

Taranaki Regional Housing Strategy

Supporting Document

v0.16

10th December 2021



Making Strategy Happen

MANAGEMENT CONSULTANTS

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Attachments – Taranaki Regional Housing A3 One Page Strategy Map

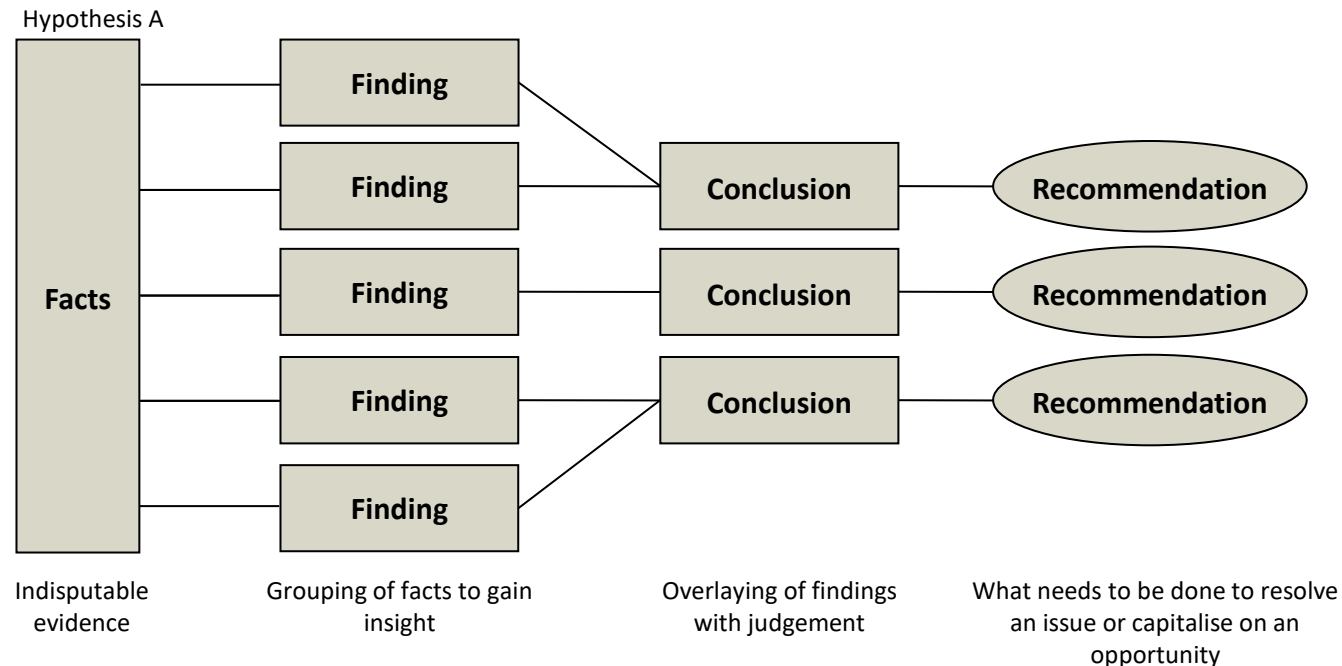
Section 1: Introduction

Review Scope

- MSH was asked to assist with the development of the Taranaki Regional Housing Strategy by working with a Housing Steering Group that has been established to guide the development of the strategy
- The Taranaki Regional Housing Strategy covers the entire housing continuum and reflects how iwi and Civic (comprising of Stratford, New Plymouth, South Taranaki District Councils and the Taranaki Regional Council) should work in partnership to address and capitalise on current challenges and opportunities facing vulnerable communities and their housing needs
- This document is the final output of this work. It provides the underlying supporting evidence for the strategy and should be read alongside the A3 overview of the Strategy Map
- The housing strategy was developed in working sessions with Jamie Tuuta, Kelvin Wright and key people from the Recovery Team and tested with the Housing Steering Group

Approach

- To develop the housing strategy, we undertook a review using a 'facts-findings' approach to form recommendations for improving housing outcomes in the Taranaki Region, as illustrated in the diagram below:



Acknowledgements

- The following people were involved in the development of the strategy:
 - Kelvin Wright – NPDC Deputy Chief Executive
 - Jamie Tuuta – Ka Uruora Chair
 - Hayley Olliver – NPDC Recovery Project Manager
 - Ben Ingram – NPDC Regional Recover Manager
 - Emere Wano – Nga iwi o Taranaki Regional Recovery Manager
 - Paul Cummings – Te Aranga o Taranaki
- We would like to thank Jamie Tuuta and Kelvin Wright for their guidance and direction for the development of the strategy
- We'd like to thank Ben Ingram, Hayley Olliver, Greg Stephens and Emere Wano for providing the documentation and analysis for the review

Acknowledgements (cont.)

- We would also like to thank the people who made themselves available to be interviewed and their open views that they shared during the fact gathering stage:
 - Danny Hall – MSD Regional Commissioner Advisor
 - Dene Ainsworth – MSD Māori Relationship Manager - Taranaki
 - Graeme Broderick – Kāinga Ora Regional Director
 - Marie McKay – TPK Senior Advisor
 - Rewi Henderson – DIA Principal Advisor - Local Government
 - Chris Feron – MSD Regional Housing Advisor
 - Maria Ramsay – Toi Foundation Chief Executive
 - TeUraura Nganeko – Ngāruahine Lead, External Relations
 - Anaru Marshall – Ngati Maru Chief Executive
 - Mark Wipatene – Taranaki iwi General Manager

Section 2: Key Players

Addressing the housing issues and opportunities within Taranaki requires many key players to work collaboratively together

Function	Key Players	Role in housing
Government Advisors	Ministry of Housing & Urban Development (MHUD)	<ul style="list-style-type: none"> Provide leadership and a single point of accountability for housing and urban development within Central Government
	Treasury	<ul style="list-style-type: none"> Advises on the housing market, including funding, and housing-related tax settings. Treasury also advises on institutional settings that support infrastructure investment decision making
	Ministry for the Environment (MfE)	<ul style="list-style-type: none"> Urban planning and environmental management, providing a system-wide perspective with the goal of creating sustainable, liveable cities
	Department of Internal Affairs (DIA)	<ul style="list-style-type: none"> DIA advises on the role local government can play in the pursuit of better urban development integrated with smarter transport and infrastructure investment
	StatsNZ	<ul style="list-style-type: none"> The public service department of New Zealand charged with the collection of statistics related to the economy, population and society of New Zealand
Regulators	Local Councils	<ul style="list-style-type: none"> Set the direction for how and where growth and development will occur, exercise regulatory functions, prepare district plans, issue consents and provide physical infrastructure
	Ministry of Business, Innovation and Employment (MBIE)	<ul style="list-style-type: none"> Responsibilities include the regulatory framework for New Zealand's building system, rules and standards, and implementing legislation & regulation to enforce that legislation and regulation of rental system and tenancy support

Addressing the housing issues and opportunities within Taranaki requires many key players to work collaboratively together (cont.)

Function	Key Players	Role in housing
Funders	Ka Uruora	<ul style="list-style-type: none"> Offer a shared equity scheme where whānau share the purchase cost of a house until the whānau can afford to take full ownership
	Ministry of Housing & Urban Development (MHUD)	<ul style="list-style-type: none"> Facilitate a progressive homeownership scheme and pays Kāinga Ora and registered CHPs to cover the difference between rent paid by their public housing tenants and the market rent for the property
	Te Puni Kōkiri (TPK)	<ul style="list-style-type: none"> Provides grant funding that contributes to: <ul style="list-style-type: none"> Improving the basic quality of Māori housing stock in Aotearoa Reducing the number of whānau Māori living in unsafe or substandard housing situations Building the capability of whānau homeowners to repair and maintain their homes
	Kāinga Ora (KO)	<ul style="list-style-type: none"> Administers the Infrastructure Acceleration Fund (IAF) and provides a First Home Grant of up to \$10,000 and a First Home Loan which allows aspiring homeowners to access funding with only a 5% deposit
	Housing Foundation	<ul style="list-style-type: none"> Assist lower income renting households to become homeowners Offer 'Shared Ownership' and 'Rent to Own' programmes for those who have begun on the journey towards financial independence

Addressing the housing issues and opportunities within Taranaki requires many key players to work collaboratively together (cont.)

