# Briefing for the incoming Minister for Social Housing

December 2016

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#### Introduction

This briefing covers issues for the Social Housing portfolio. The following key documents are attached:

- The Social Housing Purchasing Strategy (December 2016 update)
- Actuarial valuation summary slide pack (from the discussion at Cabinet Social Policy Committee in November 2016)

Also attached is an overview of the Ministry of Social Development (MSD), its role, functions, strategy and structure. It also briefly covers the establishment of the new Ministry of Vulnerable Children from 1 April 2017.

#### **Executive summary**

The last few years have seen significant changes with the implementation of some of the most significant reforms to the social housing sector for decades. These reforms have been delivered by the Social Housing Reform Programme (SHRP), a cross-agency work programme aimed at building a fair, efficient and effective social housing system that supports the right people into the right house, for the right duration and cost.

The focus over the last two years has been on increasing the supply of social and emergency housing, supporting more people to access the housing and services they need, and strengthening our ability to deliver the right type of social housing for those who need, and benefit most from it.

The SHRP has already delivered some significant achievements. Government funding for social housing has been opened up to community housing providers, and a more flexible and generous funding and contracting offer has been introduced to stimulate more supply where it is most needed (for example, in Auckland more funding is now available in recognition of the high cost of securing new social housing places in the current market). There is a growing pipeline of social housing places in development and Section 9(2)(f)(iv) Active Consideration

Section 9(2)(f)(iv) Active Consideration

Tenancy reviews and housing support products have supported hundreds of households to independence over the last two years which has freed up more social housing places for those who most need them. The government has also taken on a key new role in supporting the emergency housing sector and those in urgent need of short-term housing, and households are being supported to relocate from Auckland where this is the right thing for them. The social housing register is increasing, partly driven by increased awareness of the emergency housing support now available from MSD, and the additional emergency and social housing places that are in development are needed urgently.

This work must continue but there are also new opportunities. With the recent completion of the first ever social housing valuation, MSD now has much richer information about social housing tenants and those on the register, and their future housing liability. MSD will work with other agencies and community organisations to use the valuation to implement an investment approach to social housing. As it moves to become a more intelligent social housing purchaser, MSD will build on its experience and knowledge of delivering an investment approach to welfare, to design and implement supports and interventions that are tailored to improving both the housing and employment outcomes of particular groups of social housing tenants. This will lead to more of those who can move to independence

successfully making that shift, while those who will benefit most from the stability of an ongoing social housing place, are supported to remain in social housing.

These are exciting opportunities but there are also some strategic issues to be considered. The housing subsidy system does not work well as a coherent system with little incentive for social housing tenants to move to independence and support not well targeted at those with the highest housing costs. More work is also required to strengthen our understanding of which cohorts most need, and most benefit, from social housing, and to develop a clearer picture of the shape of the future market of social housing providers.

We look forward to working with you on the work outlined above and to supporting you to deliver your priorities.

### Overview of the social housing system

At the end of October 2016 there were 67,456 social housing properties across New Zealand. Housing New Zealand Corporation (HNZC) owns 64,192 of these properties with the remaining 3,264 owned by Community Housing Providers (CHPs). There are 41 registered CHPs, 27 of which are receiving Income-Related Rent Subsidy (IRRS) funding.

Tenants in social housing pay an Income-Related Rent (IRR) which limits the amount of rent that low-income tenants pay to no more than 25 percent of their net income. This rental payment is then topped up by the IRRS paid to the registered housing provider (HNZC or another CHP) which covers the balance between the tenant's rental payment and the market rent of the property.

MSD administers the IRRS and was paying IRRS for 61,356 households at the end of October 2016. IRRS is not paid for all social housing places because in some cases the tenant is paying market rent for the property and so no subsidy is required.

MSD also manages the needs assessment process for social housing, and maintains the social housing register of applicants waiting for a social house. There were 5,770 people on the combined Housing (applicants for social housing) and Transfer Register (those already in social housing but waiting to move to another social house) at the end of September 2016.

Households on the register are either Priority A (households considered 'at risk') or Priority B (households with a 'serious housing need') and are housed according to their level of priority with Priority A households having the highest priority.

