

Dwell Housing Trust (Dwell) is a registered community housing provider that has been operating in the Wellington region for almost 40 years. We provide affordable, quality housing for people on low incomes or in need. Building on our history and wealth of experience, we provide a range of housing services including:

- Social and affordable housing for people in need.
- Supportive housing for people with other needs such as mental illness and intellectual disabilities.
- A shared home ownership programme for first home buyers.
- We manage homes for other organisations.

Dwell is also a developer of affordable housing and has successfully completed several new build developments since 2009.

Thank you for the opportunity to present our views on the Government Policy Statement on Housing and Urban Development (GPS) discussion document.

### **1. Vision**

We support the GPS's vision statement and are pleased to see that Dwell's own vision is so closely aligned to it. Dwell's vision is *Well-housed communities where people live well and do well*.

### **2. Housing is a system**

We welcome the document's focus on a systems approach. Housing in Aotearoa New Zealand is a collection of interrelated and interdependent parts which form a unified whole. So often the parts of the housing system are looked at separately and this does not serve the country well. We need to address housing as a whole system if we are to achieve good outcomes for all New Zealanders.

### **3. Partnering with the community housing sector**

The GPS talks extensively about the importance of partnering, especially with Iwi/Māori, and we welcome that approach. There is mention of partnering with the community housing sector (CH sector) however we'd like to see greater emphasis on this in the GPS and not just for specific target groups.

The value added by the CH sector is not understood or well addressed in the document. The work community housing providers (CHPs) do, and could do, needs to be outlined more to enable increased visibility and support. The main focus of the GPS is on Kāinga Ora and private developers. Too much focus on this part of the system will not achieve enough change, as it does not focus on growing the housing provided by CHPs, and other non-government providers, and the benefits these groups provide to the housing system.

Whilst ongoing investment in public housing through Kāinga Ora is to be welcomed there is room to support CHPs alongside Kāinga Ora. This would offer both social and economic benefits to communities and the country. While CHPs are mentioned in the GPS as a partner, it is unclear how much support and investment will be available to increase their capability and from whom.

#### **4. The potential of the community housing sector needs to be realised**

There has been significant change and growth in the CH sector in New Zealand in the last 15+ years. Government support has helped create valuable opportunities and more homes for people in need. However, the change and growth has been slow compared to other countries. The CH sector – and the New Zealand government – could have achieved more housing, had more financial support been available along with all the right settings being in place. Greater government support in the UK and Australia and other nations, has seen community housing sectors (housing associations in the UK) in these nations grow significantly, particularly the number of homes they provide.

We believe New Zealand has not completely embraced the added value of the CH sector. We need the sector to grow because it:

- can leverage additional private and philanthropic financial investment
- can leverage additional resources to match government investment, including capital, land, and community, and business input
- reinvests surpluses generated, to develop additional affordable housing to meet ongoing demand
- is innovative and develops and delivers flexible housing and solutions
- is better able to meet special needs and the needs of specific households and communities
- provides tenants security of tenure
- provides a different choice for people seeking housing which best meets their needs
- provides a range of housing services including affordable housing, shared homeownership as well as social (public) housing.
- provides models that can recycle and retain investment better than local or central government or the private sector
- enables the growth of social capital in communities by involving community members in developing and delivering local housing solutions.

#### **5. “The missing middle”**

The CH sector provides secure, quality rented housing. Some CHPs currently provide for the intermediate housing market – affordable rentals and assisted homeownership – but this part of the continuum needs to be built up if the whole housing system is to work. Affordable, long term tenancy options for the intermediate market, who generally don’t qualify for social housing, is missing in New Zealand’s housing system so more options in this area need to be considered as part of the GPS.

CHPs can take many roles in the housing system. For example, the UK housing associations show us a great model of how non-government, non-private sector organisations can become large landlords providing affordable, long term rental options. They are not for profit organisations who are regulated by government and have social missions. A similar model should be adopted in New Zealand as large institutional landlords is another part of the system missing here.