Function	Key Players	Role in housing
Developers	Kāinga Ora (KO)	<ul style="list-style-type: none"> The government's lead developer for urban development, responsible for planning, coordinating, and carrying out large and small housing developments, including KiwiBuild, with the task of creating a diverse mix of public, affordable and market housing
	Hāpai Housing	<ul style="list-style-type: none"> A specialist collective iwi vehicle that develops & invests long-term in Build to Rent properties
	Private Developers	<ul style="list-style-type: none"> Buy land, finance real estate deals, build or have builders build projects, create, imagine, control, and orchestrate the process of development from the beginning to end
Training providers	Taranaki Regional Skills Leadership Group (RSLG)	<ul style="list-style-type: none"> Identify and support better ways of meeting future skills and workforce needs in our region
	Industry Training Organisations (e.g. BCITO)	<ul style="list-style-type: none"> Organise the delivery, assessment and/or monitoring of training but many also provide information about industry skill demand
	Industry Training Providers (e.g. WITT)	<ul style="list-style-type: none"> Provide tertiary vocational/industry education and training through courses, qualifications and apprenticeships
	Construction Companies	<ul style="list-style-type: none"> Take on apprentices to train informally or using formal qualifications

Addressing the housing issues and opportunities within Taranaki requires many key players to work collaboratively together (cont.)

Function	Key Players	Role in housing
Service providers	Ministry of Social Development (MSD)	<ul style="list-style-type: none"> Manages all applications for public housing, assesses housing need, administers income related rents for public housing tenants, delivers other social services, and provides accommodation support to people in need living in the private rental market
	Community Support Providers e.g.: <ul style="list-style-type: none"> Tu Tama Wahine o Taranaki Tui Ora Women's Refuge Roderique Hope Trust The Salvation Army NZ Literacy Aotearoa 	<ul style="list-style-type: none"> Provide community, educational and social support services to whānau in need
	Community Housing Providers (CHPs) e.g.: <ul style="list-style-type: none"> Link People Limited The Salvation Army NZ Trust Roderique Hope Trust Men's Shed Kāinga Ora 	<ul style="list-style-type: none"> Work alongside private housing in the open market. Typically, these are not-for-profit groups meeting housing need through a range of social and affordable rental and home ownership options
	Local Councils	<ul style="list-style-type: none"> Own and operate a stock of affordable rental housing
	Ka Uruora	<ul style="list-style-type: none"> An iwi collective offering a programme of services supporting whānau to improve financial wellbeing and achieve financial independence Provide financial education to improve the savings potential of whānau Provide whānau Saver as an iwi alternative to Kiwisaver with greater incentives/less restrictions
	Kāinga Ora (KO)	<ul style="list-style-type: none"> Run a cadet and apprenticeship programme where it works with training and pastoral care providers, build partners, and sub-contractors to help keen New Zealanders into trades apprenticeships, supporting them and their employers to maximise their success Responsible for tenancies and supporting tenants to sustain their tenancies

Section 3: Facts, Findings and Conclusions

Introduction

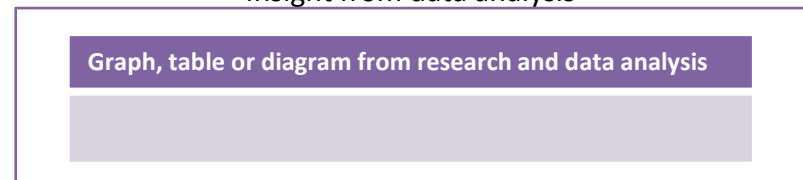
- From the facts gathered during the interviews, research and analysis, we developed findings under the following themes:
 1. Engagement
 2. Determining supply and demand
 3. Funding
 4. Construction workforce
 5. Building cost
 6. Land Use
 7. Housing tenure
 8. Housing typology
 9. Tenancy management
 10. Housing aspirations
 11. Access to social services
 12. Pathway to financial independence
- Within each theme we developed a conclusion outlining the problems and opportunities from the key insights produced
- This section of the report is broken down into the 12 themes. Within each theme, we have provided an overview of the findings and conclusions, followed by slides outlining the supporting details
- As part of the fact gathering stage, we carried out data analysis and research to produce insights to support our findings. Throughout this section we have referenced the information we sourced to produce the insights

Definitions and Structure of Analysis Slides

- Each section starts with an overview slide
 - On the left are findings (issues and opportunities) identified as a result of the interviews, research and analysis
 - On the right are the corresponding ‘Conclusion’ statements, summarising the issues into a ‘Today state’ that is addressed later in the report in the ‘Conclusions and Recommendations’ section
- The details that support the findings are represented through the three tables below:

Sample comments from interviews	
Steer Comm.	▪ A selection of comments received during interviews with members of the steering group that represent the common themes raised
Iwi.	▪ A selection of comments received during interviews with representatives from a few iwi in Taranaki that represent the common themes raised
Other	▪ A selection of comments received during interviews with non-steering group members that represent the common themes raised (e.g. MSD and Toi Foundation)

Insight from data analysis



- Source (Year). Title

Research Insights

- Key insights drawn from document review and qualitative analysis
 - Author (Year). Title

Theme 1: Engagement

Theme 1: Engagement

Findings

F1.1 Iwi and Govt. Agencies develop their own individual housing strategies but there is no overarching direction for the region

F1.2 Central Govt. can influence regional housing outcomes, but engagement regionally is inconsistent & occurs at the wrong level

Conclusion

C1: Iwi and the local community have not developed a joint understanding of their housing aspirations for the region and whether this aligns to the national perspective

F1.1 – Iwi and Govt. Agencies develop their own individual housing strategies but there is no overarching direction for the region

Sample comments from interviews

- | | |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Iwi | <ul style="list-style-type: none"> ▪ “There are so many players, Crown down to Crown agencies, even our own individual iwi, we are all developing our own strategies” ▪ “Iwi needs to get involved in it. Not iwi by iwi, but by region” ▪ “Other iwi may not have the same procurement/development strategies. Some have made the mistake of commercialising too much and their iwi have made housing developments that none of their iwi are even living in” |
| Other | <ul style="list-style-type: none"> ▪ MSD - “We need to get people on the same track, working on the end goal. Stop banging peoples heads together, with good leadership where we understand what happens at the grass roots level. People within Councils, DHBs, iwi, MSD have no idea what is going on” ▪ MSD - “A lot of the communications, relationships, don’t work that well” |

Research Insights

Below are a sample of documents we were provided as part of this review, however, we were not provided an overarching housing strategy for the Taranaki region:

- MSD – Public Housing Plan 2018-2022
- TPK – The Māori Housing Network Investment strategy 2015-18
- MBIE – He Whare Āhuru He Oranga Tāngata – The Māori Housing Strategy
- NPDC – Housing for the Elderly Policy
- Kāinga Ora – Our Customer Strategy 2018
- Iwi – Ngāruahine: 5 Year Strategic Plan including a Kāinga Strategic Objective
- National Science Challenges – Homeless and landless in two generations – Averting the Māori housing Disaster

F1.2 – Central Govt. can influence regional housing outcomes, but engagement regionally is inconsistent & occurs at the wrong level