The Community Housing Regulatory Authority (the Authority), which is part of MBIE, registers and regulates CHPs. The Authority's objectives include supporting the growth of a fair, efficient, and transparent community housing sector, with a diverse range of providers. To achieve this, the Authority does not prescribe how organisations demonstrate compliance with the prescribed regulatory Performance Standards. Instead, a registered CHP's policies and procedures should be appropriate to the size of the organisation, the scope of its housing activities, and suit the tenant cohort they provide for.

MSD also administers the Accommodation Supplement and Temporary Additional Support for households in the private rental market

In addition to IRRS, MSD also administers two other housing subsidies, the Accommodation Supplement (AS), and Temporary Additional Support (TAS) which provide support with the cost of housing for those in the private rental market and some homeowners:

- AS: renters, boarders and homeowners must have a minimum level of accommodation costs (the entry threshold) to be eligible for AS. The subsidy pays 70% of housing costs after the entry threshold, up to a maximum rate (which is based on family type and the area the household lives in).
- TAS: a temporary payment to meet the shortfall between income and essential living costs, up to a cap (almost all TAS receipt is exclusively or partially due to housing costs).

In 2015/16, the government spent over \$2 billion on housing subsidies supporting around 410,000 households:

- · AS (\$1,149m 287,000 recipients)
- · IRRS (\$766m 61,000 recipients)
- TAS (\$200m 63,000 recipients).

# The Social Housing Reform Programme is driving change to provide better outcomes for tenants

The Social Housing Reform Programme (SHRP) is the cross-government work programme to build a fair, efficient and effective social housing system that supports the right people into the right house, for the right duration and cost. The key agencies involved are MSD, the Ministry of Business, Innovation and Employment (MBIE), Treasury, HNZC and Te Puni Kokiri (TPK).

The SHRP programme is driving the shift from a simple market dominated by a single provider (HNZC) towards a more diverse market with a broader range of providers that can provide more targeted services to support better outcomes for particular cohorts.

The SHRP objectives, as outlined in the Housing Corporation (Social Housing Reform) Amendment Act 2016, are to ensure that:

- people who need housing support can access it and receive social services that meet their needs
- social housing is of the right size and configuration, and in the right areas, for households that need it
- · social housing tenants are helped to independence, as appropriate
- there is more diverse ownership or provision of social housing
- there is more innovation and more responsiveness to social housing tenants and communities
- the supply of affordable housing is increased, especially in Auckland.

Joined-up cross agency working is key to achieving the SHRP objectives. While each of the agencies involved has a particular role to play, it is only by working together that the real improvements in tenant outcomes can be delivered. Strong SHRP governance and accountability mechanisms exist with Scott Gallacher, the Deputy Chief Executive (DCE) for Social Housing at MSD, providing the single point of leadership for the SHRP across government agencies.

- Each agency has different responsibilities under the SHRP:
- MSD manages the needs assessment process for social housing (this process was transferred from HNZC in 2014) and manages the register of those households who are

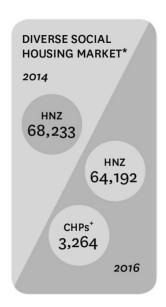
defined by the needs assessment process as eligible for a social housing place. In addition, MSD is also the single purchaser of social housing places and associated services, and manages an annual spend of more than \$2 billion on financial support for families with housing needs (via the AS) and providers (via the IRRS). Scott Gallacher is the MSD lead for Social Housing and works closely with Nic Blakeley, the Insights and Investment DCE, Simon MacPherson, the Policy DCE, and Ruth Bound, the Service Delivery DCE to deliver on the social housing work programme.

- Treasury is the lead agency for the ongoing programme of transfers of social housing properties from HNZC to community housing providers. Treasury also has a role in monitoring the performance of HNZC and the Tamaki Redevelopment Company.
- MBIE is the regulator for community housing providers. Any providers wishing to receive IRRS funding must first be registered with the regulator. MBIE also supports the Minister for Building and Construction (formerly the Minister for Building and Housing) by providing policy advice and a regulatory framework that promotes safer, healthier and more affordable homes and buildings.
- HNZC has a key role as the government-owned provider of social housing and single biggest provider in the social housing market.
- Te Puni Kokiri works within government and communities to support whanau, hapu and iwi Maori succeed at home and globally. As part of this, the Ministry contributes to the development and co-ordination of Maori housing policy and works to help Maori realise their housing aspirations through the Maori Housing Network.

