

Housing World Article

When the Wellington Housing Trust opened its latest development – a scheme of four, four bedroom homes in a Wellington suburb – the housing minister came along and gave a speech. That tells you something about the scale of New Zealand – a country with a population of 4.4 million – and about the scale of social housing, which is only around 5% of the total housing stock. But it also demonstrates a new government focus on social housing and on the community housing sector as a vehicle for delivering it.

While the scale of housing in New Zealand might be small, our problems are not. Historically a nation of homeowners, like many other countries soaring house prices have seen levels of homeownership decline. However in New Zealand this decline has been faster than in any other OECD country. Most of those priced out of owning their own home are housed in the private rented sector which accounts for about one third of the housing stock.

In addition, a significant number of homes in New Zealand in both the owner occupied and private rented sectors fall below the standard you might expect in a developed country. New Zealand houses are poorly insulated and expensive to heat (although there has been a push in recent years from governments to improve this by subsidising insulation and efficient heating). A recent national survey found that 40% of houses were damp, while another study found that nearly one third of New Zealand houses fall below World Health Organisation recommended temperatures of 18°C. Unsurprisingly, rates of respiratory illnesses associated with damp and mould, such as asthma, are high.

While New Zealand can be proud that rough sleeping is relatively uncommon, crowding is an increasing problem, with household members, including children, sleeping in garages, caravans and flimsy outbuildings. This is a particular problem in some areas with large Māori, Pacific or refugee communities. Household crowding is one of the key risk factors for acute rheumatic fever and New Zealand has one of the highest rates among children and teenagers of this serious disease in the developed world.

In a bid to address some of these problems, the Government has recently announced plans to reform the social housing sector. Up to now, the main provider of social housing in New Zealand has been the government agency, Housing New Zealand Corporation, with a stock of around 69,000 properties. Some local authorities also provide housing. The community housing sector is under-developed and fragmented, consisting of a number of small organisations. Up to now, support for the sector has been very small and there has been little commitment to providing the sector with the stable funding streams it needs to grow.

A 2010 Government review of the social housing sector concluded that the current model will struggle to meet future demands for housing. The Government sees the community housing sector as playing a key role in increasing the amount of affordable housing in New Zealand and is keen for it to grow. A new funding body – the Social Housing Unit – has been established and funding bids have been invited from organisations with track records of developing not-for-profit housing.

The Wellington Housing Trust is keen to take up the challenge. As with other major urban areas in New Zealand, Wellington has acute housing problems. The third most unaffordable region for housing in the country, it is estimated that over one fifth of households in the capital pay more than 30% of their gross household income in housing costs. As one of the longest-established community housing organisations in New Zealand, the Wellington Housing Trust is planning to dramatically increase its housing stock and to expand its geographical reach beyond Wellington city. We are also stepping up to meet a wider range of housing need – our next project will be our first mixed tenure new build development, with a mix of affordable housing for rent and shared ownership.

The funding pot that has been made available so far for growing the community housing sector is small. Only \$40m (about £20m) is available for the next 12 months. Furthermore, this is not new funding, just funding that would normally have been used by the Housing New Zealand Corporation to deliver housing. \$40m is unlikely to go far towards delivering the scale of housing that is needed to address housing need and to enable community housing organisations to grow to a level where they can become significant players in delivering affordable housing. The Government is developing a future investment strategy to address the need for adequate investment into the sector. If transformation of the sector is to be achieved, it needs to be supported by grants at a level that allow organisations to raise significant amounts of capital, as well as by policy initiatives such as stock transfers, as with housing associations in the UK in the 1980s.

The Trust's new four home development can feel like a drop in the ocean when it comes to addressing the housing problems in the Wellington region. However, a long journey begins with a small step and as a sector we need to show our willingness to grow and our capacity to deliver good quality housing. We need to continue to work together to lobby the government for the changes that are needed to truly bring about transformation. At the same time, we need to remember why we are here. For the four families who have moved into our new development, these houses are not units of affordable housing – they are homes and the Trust is about providing housing for people. There is a whakatauki (a Māori saying) that sums this up well:

*He aha te mea o te ao?
He tangata! He tangata! He tangata!*

What is the most important thing in the world?
It is people! It is people! It is people!

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