Sample comments from interviews

- | | |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Steer Comm. | <ul style="list-style-type: none"> ▪ “DIAs role is to support closer relationships between local government and Crown. Trying to solve all the failed attempts to do this” ▪ “Not enough senior people working in Local Government with the connections to Central Government” ▪ “Connection from Wellington (Central Government) into Taranaki Councils aren’t as strong as other regions” ▪ “The risk we are trying to prevent is the Central Government intervening. Parachuting in people and funding without engaging with the local people in what they want” |
| Other | <ul style="list-style-type: none"> ▪ MSD - “There needs to be clear and open communication. A lot of people and organisations dabbling in different areas. There are organisations working on housing when it is not in their portfolio. It’s such a mess” |

Research Insights

- Our observation: MfE and MHUD administer the National Policy Statement on Urban Development which NPDC needs to align to:
- “The National Policy Statement on Urban Development directs local authorities to enable greater supply and ensure that planning is responsive to changes in demand, while seeking to ensure that new development capacity enabled by Councils is of a form and in locations that meet the diverse needs of communities and encourages well-functioning, liveable urban environments”
 - “It also requires Councils to remove overly restrictive rules that affect urban development outcomes in our cities”
 - MHUD (2021) National Policy Statement on Urban Development 2020 (NPS-UD)
- Our observation: Local Governments propose District Plans which entities can provide submissions on. For example, Kāinga Ora completed a comprehensive review of the NP District Plan:
- “Kāinga Ora recognise their role within the local community as both a social housing provider and as offering support to the wider community. Kāinga Ora are therefore willing to meet with the Council to discuss its submission on the NPDP and work collaboratively to address the matters raised in its submission”
 - Kāinga Ora (2019) Kāinga Ora – Homes and Communities submission on the Proposed New Plymouth District Plan

Theme 2: Determining supply and demand

Theme 2: Determining supply and demand

Findings

F2.1 While there are many agencies involved in housing, no one has brought it all together to forecast future supply and demand

F2.2 Iwi have limited accurate data about the housing needs of their whānau

F2.3 Everybody looks at broad indicators of housing needs because there are significant gaps in the current data sets

Conclusion

C2: Because there is not a comprehensive analysis of supply and demand, no one knows exactly how many houses of each type need to be developed in Taranaki

F2.1 – While there are many agencies involved in housing, no one has brought it all together to forecast future supply and demand

Research Insights

Our observation: For this review, we were seeking to complete a picture of supply and demand for the Taranaki region covering the whole housing continuum. We were provided the following documents which had information ranging from the social housing register by district to national public housing plans so that we can form an initial view as to the shortfall in housing, however it was acknowledged that the information available is 'patchy' and the information wasn't sufficient for us to form a complete picture of the gaps in the level of supply and demand broken down by the steps in the housing continuum:

- Housing Register – June 2021
- Homeless and Landless in Two Generations - Averting the Māori Housing Disaster – May 2019
- Census Data - Taranaki population, dwellings and income bands - 2018
- Ka Uruora documents and reports - 2021
- He Whare Āhuru He Oranga Tāngata - The Māori Housing Strategy – 2014
- Housing regional factsheets Taranaki – June 2021
- Taranaki Workforce Project Presentation – August 2021
- Public Housing Quarterly Report – June 2021
- NPDC Quarterly Monitoring Report on Urban Development Indicators – March 2021

From the above reports we were able to obtain pieces of data that provided an indication of the level of supply and demand across the housing continuum:

- Social housing register for Taranaki broken down by household size with a rough forecast of new Kāinga Ora homes to be delivered by 2024
- National home ownership trend projections
- Current income bands and costs of accessing housing
- Regional population projections

However, we could not find key datasets such as:

- Current levels of demand of build-to-rent and build-to-sell homes
- Current and forecasted home suitability needs of the people of Taranaki
- The number of people living without a home or in overcrowded and substandard houses
- The typology of houses built since 2018

F2.2 – Iwi have limited accurate data about the housing needs of their whānau

Sample comments from interviews

- | | |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Steer Comm. | <ul style="list-style-type: none"> ▪ “The information is not granular for iwi. We can get data, but it will only be from their own research rather than official data” ▪ “No one is gathering accurate up to date information” |
| Iwi | <ul style="list-style-type: none"> ▪ “A key issue that goes across all iwi is relevant up-to-date data to understand needs. Every iwi is at a different stage of development. We can all make assumptions, but we have outdated stats” ▪ “Not many have completed a full, environmental scan to develop key data to inform housing needs” ▪ “Our needs and challenges comes back to data to inform decisions” ▪ “Iwi are making a lot more assumptions rather than evidence-based decisions on where they are invested in. One of them has created a 5-year plan based on assumptions” |

Research Insights

- “StatsNZ were accused...of not meeting their Treaty obligations by failing to produce official iwi affiliation data from the 2018 Census”
- “The organisation decided not to publish official iwi affiliation data due to the lack of Māori response rates. The collection response rate for Māori was around 68 percent compared to 88.5 per cent in 2013”
 - Tyson (2019). StatsNZ to do a better job to collect iwi data after ‘failed’ Census

F2.3 – Everybody looks at broad indicators of housing needs because there are significant gaps in the current data sets

Sample comments from interviews

- | | |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Steer Comm. | <ul style="list-style-type: none"> ▪ “We don’t know where the biggest gaps are because we are looking at the Census of 2018 which is now largely irrelevant. No one is gathering accurate, up to date information” ▪ “There are a number of people who don’t put their names on the housing register because they realise it’s a long-term thing and some fear losing what they have. They may currently have overcrowding in their house, so to prevent the state from finding out, they do not go on the register. Rather than raise a red flag, they fly under the radar” ▪ “The numbers on the waiting list don’t reflect the real number as when the number is large, people just don’t bother” ▪ “Not everyone puts their name on the housing register because they think getting access to a house takes too long, some fear raising a red flag to their current personal circumstances (e.g. overcrowding, drug use etc) ” ▪ “Some vulnerable groups (e.g. mental health issues, disabilities, special needs) don’t get defined/picked up in the register” ▪ “All we have to look at are social housing waiting lists, house and rental prices and an outdated Census” ▪ “It is anecdotally understood that people don’t register themselves on the list as they don’t believe it will result in any outcome” ▪ “The stats are all a few months behind; house sales are only counted once they are settled” |
| Other | <ul style="list-style-type: none"> ▪ MSD - “Developments are being planned based on 2020 needs. While Covid is around and people are coming back to NZ the housing stream is just getting worse. We get more people in emergency housing when in lockdown as people get anxiety and tension builds (e.g. domestic violence)” ▪ MSD - “I don’t think the true numbers in housing displacement are truly known. There are people flying under the radar. People going to social support services (navigators) instead of coming through MSD. In the past people have had issues with MSD e.g. they had been turned down for something” ▪ MSD – “There is a stigma around public servants – we have to be like our community. We have contractors (e.g. Tui ora) who feed this information up to MSD, but even they don’t have the true number.” |

Research Insights

- “Organisations also report that there are many families who are homeless but not on the MSD Register, because they don’t see the point when the wait list is so long. So, the scale of the problem is likely bigger than the numbers indicate”
 - Clinton-Gohdes (2021). The crisis of rental, public, and emergency housing facing Taranaki

Theme 3: Funding

Theme 3: Funding

Findings

F3.1 Govt. recently announced a significant investment in housing, which includes a strong focus on Māori housing

F3.2 Council, iwi and developers approach the Crown individually to access funding with varying degrees of alignment and success

Conclusion

C3: The fragmented approach to funding within Taranaki is potentially limiting the opportunities to maximise Crown funding

F3.2 – Council, iwi and developers approach the Crown individually to access funding with varying degrees of alignment and success

Sample comments from interviews

- Iwi
- “At the iwi chairs level, they are keen to work together. We have an operations group across the iwi to discuss kaupapa and contestable funding. In the past we have competed without knowing, now we are talking with each other, we are competing less”
 - “MBIE are quite keen to invest in capital and infrastructure in the right places. We have a little bit to do with them and they ask us if we have any cunning plans for them to invest in. Often there are fishhooks involved and doesn’t always line up to what we want to do and how”
 - “Crown funding comes with conditions and restrictions, sometimes it aligns to what we’re trying to do but if it doesn’t, we can just fund it ourselves and do it how we want”
 - “There is a genuine change within Taranaki itself which is positive. We have to get our act together as a region because we are competing with all other regions in NZ”