# A more diverse provider market is emerging with a growing social housing supply pipeline

Community housing providers now have access to ongoing government funding for social housing places...

The Income-Related Rent (IRR) policy limits the rent that low-income social housing tenants pay to a maximum of 25% of their income regardless of the market rent of the property they are living in. The IRRS meets the difference between the IRR paid by a social housing tenant and the market rent of the social housing property. Until 2014 only HNZC was eligible for the IRRS. In 2014, registered CHPs were given access to IRRS funding. This shift has provided CHPS with the sustainable ongoing funding that they need to deliver social housing places.



... providers have more flexibility in how they receive their funding (e.g. upfront, ongoing, long-term contracts)...

In recognition of the fact that there is a widely varying market of CHPs with many different needs, MSD has have developed a set of flexible funding and contracting tools to meet the different needs of these providers. For example, some providers require upfront funding to provide enough equity to finalise a deal and progress a particular social housing development, while others prefer the regular cash flow of an ongoing operating stream provided by IRRS plus an additional operating supplement. The current funding parameters for new social

housing places in Auckland have been developed in recognition of the high cost of securing new social housing places in Auckland, and are that:

- CHPs building new social housing will be able to receive an upfront grant of up to 50 per cent of the value of the development, or;
- once the development is built a weekly grant of up to 50 per cent of market rent on top of the current rental subsidies the Government provides, or;
- they can receive a combination of both, up to the equivalent level of funding provided by either the upfront funding or weekly subsidy alone.
- CHPs providing social housing in a property leased from the private market can also receive a grant of up to 50 per cent of market rent, on top of the subsidised rent they receive.

MSD also now offers long-term contracts of up to 25 years in areas of high demand to provide the security of income to help providers plan for the long-term.

# ...and more money has been invested to deliver new places where they are most needed (e.g. Auckland).

One of the major issues facing the social housing sector is that much of the established stock of social housing does not fit the current demand profile. Many current social houses are not in the right place or of the right size, for what is needed. In particular, there is high demand for more social housing in Auckland, especially for one-bedroom units and larger properties with four or more bedrooms.

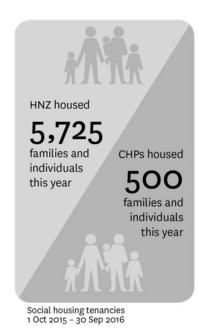
To address this, significant funding has been invested in recent years to boost the supply of social housing in Auckland and other high demand areas. For example, in 2016 alone more than \$144 million of additional IRRS funding was provided for an estimated 750 new social housing places in Auckland.

# The additional funding is supported by a dedicated team focussing on delivering new social housing places in Auckland...

In late 2015, an Auckland social housing supply team was established to focus on bringing together providers, financiers, developers and the Auckland Council to get deals done and deliver new social housing places in Auckland. Intelligence from this team has been critical in ensuring our funding and contracting response is meeting the needs of CHPs in Auckland. The team is now playing a key role in supporting CHPs to finalise deals and secure the ongoing pipeline of new social housing places in Auckland.

# ...MBIE is making new properties available to CHPs on redeveloped Crown land in Auckland...

MBIE has a programme of work underway to identify vacant or under-utilised Crown-owned land suitable and available for housing development, and to facilitate its development through partnerships with the iwi/hapu of Tamaki Makaurau and private developers.



The programme is designed to deliver additional dwellings at pace. The Government has committed to making 20 per cent of the homes across the programme available for social housing that can be purchased by CHPs, and a further 20 per cent priced at an affordable price – defined as no more than the KiwiSaver HomeStart cap (currently \$650,000 in Auckland).

It is anticipated that the \$152.2 million allocated to the programme will deliver around 3,000 new dwellings which will be a mix of social, affordable and market housing.

