persuasively that the severe shortage of affordable, warm, dry, and healthy homes is at the heart of almost all significant issues facing the country, from cost-of-living crises and health problems to rising crime rates and declining productivity.

“

We don't really have an economy; we have a housing market with bits tacked on.

”

New Zealand's housing situation isn't just tough — according to Hickey, it's among the worst globally, due to decades of inadequate housing policies and underinvestment. "We don't really have an economy; we have a housing market with bits tacked on," he asserts.

How did we get here?

He takes us back to the mid-20th century, when New Zealand governments actively participated in housing development, regularly building 12 to 15 homes per thousand people annually during the 1950s-1970s. This proactive stance involved substantial public investment through entities like the Ministry of Works, creating thriving new suburbs and crucial infrastructure.

However, significant ideological shifts in the late 1980s and early 1990s transformed this landscape. A strong move towards smaller

government, lower taxes, and reduced public debt drastically curtailed state involvement in housing.

Crucially, the failure to implement a capital gains tax in 1989 left a legacy of speculative property investment. As Bernard points out, subsequent governments continued to prioritise low government debt and tax cuts over critical investments in public infrastructure and housing.

These policy choices dramatically reduced housing construction rates and significantly impacted affordability. According to Bernard, these decisions are now woven into New Zealand's political and economic DNA, creating a profound resistance to change despite growing awareness of their negative impacts. "From building more than 10 homes per 1,000 population in the 1970s, New Zealand now struggles to reach even four or five."

The cost of financial incentives

Over recent decades, financial incentives in New Zealand have increasingly favoured property investment rather than productive economic activities, significantly inflating house prices and rents. He reveals that a substantial portion

of bank lending has been directed to property investors, exacerbating wealth inequality and creating a deeply unlevel playing field.

For those who managed to buy homes, especially investment properties, the returns have been extraordinary. He illustrates a troubling scenario: investors leveraging equity in their homes, enjoying tax-free capital gains, and building substantial wealth at the expense of productive business investments. This dynamic, he argues, entrenches economic inequality and reduces opportunities for meaningful growth and productivity.

Reimagining New Zealand's future

Bernard advocates a fundamental shift in policy direction. He proposes implementing a land tax on residential-zoned property, rather than simply a capital gains tax on rental properties. This measure would incentivise denser housing development and discourage speculative land banking. Additionally, he calls for greater use of the Crown's robust balance sheet to invest in large-scale affordable housing projects, infrastructure, and social services. He criticises current fiscal conservatism rooted deeply in the New Zealand

“

200 New Zealanders a day are getting on an A320 to Sydney or Melbourne or Brisbane...

”

Treasury, suggesting it's preventing meaningful investment in critical areas. Bernard underscores the urgent need for policymakers to rethink outdated ideological commitments, embracing more substantial government participation in the economy.

He closes with a poignant reflection on the social cost of New Zealand's housing policies: the growing exodus of young, skilled New Zealanders to Australia. With around 200 citizens leaving daily, often including entire families, he warns of a long-term demographic and social crisis unless urgent reforms are undertaken.

To address this crisis, Bernard emphasises the importance of government-backed initiatives that offer stability and affordability in housing, thus enabling families to build their futures in New Zealand. He also advocates for diversification in housing solutions, suggesting a blend of government and community-led projects as a more

“

From building more than 10 homes per 1,000 population in the 1970s, New Zealand now struggles to reach even four or five.

”

NZ Multiple property owners Residential property holdings (2016-2024)

Sources: Stats NZ: Property-Owner Register CSVs / LINZ: Property-transfer statistics methodology / CoreLogic: Investor Share Chart Pack

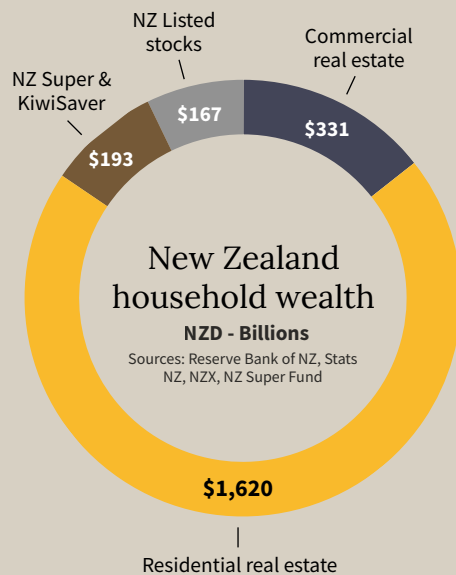
	1 Property	2 Properties	3-4 Properties	5-9 Properties	10+ Properties
2016	1,030,000	157,800	56,300	13,400	3,260
2018	1,067,000	169,200	61,500	15,200	3,680
2020	1,094,000	176,900	66,400	16,900	4,090
2022	1,104,000	184,600	71,800	18,400	4,540
2024	1,115,000	191,900	76,300	19,900	4,890
	8.25%	21.61%	35.52%	48.51%	50.00%

Percentage increase since 2016

Social / affordable housing stock as a percentage of total housing

Data sourced from the OECD Affordable Housing Database (indicator PH4.2), national housing agency reports, CMHC data on subsidised housing, and Singapore's Housing & Development Board statistics.

