



31 MAY 2021

Tēnā koe

On 25 March 2021, you emailed Te Tūāpapa Kura Kāinga – the Ministry of Housing and Urban Development requesting, under the Official Information Act 1982, the following information:

- *Any reports or advice relating to the building of homes to universal design standards in New Zealand since the start of 2020, and*
- *any advice provided to Ministers on these matters since the start of 2020.*

On 29 March 2021, your request was transferred in full to the Ministry of Business, Innovation and Employment (MBIE) for response, as the request was believed to be more closely aligned with the functions of MBIE.

On 12 April 2021, your request was partially transferred to the Ministry of Social Development (the Ministry), as the Ministry holds some information that falls in scope of questions one and two of your request. You will hear from MBIE in respect to its own information.

On 11 May 2021, the Ministry contacted you to advise you of the need to extend the time available to make a decision on the request to 1 June 2021.

The following four documents were identified to fall within the scope of your request:

- *Briefing - Briefing to the Incoming Minister – Seniors – 2020*
- *Paper - BLL MSG – High Level Options – Notes for Minister, dated 4 March 2020*
- *Paper - MSG Paper – AP Priority – Housing, dated 4 March 2020*
- *Report - REP/20/11/1066 Housing and Older people, dated 20 November 2020*

Please find the report titled *Housing and Older people*, dated 20 November 2020, enclosed in this response. Please note that some information is withheld under section 9(2)(f)(iv) of the Official Information Act as it is under active consideration. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

The document *Briefing to the Incoming Minister – Seniors – 2020* is publicly available at the following link: [www.beehive.govt.nz/sites/default/files/2020-12/Seniors.pdf](http://www.beehive.govt.nz/sites/default/files/2020-12/Seniors.pdf). Information regarding Universal design can be found on page 15 of the document.

As the document is publicly available, your request for this information is refused under section 18(d) of the Act on the basis that the information requested is publicly available.

The documents *BLL MSG – High Level Options – Notes for Minister*, dated 4 March 2020, and *MSG Paper – AP Priority – Housing*, dated 4 March 2020 are withheld under section 9(2)(f)(iv) of the Act, as the information contained within the documents are under active consideration. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

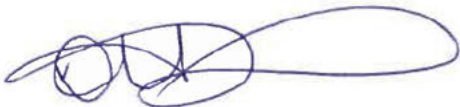
- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact [OIA\\_Requests@msd.govt.nz](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or 0800 802 602.

Ngā mihi nui



Diane Turner  
**Director**  
**Office for Seniors**



**Office for Seniors**  
**Te Tari Kaumātua**

Administered by the Ministry of Social Development

# Report

**Date:** 20 November 2020

**Security Level:** IN CONFIDENCE

**To:** Hon Dr Ayesha Verrall, Minister for Seniors

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## Housing and Older People

### Purpose of the report

To provide you with background on the Office's work on housing for older people, including as a priority under the *Better Later Life – He Oranga Kaumātua 2019 to 2034 Strategy* (BLL). To seek your agreement to progress key actions in relation to housing for older people.

### Recommended actions

It is recommended that you:

- 1 **note** that housing has been identified as a priority for the first action plan to implement the *Better Later Life – He Oranga Kaumātua Strategy*
- 2 **note** that rates of home ownership among people aged 50 – 64 point towards lower rates of home ownership among older people in future. Together with low incomes as a result of limited asset accrual, this is likely to mean higher rates of deprivation among older people
- 3 **note** rates of housing deprivation for a minority of older people are increasing
- 4 **note** that older people have been identified as an at-risk group in the Homelessness Action Plan. However, they have not been identified as a priority among at-risk groups by the Ministry of Housing and Urban Development
- 5 **note** that a variety of current and potential wider government housing initiatives will potentially have impacts on housing for older people, including:
  - Kāinga Ora's process to identify the long-term housing needs of the public housing client-base, including older people
  - implementation of changes to the Residential Tenancies Act
  - identification of options to grow the sub-market and affordable housing market
  - reform of the Resource Management Act
  - changes to the Accommodation Supplement.



20/11/2020

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Diane Turner  
Director  
Office for Seniors

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Date

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Hon Dr Ayesha Verrall  
Minister for Seniors

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Date

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## Background

- 1 Rates of home ownership among older people (aged 65+) remain higher than for other age groups. However, long-term trends point towards a decline in home ownership. These trends include:
  - decreasing rates of home ownership among those in the latter stage of their working life. From 2001 to 2018 homeownership for those aged 50 to 64 fell from 74% to 68%
  - an increasing proportion of older people entering later life with a mortgage. From 2004 to 2018 the number of people aged 65 and over with a mortgage increased from 6.8% to 13.9%
  - an increase in the amount older people spend on housing, with 12% of people aged 65 and over living in a household spending more than 30% of its income on housing, and 27% of people aged 45-64 in the same position.
- 2 Falling rates of home ownership among older people in future is not necessarily an issue in isolation. However, freehold mortgage free ownership has historically underpinned the rate of NZ Super by keeping ongoing housing costs for older people largely fixed and in some instances providing an additional income stream (for example by realising part of the capital of a house by "down-sizing"). The low income levels of many long-term renters mean they are unlikely to have accrued any alternative asset base such as a Kiwisaver balance or other investment, and may therefore face financial difficulties as they reach retirement.
- 3 Older peoples' participation in the private housing market, whether as owners or renters, takes place in the context of wider housing affordability challenges:
  - the national median house price increased to \$685,000 in September 2020, a record high and quarterly increase of 7.2%
  - national average rent was \$488 per week in September 2020, up 0.62% on the previous quarter and up 4.27% over the past year
  - construction costs have increased 33% since December 2012, and 4% over the last year