...and we have clearly communicated to the market how many social housing places we want to purchase, of which type, and in which locations.

In April 2015, MSD published its first ever Social Housing Purchasing Intentions which provided clear information to the market about how many social housing places MSD expected would be needed in the next two to three years across New Zealand. As well as expected total volumes in each location, information about the number of each type of social housing places that would be required (e.g. one-bedroom, two-bedroom etc) was also provided to support CHPs with their investment decisions.

On 13 December 2016, MSD published an update to its Social Housing Purchasing Strategy (the Purchasing Strategy). The Purchasing Strategy outlines MSDs plans to purchase over 6,400 additional social housing places by June 2020 (almost half of these places will be one-bedroom properties). These additional places include:

- an additional 3,800 IRRS places to be secured over four years, with half of these to be in Auckland
- approximately 2,600 IRRS places currently in the pipeline (this means they are contracted or highly likely to eventuate).

The Purchasing Strategy helps providers to plan their future investments and is a key part of achieving the SHRP goals of ensuring that people who need housing support can access it, and supporting the growth of a sustainable and diverse provider market in New Zealand.

## The transfer of HNZC properties to CHPs is a key part of the SHRP work programme...

The housing transfer programme aims to achieve better lives for social housing tenants, improved property management and the redevelopment of underutilised government land to support new housing supply. Transfers attract specialist tenancy and property managers and additional capital into the social housing sector. This lifts the standards of service and capacity of the sector, and speeds up redevelopment of the Government's ageing and misaligned housing stock. CHPs are demonstrating innovation and responsiveness to their tenants and communities.

In March 2016, \$1.6 billion in assets was transferred to the Tamaki Redevelopment Company to produce new social, affordable and private housing in Auckland. December 2016 saw the contractual close of the first large-scale transfer to a non-HNZC provider, with 1,024 social housing properties in Tauranga being taken over by Accessible Properties Limited.

Announcements have been made about an intended transfer of 2,500 properties in Christchurch and Section 9(2)(j) - Commercial and Industrial Negotiation, Section 9(2)(f)(iv) Active Consideration

ctio	n 9(2)(j) - Commercial and Industrial Negotiation, Section 9(2)(f)(iv) Active Consideration
201	umber of reports to Joint Ministers will be made as several transfers progress through 7. In particular:
S	Section 9(2)(j) - Commercial and Industrial Negotiation, Section 9(2)(f)(iv) Active Consideration
	Depending on the outcomes of Market Sounding, the Treasury may seek approvals related to the Christchurch transaction in early 2017, including for the release of a request for Expressions of Interest regarding the Christchurch transfer in early 2017.
S	Section 9(2)(j) - Commercial and Industrial Negotiation, Section 9(2)(f)(iv) Active Consideration
ar INZ	Alongside the redevelopment of the existing social housing stock, with a rticular focus on Auckland.  CC manages around 28,000 properties in Auckland.  Section 9(2)(f)(iv) Active Consideration
van	This is important because of the significant mismatch that exists between supply and nand, and the fact that supply is 'sticky' and slow to change. The gaps between what MSI its to purchase and what providers plan on providing will require MSD to use different tegies and levers to achieve MSD's objectives for improving tenant outcomes.

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## Hundreds of households are being supported to independence freeing up social housing places for those most in need

Tenancy reviews are supporting hundreds of social housing tenants to independence...

Tenancy reviews have been the first step towards shifting tenants' expectations about social housing from a social house for life, to a social housing place for the duration of a person's housing need. More than 5,500 tenancy reviews have been completed or are in progress, and almost 1,000 (976) tenants have moved out during or following a tenancy review. 125 of these exits have been into home ownership. This means almost 1,000 social housing places have been freed up for those most in need.

... housing support products are helping people on the register and in social housing move into the private market...

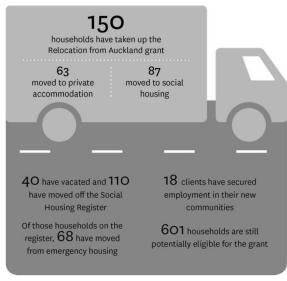
Housing support products including support with bond, letting fees and moving costs, have helped many households move out of social housing or avoid the need for social housing by helping them move into the private rental market and off the register. More than 2,000 grants have so far been made totalling \$2.58 million.