Country	Approximate share of total housing stock
Singapore	80%
Netherlands	29%
Austria	24%
Denmark	20%
France	17%
United Kingdom	16%
Finland	13%
Australia	4.1%
Norway	4.0%
United States	4.0%
New Zealand	3.8%
Canada	3.5%
Spain	1.0%

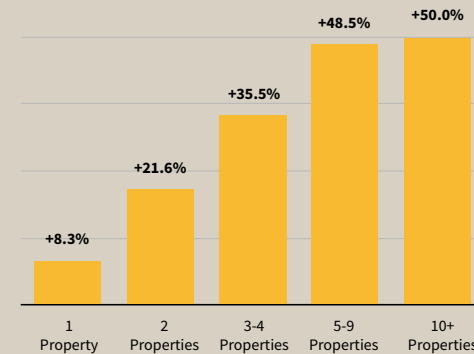


“

We need to use the Crown's balance sheet to invest in infrastructure and affordable housing.

”

Percentage increase in NZ property owners by holding size (2016-2024)



resilient and effective approach.

Bernard Hickey's insights challenge New Zealanders and their policymakers to confront uncomfortable truths and take courageous steps towards a more equitable and sustainable future. His analysis provides a roadmap that, if followed, could help reverse decades of damaging policies and build a more cohesive, productive, and hopeful society.

This article is a brief summary of the full interview. Be sure to use the QR codes opposite to watch or listen to the full DeepDive interview.

Click the QR code to leave feedback on this article



DeepDive interview

Click or scan the QR codes below to watch or listen to the full interview with Bernard.



Watch - Video
Click or Scan



Listen - Audio
Click or Scan

Bernard Hickey is a leading economic commentator and founder of *The Kākā*, an independent newsletter focused on New Zealand's political economy. He champions a bold rethinking of housing policy, finance, and public investment for long-term societal wellbeing.



Reshaping the system

Creating a fairer housing future through bold reform and policy change



Article by
Paul Gilbert

Central government has a critical role to play enabling the growth and the delivery of the supply of long-term, affordable, accessible housing and tenure choice for individuals, whānau and communities across the country. Longer-term, more consistent policy and funding settings deliver far more efficient affordable housing outcomes.

New Zealand's community housing sector needs decisive action to address the structural barriers preventing affordable housing development. The following recommendations provide a roadmap for transforming our housing finance system and creating genuine housing affordability for New Zealanders.



Immediate financial infrastructure reform

Enhance the efficiency of the community housing funding

Government can reduce the cost of finance by providing guarantees for housing bonds and loans, thereby lowering the subsidy required.

Commit to longer-term investment

Providers can better plan and invest in new supply with certainty. And provide investment across the housing continuum enabling delivery of mixed-income and mixed-tenure communities.

Establish investment pathways

Create government-backed housing bonds that KiwiSaver and other retirement funds can purchase, providing patient capital for affordable housing development while also generating returns for New Zealand savers.

Treat housing as essential social infrastructure

If government planned for and financed housing in the way it does other infrastructure, our housing system would perform better.



Issue multi-decade demand contracts

Government should provide volume and price certainty through long-term commissioning contracts, following successful Nordic and Australian models. These contracts span multiple electoral cycles, to enable providers to secure financing, plan and deliver on development pipelines.

Court patient infrastructure capital

Actively engage infrastructure funds and institutional investors in build-to-rent developments on 100-year investment horizons. Government should provide the policy certainty and risk mitigation these investors require.

Implement inclusionary housing and zoning

Implement national inclusionary zoning legislation

Pass comprehensive legislation requiring every residential rezoning and greenfield subdivision to deliver serviced, perpetually affordable lots or cash-in-lieu payments. This will create a continuous supply of affordable sites and establish revolving capital funds for community housing development.

Protect local government from litigation risk

National legislation will create a standardised process and protect councils from legal challenges when implementing inclusionary zoning requirements, removing a key barrier to local adoption of these policies.

Utilise value capture

Value capture will enable councils to reclaim a share of land value increases from public investment and reinvest it into public goods like affordable housing.

Grow home ownership models

Scale progressive home ownership programmes

Recapitalise and expand progressive home ownership initiatives,

enabling buyers to enter the market with 5% deposits while maintaining wraparound financial literacy support.

Replicate successful models nationwide

Roll out Queenstown's 100-year 'Secure Home' leasehold model and other proven shared equity approaches. Ensure mainstream mortgage treatment for these alternative ownership structures.

Standardise legal frameworks

Develop template legislation and standard agreements for limited-equity cooperatives, co-housing, and affordable rentals to reduce transaction costs and enable scaling.

Reform tax settings for housing equity

Introduce strategic tax measures

Implement capital gains tax on investment properties (with primary home exemptions) and explore wealth taxes or stamp duties specifically ring-fenced for affordable housing programmes.