### *The housing needs of older people*

- 4 Individuals' housing needs change as they age. There is also substantial variability within the population of older people as a result of differences in health needs, financial situation, cultural norms and individual preferences. In general terms, however, an ageing population points to the need for a diverse range of housing to ensure the requirements of older people are catered for. It is not necessarily clear that current housing stock or new stock under construction will meet these. Examples of housing needs as a result of an ageing population include:
  - an increased need for smaller one or two bedroom properties in the right locations to enable "downsizing"
  - larger and differently configured homes to enable intergenerational living, particularly for Pasifika and some migrant communities
  - greater physical accessibility for homes, including single-level dwellings and ideally built to universal design standards
  - access to age-relevant services, using public transport or other age-friendly transport options

- appropriate integration of housing within wider age-friendly communities to enable social participation and connection.

### *Retirement Villages*

- 5 JLL New Zealand (a major real estate firm) figures indicated more than 40,000 older people lived in retirement villages in 2018. Trends in the industry suggest this number will have continued to grow.
- 6 Although a small number of retirement village places are offered on a rental basis, the overwhelming majority require a substantial commitment of capital. This is held in exchange for a "license to occupy". In addition to a periodic fee that covers associated services, this enables occupation of a unit or other form of housing within a village.
- 7 Retirement villages can offer a desirable housing option for older people with sufficient capital to access them. Many offer a range of additional services and the ability to subsequently move in to higher care residential units based on resident needs.

### *Government and Community Housing Assistance*

#### *Accommodation Supplement*

- 8 Older people are able to access the Ministry of Social Development (MSD) means tested Accommodation Supplement. This payment varies according to housing costs in different regions, and is designed to supplement individuals' ability to meet their housing costs, including mortgage repayments, private rent or boarding costs. As of September 2020, there were 48,883 recipients aged 65 or older. Of this group, 73% were renters, 16% were home owners and 11% were boarders.

#### *Government Social Housing*

- 9 Formed in 2019, Kāinga Ora is the new central government social housing provider. It is responsible for construction and management of central government social housing stock and places people in social housing from the social housing register managed by MSD. Placement and prioritisation on the housing register is made on the basis of an assessment of housing need.
- 10 Councils have historically been major providers of social housing, including "pensioner housing". A recent trend has seen a number of Councils looking to divest their social housing stock. Anecdotally, this is due to government policy of excluding council housing from eligibility for the Income-Related Rent Subsidy, as well as the rising costs of maintaining ageing housing stock.
- 11 Recent instances have seen transfers to specially created social housing trusts or moves to sell stock to Kāinga Ora. Changes of this sort are not necessarily an issue, but could precipitate changes to the demographic makeup of social housing recipients or eligibility requirements. For example, where Council social housing is transferred to Kāinga Ora, it will (subject to preservation of the tenure of current occupants) form part of the general pool of social housing and be allocated based on priority within the social housing register. This could result in the allocation of housing previously ring-fenced for older people to other groups. Prior council pensioner housing eligibility rules relating to income or assets may also have been more generous than those for government central housing.
- 12 The government also provides the Income Related Rent Subsidy to community social housing providers. It pays the difference between an income related rent that the provider will recover from occupants, and an agreed market rental rate.

### *Community Models*

- 13 A range of community housing providers offer social housing for older people in different configurations. Some examples include:
- Marae housing – housing for kaumātua typically associated with a specific marae and on land immediately adjacent to it
  - Large-scale housing trusts that operate a large volume of social housing across multiple regions and make these available to multiple recipient demographics
  - The “Abbeyfields” model, which provides a mixed “supported living” model where older people rent a unit that is part of a larger development with central provision of some services such as food
  - Papakāinga Housing – intergenerational housing on whenua Māori that may include broader support and occupant involvement
- 14 Community housing forms an important component of the provision of housing to older people, and new models for housing offer opportunities to meet the particular needs of specific groups. Anecdotally, the most significant constraint on greater provision of community housing is funding. This includes both the obvious capital costs involved in housing construction, but also a lack of long-term certainty around funding streams sufficient to support borrowing, including those from government, such as the income-related rent subsidy.

### *Health Sector Support*

- 15 Older people are able to access a range of support through the health system that directly or indirectly impacts housing outcomes. Carer services, which may be funded either through Disability support services or by DHBs, provides assistance to many older people living in the community. In many instances this likely contributes to older people’s ability to remain in the community, alongside care provided by family members.
- 16 DHBs also fund residential care for older people based on an assessment of needs and an ability to pay. Currently, around 33,000 older people live in residential care that is funded in this way.