SUPPORTING PEOPLE TO 2,082 Housing Support Products that don't necessarily need to be repaid 1,121 Bond grants 379 Letting fees 223 Moving assistance 320 Transition to Alternative Housing grant 39 Tenacncy Cost Cover (a repayable advance) This has cost (June 2014 – end October 2016)

Section 9(2)(f)(iv) Active Consideration

... while the relocating from Auckland package has helped more than 150 households relocate and freed up space for those most in need.

Since June 2016, any households in social housing or on the register in Auckland have been eligible for up to \$5,000 to support them with the cost of moving from Auckland to another region. More than 150 households have already been supported to relocate through this package with more than 60 of these households moving to private accommodation outside of Auckland. Recently, an additional



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With social housing places in high demand, tenants and applicants must have reasonable expectations

Changes were implemented in early 2016 to ensure that applicants for social housing had reasonable expectations (for example, a change was implemented so that if an applicant turned down a suitable social housing place without a good or sufficient reason then they would be removed from the register for 13 weeks)

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Section 9(2)(f)(iv) Active Consideration

### **Emergency housing is a priority focus**

For the first time ever, emergency housing providers now have secure ongoing funding so they can focus on supporting some of the most vulnerable New Zealanders...

Over the last two years much has been done to build up the provision of emergency housing across New Zealand and ensure the sector can remain viable. This has included:

- establishing short-term housing responses in both Christchurch and Auckland that are supporting homeless individuals and families into sustainable housing
- committing \$345 million for more than 2,000 contracted emergency housing places, along with a new Special Needs Grant (SNG), which provides non-recoverable grants for up to seven days in commercial premises (eg a motel) where a person has no suitable place to stay and a contracted place is unavailable
- committing \$3 million to trial a Housing First model in Auckland to help homeless people to secure housing before addressing underlying barriers, and a further \$6 million to improving tenant outcomes by sustaining vulnerable tenancies.

The new SNG has meant that since July 2016, households in need of emergency housing have been eligible for financial support towards the cost of short-term accommodation for up to seven days. More than 4,500 clients have already benefitted from this assistance to give them somewhere warm, dry and safe to stay while they search for more sustainable housing.

The new emergency housing funding has been critical to ensure that people in crisis have a place to stay and can access the support and services they need to get back on their feet.

Housing First is an internationally recognised model for supporting homeless people directly into permanent housing rather than making their housing conditional on accessing social or health services. This model has achieved positive outcomes in Hamilton where it has been

#### EXPANDING INNOVATIVE PROGRAMMES

Intensive support is helping people to stay in their social housing rentals, and prevent them needing emergency housing. Funding of Housing First initiative in Hamilton. Expanding Housing First pilot in Central, West and South Muckland.

implemented in recent years. The government has now committed \$3 million to see if the same positive outcomes can be achieved for homeless people in Auckland.

...we are rapidly increasing the supply of emergency housing across the country to provide an extra 1,400 new places and associated services...

The emergency housing support now being provided by MSD has seen a higher than expected level of demand presenting to MSD. In recognition of the demand for emergency housing, the Government has committed an additional \$304 million over four years to fund an additional 1,400 emergency housing places and associated support services across New Zealand. These

contracted places are on top of the \$41.6 million committed in Budget 2016 for 800 contracted places and will provide households with accommodation for up to three months. Households in this accommodation will be supported by providers to plan their transition to more sustainable housing placements.

A cross-agency Emergency Housing Response team, made up of representatives from Treasury, MSD, HNZC, MBIE, Defence and others, was established in September 2016 to deliver the additional 1,400 emergency housing places. This team is working closely with emergency housing providers and government agencies to deliver these additional emergency housing places and related services.

This work is moving at pace and a number of developments are already progressing. For example, work is well advanced on a Ministry of Education owned site at Luke Street in Auckland where 43 homes are being built to provide emergency housing for families in need.