Redirect existing subsidies

Gradually shift spending from the Accommodation Supplement toward capital grants and value-capture funds that build lasting affordable housing assets, rather



than subsidising private landlord profits.

Enable build-to-rent affordability

Use incentives effectively

Encourage the inclusion of affordable homes in build-to-rent developments by applying a range of incentives. These may include fast-track permitting, reduced development contributions and rates, access to land, and tax or financial subsidies.

Combine incentives with requirements

Strengthen inclusionary housing outcomes by pairing mandatory affordable housing requirements with supportive incentives. This combination often results in higher

levels of affordability and greater developer participation.

Modernise planning and resource management

Standardise enabling frameworks

Implement consistent planning rules that support density and tenure diversity while restricting discriminatory covenants against affordable housing models.

Invest in infrastructure growth

Provide councils with dedicated funding tools for essential infrastructure, enabling housing-ready land supply in high-demand areas.

Target idle land

Introduce targeted rates on serviced but undeveloped land to incentivise productive use and discourage speculation.

Empower local government

Expand council financing tools

Provide local authorities with new funding mechanisms for pipes, roads, and housing-enabling infrastructure, reducing their reliance on rates and development contributions.

Streamline consent processes

Implement fast-track consenting for

affordable housing developments and standardise approval processes across jurisdictions.

Leverage public land holdings

Enable councils to utilise their land assets through long-term leasehold arrangements, joint ventures, and land banking for affordable housing.

Advance Māori housing aspirations

Expand targeted programmes

Significantly increase funding for Whai Kāinga Whai Oranga and ensure infrastructure investment on Māori land supports housing development.

Reform finance rules

Address regulatory barriers that penalise multiply-owned whenua and prevent Māori land from being used as security for housing development.

Uphold MAIHI Kā Ora commitments

Ensure full implementation of the Māori and Iwi Housing Innovation Framework with adequate resourcing and genuine partnership.

Build sector capability and scale

Provide standardised tools

Develop template documents, shared development pipelines, and sector-wide training programmes to reduce transaction costs and build provider capability.

Incentivise strategic consolidation

Support provider amalgamations and partnerships that achieve the balance sheet scale necessary for large-scale development while maintaining community connection.

Democratise access to opportunities

Ensure smaller and medium-sized providers can access the same financing and development opportunities as larger strategic partners.

Guarantee long-term policy stability

Establish cross-party housing strategy

Commit to a bipartisan, 10-year housing strategy that provides certainty for banks, builders, and community housing providers, eliminating election-cycle policy whiplash.



Create legislative protection

Embed key policy settings in legislation that requires broad parliamentary support to change, providing investors and developers with confidence in long-term policy direction.

Implementation imperative

These recommendations represent proven solutions already operating successfully in jurisdictions worldwide. New Zealand has the policy tools, sector expertise, and financial capacity to deliver affordable homes for all New Zealanders. What's required now is political will and coordinated implementation across all levels of government, the community and private sectors.

The cost of inaction — continuing housing stress, homelessness, and economic distortion — far exceeds the investment required for transformation. The time for incremental change has passed. New Zealand needs bold, comprehensive reform that matches the scale of its housing challenge.

Click the QR code to leave feedback on this article



DeepDive interview

Click or scan the QR codes below to watch or listen to the full interview with Paul.



Watch - Video
Click or Scan



Listen - Audio
Click or Scan

Paul Gilberd is Chief Executive of Community Housing Aotearoa. He leads CHA's advocacy for affordable and social housing while championing the organisation's vision that every New Zealander deserves a warm, safe, dry and affordable home as a basic human right.



In the next Insight Report

In our next report, we will shine a light on inclusionary housing and value capture — what it involves, and how it plays a role in shaping and building more equitable communities. We look to the future to explore how planning tools, and policy frameworks can be used to ensure that new developments contribute to long-term affordability and inclusive communities. We will be highlighting:

- Arguments for and against value capture and inclusionary housing
- Balancing affordability, availability and eligibility
- Implementation challenges: Looking at case law in a New Zealand context
- Equity and social outcomes: What are the benefits of inclusionary housing interventions?
- Legal and structural frameworks: Community land trusts
- Comparative global perspectives and lessons
- Future projections



Feedback & Suggestions

We welcome your feedback on this edition, and suggestions for future editions of the Insight Report.

Use the QR code below to leave us your thoughts:



Edition 2: Aug 2025

Title: Financing the future: Building affordable housing pathways for community housing.

\$20 NZD

For additional copies of this report please contact CHA at **support@cha.org.nz** or call **04 385 8722**.

This publication can also be viewed and downloaded as a PDF at the CHA Hub by clicking or scanning this QR code:



Films

Get the latest content from the CHA Hub with Films and Podcasts covering a huge range of topics. Click or scan to subscribe to our YouTube channel.



YouTube

Podcasts

Search for the 'CHA Hub Podcast' on your favourite podcast provider or click and scan the QR codes below for Apple and Spotify.



Apple Podcasts



Spotify



chahub.org.nz



CHA Hub Founding Partner



SIDEWAYS8MEDIA

ISBN: 978-1-0670604-2-8