### *Housing deprivation among older people*

- 17 Housing deprivation is less prevalent among older people in comparison to other population groups. However, it affects a small number, and there is some indication that levels of deprivation are growing. An increasing number of older people are on the MSD’s public housing register,<sup>1</sup> although neither the absolute number nor proportion is as high for other age groups. In December 2019 (prior to any impact from COVID-19) there were 1,272 older people on the register, more than four times the equivalent number in 2015.
- 18 A small group of older people face more serious housing deprivation. A Ministry of Housing and Urban Development (MHUD) study based on 2018 Census statistics indicated 3,333 individuals people aged 65+ were severely housing deprived (living without shelter, in temporary accommodation or in overcrowded shared

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<sup>1</sup> The public housing register comprises applicants assessed as eligible, who may or may not have been placed in housing. It is therefore an indicator of the “demand” for social housing, but is not necessarily indicative of unmet need in a particular group.

accommodation). Limitations in the methodology of the study suggest this figure understates the total.

- 19 As with other age groups, there is some indication that COVID-19 may have impacted housing deprivation among some older people:
- the number of seniors receiving emergency housing grants<sup>2</sup> from MSD increased from 209 in February 2020 to 308 in July 2020
  - a June 2020 survey found that 17% of individuals in motels funded by the MHUD for COVID-19 related motel accommodation were aged 50+, and 1.5% were aged 70+
  - in June 2020 there were 1,453 people older people on the social housing register, seeking a place in social housing, almost 50% higher than in June 2019.<sup>3</sup>

### **Housing and Better Later Life**

- 20 The *Better Later Life - He Oranga Kaumātua* 2019 to 2034 Strategy (the Strategy) sets out the objective of creating diverse housing choices and options so people can age in a place they call home, safely and where possible independently. As with other age groups, every older person needs somewhere to live. Older people also have some specific needs that need to be met, including homes that are accessible and built to accommodate all life stages.
- 21 Housing was agreed by the Ministerial Steering Group as a priority for the first Action Plan to implement the Strategy. The Office is working closely with MSD to better understand the current state of housing for older people and project needs going forward. This work is aimed at presenting a more coherent and useful picture to inform the work of other agencies undertaking housing initiatives addressed towards the general population. It also offers an opportunity to pinpoint specific areas where more targeted policy work could be useful, for example where there might be especially acute need, or where the issues facing older people in relation to housing differ substantially from other population groups.

### **Wider Government Responses to Housing Issues**

- 22 A substantial range of work is underway or planned to address housing issues across the wider government. Many of these offer opportunities to influence outcomes favourable for the housing needs of older people. These opportunities include:
- The Aotearoa New Zealand Homelessness Action Plan (2020 to 2023) aims to prevent and reduce homelessness and is backed by over \$300 million funding. It identifies older people as at high risk of homeless, but we have been advised that they are not one of the at-risk groups currently prioritised. We continue to work with MHUD as the lead agency for the Action Plan on its implementation with respect to older people.

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<sup>2</sup> This grant is for those who cannot remain in their usual place of residence and do not have immediate access to other adequate accommodation.



s 9(2)(f)(iv) OIA

- Kāinga Ora's new Accessibility Policy includes an initial commitment to ensure at least 15% of the new homes built meet Universal Design standards, and the rest meet as many of these standards as possible. This is an initial goal, selected based on feasibility rather than an assessment of client needs. Kāinga Ora is currently working to build a better picture of the needs of its clients, but we anticipate a greater proportion will have (or may in future have) accessibility needs. The Office for Seniors will offer our expertise on the housing needs of older people as the process of assessing client needs develops.
- The Residential Tenancies Amendment Act 2020 came into force on 12 August 2020. It includes a range of changes that will potentially benefit older people, include improving security of rental tenure and changes to regulations allowing modifications to properties (including for improving accessibility). The Office will seek opportunities to assist in the implementation process for the changes, which is being led by MBIE.
- MSD is set to work with MHUD to identify options to grow the sub-market and affordable housing market to fill the gap between fully public housing and the private rental market. This work will seek to create more long-term affordable housing options for low-income households, including older people.
- Changes underway as part of the Health and Disability Sector Review and Disability Support System Transformation could affect the way older people access residential care funding, home and community support and other carer support. This is of direct relevance to housing outcomes for many older people, including impacting on decisions around remaining in a private home. This is addressed in more detail in our separate report on machinery of government changes (REP/20/11/1088).
- The manifesto commitment to reform the Resource Management Act could create an opportunity to consider the housing needs of older people. This could include finding ways to incentivise construction of houses that meet the needs of older people, or developing more age-friendly urban environments.

### Next Steps

23 The Office will continue to work with MHUD to assist in progressing the Homeless Action Plan as it relates to older people.

24 s 9(2)(f)(iv) OIA

- 25 A wide range of activities across government are underway with significant potential to affect housing outcomes for older people. The Office will proactively engage with these, and provide specific briefing to you as they develop.

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