Research Insights

- Our observation: A regional approach to funding would improve chances of success because a key criteria to access Government funding is to “Demonstrate alignment where relevant between all necessary parties including Territorial Authorities, Regional Councils, mana whenua, developers and affected persons needed to advance the proposal”
 - TPK (2021). Whai Kāinga Whai Oranga and Māori Infrastructure Fund Implementation Plan
- “The Ka Uruora iwi collective model consists of: A head funding Charitable Trust that collectivises as one central point for Crown engagement and funding
 - Ka Uruora (2021). Regional Housing Model & Delivery Programme Draft Report

Theme 4: Construction workforce

Theme 4: Construction workforce

Findings

F4.1 Given the decline in the oil and gas sector, there is potentially a lot of people looking to reskill

F4.2 The growing number of development projects across Taranaki is causing a strain on the construction industry

F4.3 Māori are well represented as employees but underrepresented as employers in the construction industry

Conclusion

C4: The growth in construction in the Taranaki region is an opportunity for people exiting Oil & Gas to re-skill and to establish new businesses, especially for Māori

F4.1 – Given the decline in the oil and gas sector, there is potentially a lot of people looking to reskill

Sample comments from interviews

- Iwi
- “If we do not have skills to train our whānau, we will partner with those who do. I’ve already met and have relationships with some training organisations. We already have some existing MOUs, letters of intent. Our agreements are about internships, apprenticeships, running trade trainee programmes”

The estimated number of Oil and Gas jobs lost in Taranaki varies but most sources point to a significant drop

Number of jobs

Employment	Low		Medium		High	
	Taranaki	NZ	Taranaki	NZ	Taranaki	NZ
MBIE (direct FTE)	1,287	1,553	1,437	1,704	1,571	1,869
MBIE (direct, indirect, and induced FTE)	1,942	2,830	2,169	3,107	2,371	3,406
Venture Taranaki (direct FTE)	1,419	1,691	1,584	1,857	1,732	2,035
Venture Taranaki (direct, indirect, and induced FTE)	2,312	3,911	2,581	4,293	2,822	4,707
Stats NZ ANZSIC06 (2018)	232	304	259	333	283	365

- NZIER (2019). Economic impact of ending new oil and gas exploration permits outside onshore Taranaki

F4.2 – The growing number of development projects across Taranaki are causing a strain on the construction industry

Taranaki has a labour shortage in construction of -46% relative to the total value of the regions project pipeline

District	Project Pipeline (\$)	Labour Supply/ Demand Gap
New Plymouth District	\$1,175m	-40%
Stratford District	\$92m	-100%
South Taranaki District	\$189m	-40%
Taranaki Region	\$1,456m	-46%

- Workforce Information Platform (Accessed September 2021). Homepage

Research Insights

- “When asked what issues are impacting servicing ability, around a quarter talked about the inability to find enough staff (28%), rising staffing costs (23%), and skilled workers unable to gain entry to NZ (15%). As it stands, 40% say they don’t have enough staff to meet current demand. The situation worsens when we look at future demand, with over half (56%) saying they don’t have enough staff to meet future demand”
- “50% of all suppliers surveyed say they’re looking for staff now, and a third (34%) said they’d be looking in the next six months. Worryingly, of those looking for staff or planning to do so, 53% said they weren’t confident they could find enough skilled staff to meet demand”
- “We frequently hear conversation about the lack of skilled staff available for trades, less so for the lack of staff supplying these trades. Given the increased demand, many are asking more of their staff – working longer hours, more productivity and cost efficiencies. Employees are feeling overwhelmed as a result, resulting in increased turnover, or leading to increased wages to keep staff happy”
- “In addition, the lack of qualified staff available means suppliers are having to take on staff who aren’t optimal, further placing strain on production and costs”
 - EBOSS (2021). Construction Supply Chain Report

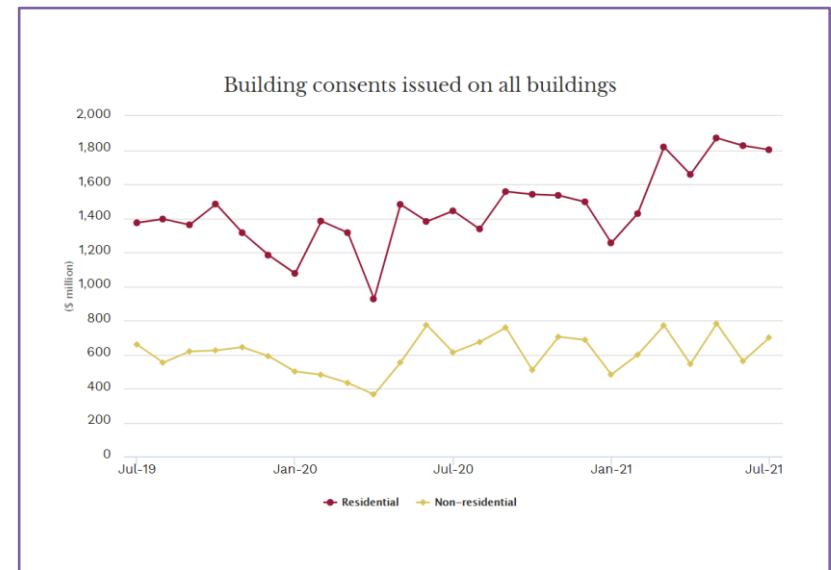
F4.2 – The growing number of development projects across Taranaki are causing a strain on the construction industry (cont.)

Sample comments from interviews

- Steer Comm.
- “Lots of demand for builders and materials in Taranaki because there is a lot of development activity (e.g. hospital, retail mall, mounga)”
 - “Lack of planning, surveyor, construction capacity, the whole sector is stretched. It’s difficult to find planners with expertise in papakāinga. No work being done to fill this gap”
 - “There are a lot of builders tied up in other projects in Taranaki (e.g. hospital). Not only ‘who is going to build the houses’ but ‘where are the builders from outside the region going to live?’. We are bringing in 300 builders from outside the region for the hospital”
 - “A lot of organistions in the training fields are looking into the training needs of region for the future. Instead of waiting and saying, ‘we need x now’, they are already working to have them qualified and ready”

- Iwi
- “BCITO found Taranaki needs 1,300-1,600 people now to meet the current demand, not including the projects that iwi have on the radar. We have about 3 builds on the radar for the next 3 years which will multiply over time”
 - “Concern with all the shovel ready stuff going on (e.g. hospital). 300 jobs developed but most of these workers will need to come from outside the region which will create more pressure and potentially force people out”
 - “Big projects tend to have a long tail (a lot of people have historically stayed behind; they choose to move here). Because of Covid no one is going overseas so there is lots of cash available for new projects. You can't get any tradies (plumbers, electricians, builders)”
 - “Capability of manufacturing these houses is something we don't have within the region”

The value of building consents across NZ is up 25% from around \$2,000m in July 2019 to \$2,500m in July 2021