We need a strong bold vision for the CH sector and one that is not be constrained by what is happening currently. We think there should be some thought given in the GPS to other roles CHPs could play in the housing system

## **6. The right investment is needed**

We support the GPS statement on the need to develop sustainable and reliable funding. This must be a key action.

For real enduring change there must be recognition of the added value and benefits of the CH sector along with the agreement that the right investment and frameworks are needed to make significant growth happen. We also need to make land and assets that are in public ownership available at below market value (or nil value) for social and affordable housing. This is not part of the current policy frameworks.

If partnerships between Kāinga Ora and CHPs are to become a reality, then Kāinga Ora has to be instructed to work with the sector. This used to be in the form of the Statement of Intent from Housing NZ.

New Zealand spends a lot of money on housing – through the accommodation supplement and IRRS and funding for emergency and transitional housing. Yet despite much documented evidence that the spending is not effective, the situation does not change. Whereas even relatively small investment in CH sector creates a growth in financial capital in which social value is retained.

## **7. Additional finance mechanisms**

Social housing has the potential to be a significant area of social investment for philanthropic trusts, socially responsible businesses and large investors like ACC and KiwiSaver funds. The alternative finance organisations and facilities that incorporate private investment are exciting additions and need to be encouraged and enabled by government.

## **8. Facilitate social enterprise in CHPs**

Many New Zealand CHPs already embrace the social enterprise space, with many providing a range of housing services and products – such as social rentals, affordable rentals, leases to others, rent to buy, and shared home ownership schemes. There are opportunities to create more mixed-tenure developments which include selling homes at market rates to cross-subsidise rental homes, but we need to remove the barriers – such as the Charities Act and tax law. Again – we need a bold vision and a comprehensive policy framework to support the growth of community housing so we can provide more homes in innovative ways and enable organisations that want to grow and do more to do so.

## **9. Government housing policy**

The ever changing and inconsistent housing policy and operational environment in New Zealand has been a considerable barrier to growing community housing and resolving our housing crisis. In the past 15+ years there have been continual changes in funding programmes, housing policy, government agencies. The stop, start approach to investing in CHPs has seen considerably less new homes achieved than could have been. Dwell's experience is that in 2005 we planned to build 20 new homes a year and the funding available at that time would have allowed us to achieve that. To date, we could have built at least 300 homes, instead we have built less than 40 due to changes in available funding. Multiple this across all CHPs and this is a significant loss.

The GPS needs to be a long-term consistent approach that is implemented regardless of which political party is in government, it needs cross party agreement. As a long-standing provider of housing Dwell has been involved in many similar processes like this consultation. The many documents and plans that have preceded the GPS have largely been plans without action. In 2005 New Zealand developed a housing strategy with aims very similar to the GPS. We can only imagine what difference that would have made to Aotearoa if it had been fully implemented. The GPS once finalised, needs to implement its recommendations.

#### **10. Effective and efficient public service**

Significant public funding is used to administer housing policy and programmes. Government agencies play a key role in the housing system.

New Zealand needs our public service and government to ensure that community housing providers, and other non-government providers, have sufficient autonomy to manage their own businesses, use their capabilities, grow, and pursue innovation. At the same time being sufficiently accountable to government, the people they house and to the wider community for their performance.

Our experience is that this balance has not been reached and in fact we are experiencing more bureaucracy than ever, with more control, and risk management a key driver in government decision making. We have regulation which has requirements that are disproportionate to the amount of government investment available. We will not continue to achieve better outcomes for people and communities in this kind of environment.

We need an efficient and effective public service that:

- manages the allocation of government investment in a timely, appropriate, and effective manner
- introduces and manages housing policy faster than we have recently experienced.

There is significant skill and expertise within the CH sector, and this needs recognition. CHPs have skilled professionals managing complex social businesses and providing diverse housing services. Sector professionals need to be part of shaping the future.

CHPs have demonstrated our experience, capabilities and potential, it's time to build on this.

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