\$345
million to support up to
8,600
households per year

In the longer-term (an estimated 5-8 years), the number of emergency housing places that is required will reduce as the social housing pipeline begins to deliver higher volumes of additional places in the areas where they are most needed.

...but the additional demand for emergency housing and growing register are creating pressures.

The high level of demand for emergency housing has seen higher than expected numbers of households being supported to stay in motels and other forms of commercial accommodation in the short-term. Following higher than expected uptake of the SNG in its first three months, in November 2016 MSD provided further guidance to frontline staff to support the effective administration of the SNG. The guidance focused on ensuring that assistance was only granted to people with a genuine emergency housing need and that clear expectations for clients were set about what they must do as a condition of receiving the assistance. The number of households being supported to stay in motels is expected to reduce as the 1,400 additional contracted emergency housing places come online in the coming months.

MSD will be working proactively over the Christmas and New Year period to ensure that options are identified for households currently in emergency housing whose accommodation could potentially be impacted over the holiday period (for example, households currently staying in motels in tourist areas).

The social housing register is increasing, partly driven by increased awareness of the emergency housing support now available from MSD. The rise in the register, and in the

number of social housing tenancies as more people are housed, is creating resource pressures within MSD. More people on the register creates a greater volume of work in communicating with and supporting these households while they are waiting for a social housing place. Similarly, as the number of households in social housing increases, the level of work required to manage the Income-Related Rent these tenants pay also increases.

### We are now well-placed to help social housing tenants improve their housing and employment outcomes

The first-ever social housing valuation has equipped MSD with much richer information about social housing tenants...

MSD has just completed the first-ever social housing valuation which provides an estimate of the future housing-related costs for households currently in social housing or on the register. The valuation covers future IRRS costs to the Crown but does not include all costs associated with the provision of social housing (for example, it does not include the cost of capital not implicitly captured by market rent).

The valuation has given MSD a much richer picture of the housing liability associated with particular cohorts of the social housing population. MSD can now use this information to help design and implement initiatives to provide targeted support to meet the needs of specific cohorts in social housing. With approximately 80% of social housing tenants also being in receipt of benefit, MSD will build on its success in delivering an investment approach to welfare to support social housing clients to improve their housing, income support and employment outcomes.

Social housing is a key enabler to implementing a social investment approach across the social sector. Many social housing tenants also receive services from other social sector agencies and MSD is now developing an operating model that can be used to implement a social investment approach and improve the outcomes of social housing tenants.

The valuation will be a key tool to help develop an investment approach that includes the participation of public sector agencies and other community groups (for example, by alignment with other agency data sets and information, co-design and focus groups with clients and the sector, and proof of concepts to test new initiatives). As part of this investment approach, MSD is developing a Return on Investment and performance framework that will be used to guide future investment decisions.

...and MSD has recently secured funding for the resources needed to become a more intelligent, active social housing purchaser.

MSD needs the right systems and capability to make the best use of the richer data that it now has and support households to achieve better outcomes. MSD has recently secured significant funding to develop its capability and equip it with the resources it needs to become a more intelligent and active social housing purchaser.

This includes key additional capability in the relevant MSD business units (for example, contracting, investment approach, policy and iMSD) as well as new IT systems to support the more flexible contracting approaches and investment trials that are part of implementing an

investment approach for social housing. An example of this new approach could be a larger role for MSD to facilitate CHPs and large scale developers to work together to design and purchase new supply that is tailored to the needs of particular cohorts of social housing tenants.

These resources are essential for MSD to deliver on its role as an intelligent and strategic social housing purchaser. Through this intelligent purchaser role, MSD will drive the implementation of the social investment approach across the social housing sector and improve the housing, welfare and employment outcomes for social housing tenants.

The key deliverables that MSD is currently working on that relate to the strategic purchasing role include:

- · defining the scope of the strategic purchaser function,
- developing a strategy and implementation plan for the strategic purchaser function,
- describing how commercial capability will be deployed to support MSD to deliver on the strategic purchaser role.