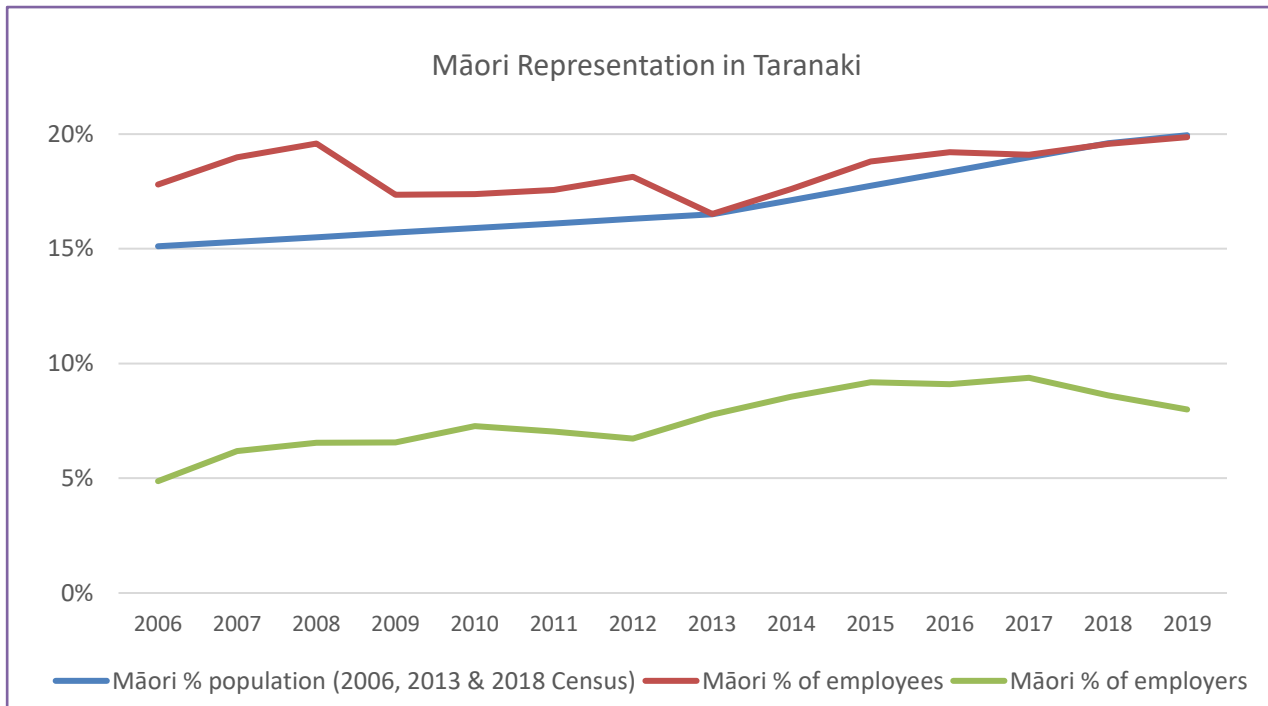
- McIndoe (2021). Residential construction booming before latest lockdown

F4.3 – Māori are well represented as employees but underrepresented as employers in the construction industry

Sample comments from interviews

- Iwi
- “We want to develop our early businesses in the construction area. I am developing a register of our tradies in our uri”
 - “We want to grow our existing businesses and create more; we want to build our own homes. Our empire will be that we do everything ourselves and for our uri”

Since 2006, Māori as a % of employees in the Taranaki Construction and Infrastructure (C&I) sector has been higher than the % of Māori in Taranaki, however, Māori as a % of employers in the C&I sector is significantly lower



Research Insights

- “Māori are underrepresented in all the key institutions and roles in the housing sector, from central government agencies, to regional Councils, to planners, to architects. This lack of representation means that Māori values and practices often do not fit within the housing sector, which translates into disadvantage in terms of state assistance and in suitable forms of housing that represent Māori ways of living”
 - Rout, Reid, Menzies, MacFarlane (2019). KĀINGA TAHI, KĀINGA RUA. Homeless and landless in two generations – Averting the Māori housing disaster

Theme 5: Building cost

Theme 5: Building cost

Findings

F5.1 – Supply chain issues have led to a shortage of basic building materials, leading to a significant increase in construction costs

F5.2 Houses are typically being built using standard methods and materials and not enough consideration is given to alternatives

Conclusion

C5: There are opportunities to collaborate with other regions and national entities to address current supply chain issues which enables greater access to more innovative, cheaper and sustainable building methods and materials

F5.1 – Supply chain issues have led to a shortage of basic building materials, leading to a significant increase in construction costs

Research Insights

- “A survey of 240 suppliers of building materials in NZ outlined the key issues pointing to supply chain issues:
 - 8 out of 10 suppliers were having issues supplying the market
 - 90% of construction products sold in New Zealand are either imported finished products or manufactured locally from at least some imported components
 - 91% of those who rely on imports say they’re experiencing issues supplying the market, compared to just 58% for those wholly reliant on domestic supply
 - 40% of suppliers don’t have enough staff to meet current demand and 56% say they don’t have enough staff to meet future demand
 - 67% of suppliers surveyed say the increased cost of freight is their biggest issue (regarding their ability to supply their products), followed by worldwide shipping issues (65%), freight lead times (65%) and delays at NZ ports (62%)
 - 94% report the cost to buy materials from overseas has increased in the past 6 months (including both freight and supply cost increases) – 50% say this has ‘increased significantly’, 44% say this has increased slightly. 84% expect prices to increase over the next six months (27% significantly, 57% slightly)
 - 84% have increased the cost to customers and 16% haven’t made any changes to the cost to customers. 79% expect further increases to the cost to consumers over the next 6 months”
 - Scoop (2021). New Zealand construction industry survey highlights suppliers under pressure, gives recommendations for a more sustainable future

- “They’ve welcomed the break level 4 lockdown has offered, but Taranaki builders are now anxious Auckland’s alert level status is going to make it harder to get jobs done. Before the Delta outbreak that plunged the country into an alert level 4 lockdown, there was already a delay in getting supplies and materials. Builders are now worried that Auckland remaining at level 4, while the rest of the country switches to level 3 at 11.59pm Tuesday, will make things even worse”
 - Harvey (2021). Concerns Auckland's level 4 split from rest of country will make building supplies issues worse

F5.1 – Supply chain issues have led to a shortage of basic building materials, leading to a significant increase in construction costs (cont.)

Sample comments from interviews

- | | |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Steer
Comm. | <ul style="list-style-type: none"> “The supply of weather boards is a significant supply issue” |
| Iwi | <ul style="list-style-type: none"> “Just about everything you want to buy to build a house comes through fletchers. This monopoly creates a bottle neck in itself. People aren’t travelling, people are more cashed up so they can afford more, so Fletchers and stuff will make sure they pay more” “If you look at the likes of Fletchers and co – they are so integrated into the value chain that they actually own it. We need to do the same, we own forests, we produce timber, we have people, we have land. What can we do with that?” |

Research Insights

- “Products manufactured in NZ have a high reliance on imported components that cannot feasibly be replaced by domestic product”
- “A full 90% of construction products sold in New Zealand are either imported finished product or manufactured locally from imported components. The position around supply is quite different for those who rely on imports vs. domestic product. 91% of those who rely on imports say they’re experiencing issues supplying the market, compared to just 58% for those wholly reliant on domestic supply”
- “The challenges surrounding imports are multi-faceted. They include:
 - The cost of freight and insurance
 - The availability of freight
 - The lead times of freight – getting out of ports
 - The delays at NZ ports”
- “These issues are then exacerbated by increasing demand from the NZ market, effectively giving the construction industry a one-two punch to the stomach: constrained logistics cutting supply and increased demand spreading what supply we do have ever-thinner”
 - EBOSS (2021). Construction supply chain report 2021
- “Low build costs do not lead to low house prices unless house prices are already low and affordable. Where there are high house price expectations, low build costs typically mean either (1) developer/builders bid up the price they are prepared to pay for land and/or (2) increased profit/margin.”
 - Saville-Smith (2019). Addressing New Zealand’s housing supply issues – Expert Q&A

F5.2 – Houses are typically being built using standard methods and materials and not enough consideration is given to alternatives

Research Insights

- “Another area of regulatory reform noted was costs created by the building code and the potential for New Zealand to accept materials tested in other countries”
 - Rout, Reid, Menzies, MacFarlane (2019). KĀINGA TAHI, KĀINGA RUA – Homeless and landless in two generations – Averting the Māori housing disaster
- “There is a lot of good information around, about how to build more efficiently, how to build to be more energy efficient and comfortable, and how to meet diverse needs of the NZ population. Perhaps what is missing is a way of connecting the knowledge we have together and applying effectively and purposefully to what we do. As much knowledge as there is in the sector, there are also a number of self-interests that limit the different parts of the industry working more effectively”
- “Another way for government to become involved would be to effectively underwrite investment in new technologies by agreeing to purchase housing across a longer timeframe.... Developing the infrastructure for more efficient, prefabricated housing systems requires considerable investment which in turn would need to see demand for the systems over a longer timeframe. Why doesn't government agree to contract for housing constructed with new and emerging technologies over a longer timeframe?”
 - Gjerde (2019). Addressing New Zealand's housing supply issues – Expert Q&A

Sample comments from interviews

- Iwi
- “We have to investigate different ways to build houses, different materials”
 - “If you look at what new housing is being built, its mostly the group home developments (GJ Gardiner etc.). They have a model that is designed to squeeze the most out of the client (e.g. we can put gold taps in there, build a study). That's their model and it works for them, but it doesn't work for community kiwi build homes”

Theme 6 – Land Use

Theme 6: Land Use

Findings

F6.1 There is a strong view that land can be freed up by changing current rules and regulations

F6.2 Changing Council rules and regulations is difficult and takes time, but freeing up land could be expediated through district plan changes

F6.3 Existing Council regulations limit the development of papakāinga on rural land but there are opportunities to address this

Conclusion

C6: Freeing up land in the short-medium term is possible through the district plan and loosening Council restrictions on the development of papakāinga

F6.1 – There is a strong view that land can be freed up by changing current rules and regulations

Sample comments from interviews

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|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Steer Comm. | <ul style="list-style-type: none"> ▪ “We have a lot of empty buildings, why can’t we repurpose the empty office buildings? Not just in New Plymouth but across all our smaller regional towns” ▪ “The problem is provincial wide, there is a danger that NP is seen as Taranaki. It may be the centre of economic activity, but this provides an opportunity for the satellite towns to grow and house the workers. If you just focus on NP, the land is not available to build the number of houses required” ▪ “The issue is around land availability particularly in NP, especially affordable land. Developers tend to have their profit margins in the upper end of the housing market, so they build large homes on large sections for 700/800k homes as opposed to small homes on small sections and are reluctant to change their model as they don’t know if there is a market for it” ▪ “Councils need to change their plans to allow more higher density housing. Most Councils recognise that they need to rezone land for higher-density homes, land intensification, papakāinga zones. The RMA reform may make a difference” |
| Iwi | <ul style="list-style-type: none"> ▪ “There are some huge sections with singular houses sitting in the middle of them. We could move them over and build 2-3 more new homes. Regulations and funding limit this” ▪ “With more people working from home and with all these closed office buildings, why can't we turn these into residential housing? Council would have to complete the re-zoning. I doubt shops are going to fill them because they are building another mall out by the edge of town right next to the other one. We should turn the CBD into living spaces” |

F6.2 – Changing Council rules and regulations is difficult and takes time, but freeing up land could be expediated through district plan changes

Sample comments from interviews

- | | |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Steer Comm. | <ul style="list-style-type: none"> ▪ “A key factor in this is the ability of Council to move quickly on private land uses” ▪ “Land is critical in being able to add homes to the housing supply slide. It’s not the Councils fault, its these long-drawn-out rules” ▪ “Can we minimise barriers to react quickly. Building a house is a long process but housing needs can change quite quickly. Are there practical ways that Taranaki housing system could have barriers minimised or reduced to speed up the process from beginning to end? Talking here about the Council process – instead of just hearing no you can’t do that; it would be good to see alternative solutions” |
| Other | <ul style="list-style-type: none"> ▪ NPDC – “Generally Council rules change every 10 years, but Council or a private individuals/companies can initiate a plan change if necessary. It is a full public process under the RMA (2 rounds of submissions and a hearing) and generally very expensive and lengthy (1-2 years) involving experts (transport, landscape, urban design, planners, independent commissioners) etc.” ▪ NPDC – “There are 6 activity statuses under the RMA. We only have 1 prohibited rule in the proposed district plan (and are trying to get rid of it)” ▪ NPDC – “Rezoning is expensive, and we have government requirements to demonstrate if it is feasible (economically, servicing/infrastructure and in the right locations)” ▪ NPDC – “The greatest opportunity for new and different housing (i.e. town housing and apartments) in NP is the CBD, particularly the CBD edges” |

Research Insights

- “New Plymouth District Council has made some changes to allow for increased housing supply through the district plan and provided infrastructure for growth areas, but historically there has been little to no political will to get involved with public and affordable housing beyond the 145 housing for the elderly units that the Council owns and runs”
 - Clinton-Gohdes (2021). The crisis of rental, public, and emergency housing facing Taranaki
- “The Government is moving to transform the nebulous Resource Management Act (RMA), the main law that constrains development in New Zealand. The reform will look to increase affordable housing development and radically reduce complexity, while also increasing freshwater quality and fighting climate change. It could go as far as breaking up the law into several parts, and could even take away some of the power the current law vests in local governments”
 - Cooke (2019). Government to transform Resource Management Act to increase affordable housing

F6.3 – Existing Council regulations limit the development of papakāinga on rural land but there are opportunities to address this

Sample comments from interviews

- | | |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Steer Comm. | <ul style="list-style-type: none"> ▪ “Iwi have aspirations to build papakāinga housing, but the Councils don’t have many rules on this, so they are not allowing this to happen as a lot of this is on rural land” ▪ “There are actually many classes of land that TPK funds papakāinga other than just Freehold Māori land. The Council policy should reflect these different classes” ▪ “There is very little Māori owned land in Taranaki and most of it is rural. We could establish urban papakāinga housing and bring families together onto the same property” ▪ “There are no words written in the plan, just a picture, so no one knows what this means. Lots of Councils have a papakāinga policy so you know the restrictions. I don’t want a Council classification of land to restrict funding for papakāinga” ▪ “papakāinga is a massive opportunity because of the amount of money the govt will put into this housing. TPK pays for all infrastructure and planning and pay for 75-80% of the cost of constructing the houses “ |
| Iwi | <ul style="list-style-type: none"> ▪ “Due to the restrictions and alienations of perpetual leases, Māori have not been able to utilise Māori owned land. This is a key opportunity for Māori. We own land, it’s about being able to access and utilise it” ▪ “Some restrictions around building on Māori land that the buildings have to be removable. You can own the land, but you have to share it with everybody and everything you build has to be temporary” ▪ “TPK have a role to play with regards to papakāinga and streamlining that process and working with the Crown and Māori land court to enable Māori landowners to build on their land. TPK have a papakāinga resource on their website. Even just a simple pathway, template of the processes you need to go through. We should be identifying the processes that need to be accelerated” |

F6.3 – Existing Council regulations limit the development of papakāinga on rural land but there are opportunities to address this (cont.)