MSD will report to you and the Minister of Finance on these issues in the second quarter of 2017. Section 9(2)(f)(iv) Active Consideration

Section 9(2)(f)(iv) Active Consideration

# Opportunities exist to tackle some key strategic issues

The subsidy system presents some challenges...

The housing subsidy system comprises the AS, the IRRS and TAS. In 2015/16, the government spent over \$2 billion on housing subsidies supporting around 410,000 households:

- · AS (\$1,149m 287,000 recipients)
- · IRRS (\$766m 61,000 recipients)
- TAS (\$200m 63,000 recipients).

Rent increases in recent years and the non-indexation of AS (which means that AS does not increase in line with rents or inflation) have placed increasing pressure on the social housing sector and IRRS funding in recent years. Forecasts suggest that by 2020 AS is expected to remain relatively flat $^1$ , but spending on IRRS is expected to increase significantly from \$766m in 2015/16 to \$1,050m by 2019/20.

The system of housing assistance does not work well as a single system to target support where it is most needed and support those with the highest housing costs. The current design of the housing subsidies also provides poor incentives for families in social housing to move from social housing to independence in the private rental market.

There are opportunities to consider what a future more effective system might look like.

<sup>&</sup>lt;sup>1</sup> A two percent increase is forecast from October 2016 to October 2020.

...we need to further develop our understanding of who most needs and benefits from social housing...

The valuation has given us much better information about the cohorts of households in social housing and their associated lifetime liability. Recent work by the Social Investment Unit has also begun to help us understand the impact social housing can have on expenditure across the broader social sector.

However, there is still relatively little information about the particular cohorts who most need, and most benefit from, social housing. Further work in this area will support the more tailored investment decisions that MSD will need to make in the future as housing becomes a key plank in the application of a social investment approach across the social sector.

... and what type of provider market we want.

The social housing market is moving from a simple market dominated by a single provider towards a more diverse market with a broader range of providers that can provide more targeted services that support better outcomes for particular cohorts.

For MSD to implement its strategic purchaser role successfully, decisions will need to be made about the shape of the future market that is required to achieve the improved outcomes for social housing tenants. These decisions will include consideration of the role that HNZC should play in any future market that has a greater diversity of providers.

### Areas of focus for next 2-3 months

П	ere are a number of areas that will require your attention in the first months of 2017:
	Section 9(2)(f)(iv) Active Consideration
	Section 9(2)(f)(iv) Active Consideration

### Appendix: Key social housing facts and figures

#### Number of social housing properties

- As at 30 October 2016 there were 67,456 social housing properties. This included:
  - 64,192 Housing New Zealand properties (includes vacant and Community Group Housing properties)
  - 3,264 Community Housing Provider properties (includes vacant properties that are available to let).

#### **Number of Community Housing Providers**

- There are 41 CHPs registered with the Community Housing Regulatory Authority which is part of MBIE.
- There are 32 CHPs with an IRRS contract with MSD.
- · 27 registered CHPs are receiving IRRS funding.

#### **Social Housing Register statistics**

- There were 4,602 applications on the Housing Register at 30 September 2016, an increase of 35.4 percent compared to the same time last year (30 September 2015).
- On the Housing Register, Priority A applications (people considered 'at risk') were up 49.8 percent on the same time last year, to 3,011. Priority B applications (people with a 'serious housing need') were up 5 percent on the same time last year to 1,591.
- There were 1,168 applications on the Transfer Register at 30 September 2016, an increase of 9.4 percent compared to the same time last year (30 September 2015).
- On the Transfer Register, Priority A applications (people considered 'at risk') were up 14.4 percent on the same time last year, to 652. Priority B applications (people with a 'serious housing need') were up 6 percent on the same time last year to 516.



#### Service delivery statistics

- Between 1 October 2015 and 30 September 2016, 6,225 tenancies were activated (i.e. applicants were housed). On average 120 applicants are housed each week.
- On average around 16,000 calls are made a month to the Housing 0800 number which is administered by the Centralised Unit Housing (contact centre).
- · In 2015/16, MSD placed 8,238 social housing needs assessments on the social housing register.
- MSD has around 68 Case Managers Housing who support people with their housing needs and assess people for eligibility for social and emergency housing.