Research Insights

- “Significant regulatory reforms are needed to reduce the costs of consenting and permitting home building – particularly in relation to Māori land”
- “A number of participants also noted, much Māori land is rural, which adds extra costs to any development”
 - Rout, Reid, Menzies, MacFarlane (2019). KĀINGA TAHI, KĀINGA RUA – Homeless and landless in two generations – Averting the Māori housing disaster
- “The small amount of Māori land still available is... difficult to develop due to the shape of the land parcel or because it is on erosion-prone coastal land which is subject to other protective overlays. Māori land is disproportionately affected by overlays of scheduled features because the land has remained undeveloped while surrounding land has been cleared and built on. In addition, a lot of the region’s Māori land is in coastal areas, parts of which are protected by the Outstanding Natural Landscape and Outstanding Natural Character Overlays. The provisions of these overlays conflict with the desire to develop Māori land”
- “A report entitled “Government planning and support for housing on Māori land”” released by the Office of the Auditor-General in 2011 included two relevant recommendations:
 - We recommend that local authorities build appropriate flexibility into their district plans to allow housing to be built on Māori land.
 - We recommend that local authorities identify and work with landowners who have particularly suitable land blocks and who want to build housing on Māori land. Concern has also been raised regarding the prescriptive nature of papakāinga provision in some district plans”
 - NPDC (2019). Section 32 Report – Māori Purpose Zone
- “Māori land has long been governed by different legislation that restricts housing development. With regard to accommodation, many noted that public sector bureaucratic policy is inflexible and does not permit housing solutions geared to context”
 - Rout, Reid, Menzies, MacFarlane (2019). KĀINGA TAHI, KĀINGA RUA – Homeless and landless in two generations – Averting the Māori housing disaster

F6.3 – Existing Council regulations limit the development of papakāinga on rural land but there are opportunities to address this (cont.)

In 2019, NPDC identified key issues related to Māori land use and development and proposed a set of responses

Issue	Comment	NPDC Response
Issue 1: No specific objectives, policy framework or rules for the use and development of Māori land.	Provisions in the current plan are only partially achieving use and development of Māori land due to restrictions on activities set by the underlying environment areas.	Inclusion of a standalone chapter with provisions for the use and development of Māori land and providing for the use of iwi/hapū development plans for specific sites.
Issue 2: Māori land is subject to a range of overlays including coastal hazard and policy areas, Significant Natural Areas, Notable Trees, Wāhi Taonga, Priority Water-Bodies, Outstanding Natural Landscapes and features and other scheduled features	The current plan restricts use and development of Māori land through the use of overlays, as well as environment areas.	Overlay provisions allow for the development of Māori land.
Issue 3: There are no provisions for specific cultural use and activities and across the region.	Provisions for general zones such as boundary setbacks and traffic generation rules have not provided for Māori activities as they traditionally and usually occur and the Plan is silent on cultural activities and uses.	Under the proposed plan, a wide range of cultural activities and uses is enabled across all zones and other potentially compatible uses are managed
Issue 4: There are no provisions to manage reverse sensitivity effects where Marae/Pa are hoping to develop next to existing industry.	Industrial zoning requires setbacks from scheduled sites of significance to Māori but not from Marae/Pa and this can cause adverse amenity effects for cultural uses and activities.	Māori Purpose Zone provisions manage boundary effects through landscaping and other methods.

Currently (2021): Submissions indicate that there is general support for the proposed changes relating to the use and development of Māori Land. However, some further changes to the provisions are likely to be made. A hearing is scheduled for March 2022. A decision will then be released that confirms the final provisions.

Theme 7: Housing tenure

Theme 7: Housing tenure

Findings

F7.1 The number of people requiring emergency/transition housing has significantly increased

F7.2 The planned number of community housing developments is not going to make a major dent in the waiting list

F7.3 Property developers build what gives them the biggest margin, and not where there is the biggest need

F7.4 Reducing the concentration of social housing through mixed housing developments could lead to positive social outcomes

Conclusion

C7: Because of the commercial incentives to develop standard houses for private ownership, there are gaps and imbalances in the housing continuum, predominantly at the bottom end

F7.1 – The number of people requiring emergency/transition housing has significantly increased

Sample comments from interviews

- | | |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Steer Comm. | <ul style="list-style-type: none"> ▪ “Greatest need seems to be around the emergency and homelessness space – forefront of everyone’s minds” ▪ “If they can’t get a place in community housing, they end up in emergency housing, so they are either stuck there or in the situation they are in. There are people in overcrowded houses and there are others who are couch surfing” |
| Iwi | <ul style="list-style-type: none"> ▪ “There are people homeless or couch surfing, so we need something in the meantime to get people off the streets” |
| Other | <ul style="list-style-type: none"> ▪ MSD - “Emergency housing supply goes up and down like a yo-yo. From December to March we have a lot of events happening (T20, Lorde). We have about 15 people in motels, our clients get thrown out during these periods (WOMAD is a massive event)” |

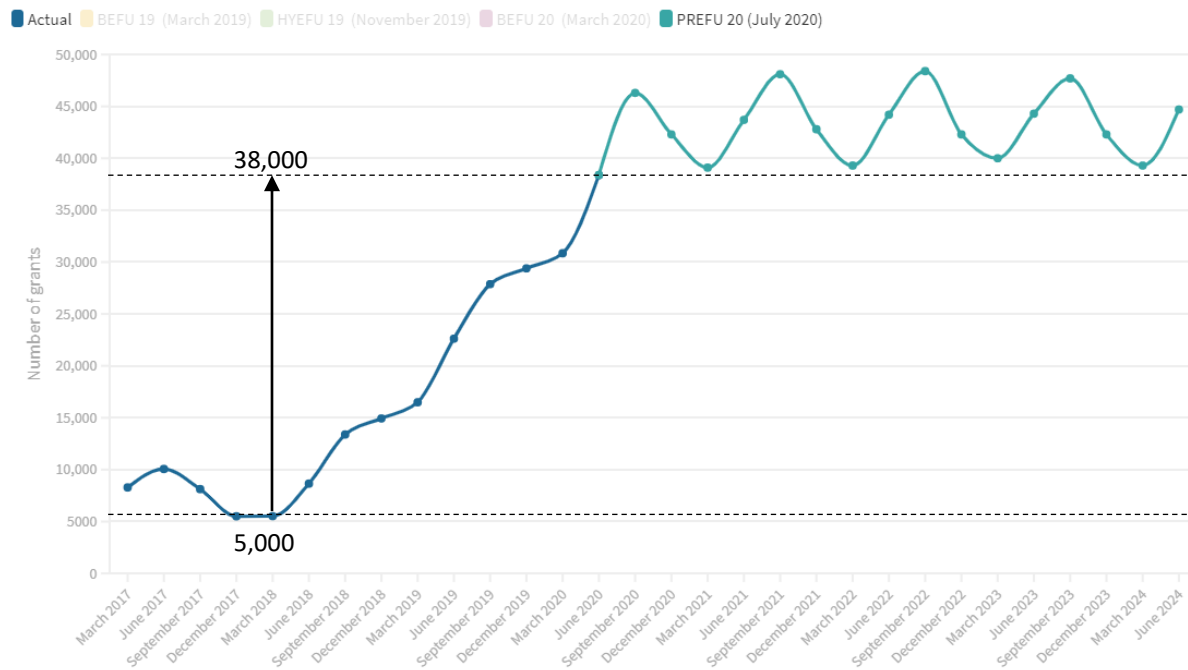
Research Insights

- “While the number of state houses is about the same as it was in 1991, the number of households in New Zealand has increased by about a third, resulting in proportionately less state housing provision. So, today, New Zealand social housing provision is necessarily targeted to those Housing New Zealand classifies as having ‘urgent’ or ‘serious’ housing needs”
 - Science Media Centre (2019). Addressing New Zealand’s housing supply issues – Expert Q&A
- “We have non-governmental organisations that do incredible work assisting people to find accommodation, but they are overwhelmed. They are seeing families who have never been homeless struggling to find somewhere to live”
- “Families don’t have to be on the streets to be homeless - many are living on couches, in cars, or with friends for short periods of time”
 - Clinton-Gohdes (2021). The crisis of rental, public, and emergency housing facing Taranaki

F7.1 – The number of people requiring emergency/transition housing has significantly increased (cont.)

The number of emergency housing grants has grown from 5,000 in 2017 to 38,000, an increase of 660%, and is forecasted to fluctuate around 44,000

Forecasts of Non-recoverable Emergency Housing Grants



- Coughlan (2021). Emergency housing costs weigh on Government books, costing hundreds of millions a year, Treasury, MSD Forecast

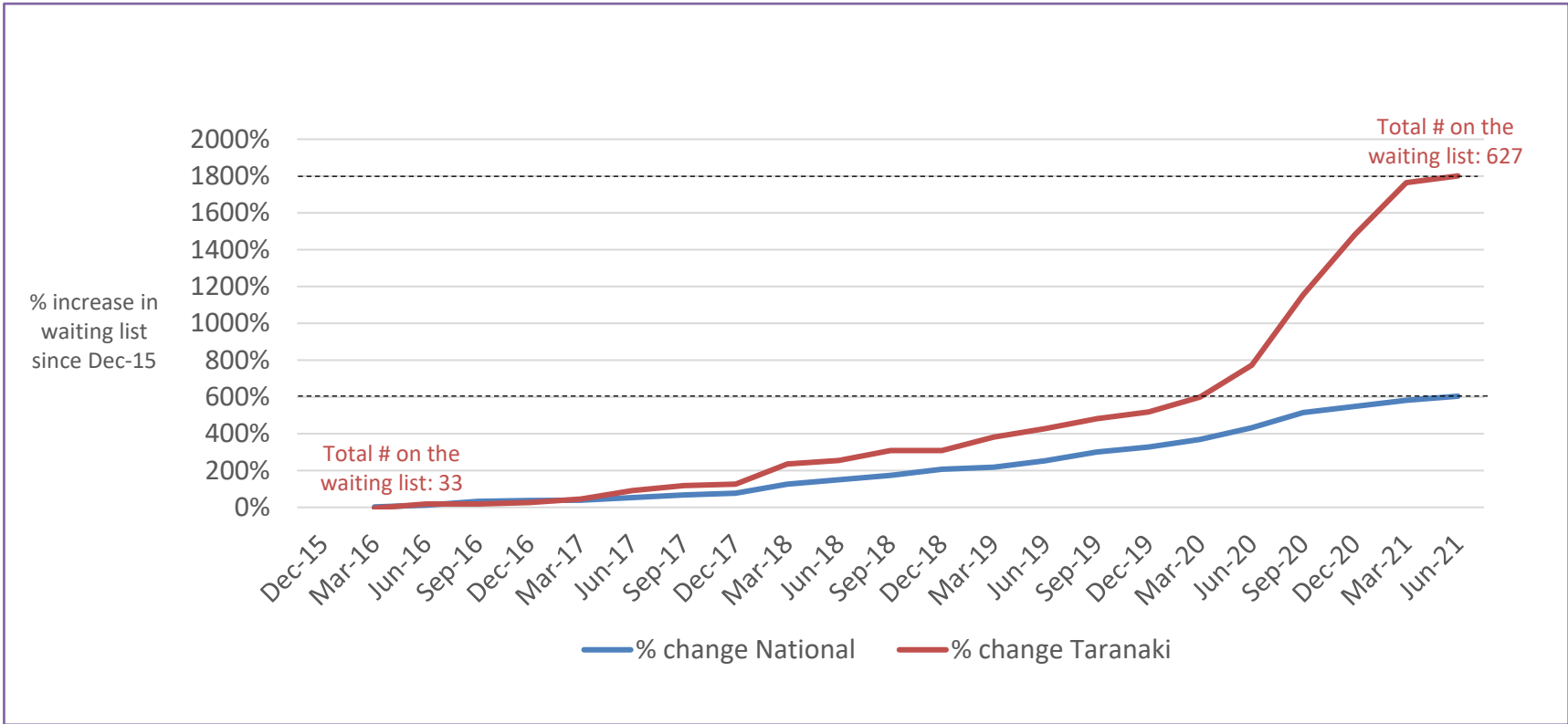
F7.2 – The planned number of community housing developments is not going to make a major dent in the waiting list

Research Insights

- “According to the Public Housing Plan, Taranaki ranks the lowest on public housing demand as the region makes up only 2% of the New Zealanders experiencing housing deprivation. Because of this, the region is forecasted to receive only 80-120 Public Houses and 0-40 Transitional houses by 2024”
 - MHUD (2021). Public Housing Plan 2021-2024
- “Earlier this year, central government through the Ministry of Housing and Urban Development (MHUD), published the Public Housing Plan 2021-2024. The plan aims to increase the Taranaki stock of public and transitional housing by between 80-140 properties in the next three years. There is a question of whether this goal is feasible. As of the end of January 2021, Kāinga Ora was evaluating 18 properties, but there were zero homes in procurement, zero being contracted, and zero under construction to add to the Kāinga Ora housing stock”
 - Clinton-Gohdes (2021). The crisis of rental, public, and emergency housing facing Taranaki
- “It was recently reported that the number of people waiting for public housing in New Zealand has quadrupled in the last four years to 23,687 households. The Government says it will increase public housing from 67,200 units in 2018 to 81,300 in 2024; but even if the target is reached, this would only accommodate just over half those currently on the waiting list”
 - Dale (2021). New housing policy runs risk of urban slums
- “The top five increases by percentage, in the Housing register compared to June 2020 were Taranaki (220% or 350 applicants), Canterbury (169% or 756 applicants), Central (156% or 484 applicants), Northland (150% or 296 applicants) and Bay of Plenty (149% or 574 applicants)”
 - MHUD (2021). Public Housing Quarterly Report June 2021

F7.2 – The planned number of community housing developments is not going to make a major dent in the waiting list (cont.)

Since December 2015, the number of applicants on the waiting list in Taranaki has grown from 33 to 627 (1800%), compared to the National % change of 600%



– MSD (June 2021). Housing Register



F7.3 – Property developers build what gives them the biggest margin, and not where there is the biggest need

Sample comments from interviews

- | | |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Steer Comm. | <ul style="list-style-type: none"> “Developers tend to have their profit margins in the upper end of the housing market, so they build large homes on large sections for 700/800k homes as opposed to small homes on small sections and are reluctant to change their model as they don’t know if there is a market for it” |
| lwi | <ul style="list-style-type: none"> “Most of the houses being built are the top end” |

Research Insights

- “Builders and developers go to where they can make the most money and at the moment they can make the most money with the higher priced properties and that’s all we’re getting”
 - Ninness (2016). AUT Professor says the Government can’t rely on the private sector to develop affordable housing in Auckland and will need to do it itself
- “The key problem is funding and the profit driven, short term developer provision of housing”
 - Science Media Centre (2019). Addressing New Zealand’s housing supply issues – Expert Q&A
- “The problem for older movers is that the building industry has, for a variety of reasons, turned away from the low cost housing sector and targeted the upper quartile of new-build dwelling value. That shift in attention is associated with a focus on larger dwellings”
- “It is a shift supported by the practices of valuation in which dwelling floor area and location tend to drive valuations rather than the performance and amenities delivered by a dwelling. It is supported too by the way in which building costs are presented to householders. Building prices tend to be presented as a square metre cost which are almost inevitably higher in smaller dwellings than larger dwellings. Lower square metre prices can easily become confused with low and more affordable housing prices”
 - Saville-Smith, Rehm, James, Murphy (2016). Downsizing and the Housing Stock – Realities for Older People
- Our observation: Other countries are experiencing similar challenges to New Zealand. “Experts in the real estate sector have lamented the effect of the COVID-19 pandemic and poor economy on the delivery of low-income housing in the country (Nigeria). They argued that it would be impracticable for developers to embark on low-income housing, where there is uncertainty in the exchange rate and where galloping prices in the building material market persist”
 - Essen (2021). Why we can’t build low-income housing, by private developers

F7.4 – Reducing the concentration of social housing through mixed housing developments could lead to positive social outcomes

Sample comments from interviews

- Steer ▪ “Need to ensure developments don’t just turn into ghettos”
- Comm. ▪ “There is an opportunity around ‘blind tenure’ developments to meet variable demand and encourage socioeconomic diversity within communities”

Research Insights

- “Some people in New Zealand were concerned that if large scale rental housing was not managed well it could lead to slums, awful buildings, and concentrations of social pathology”
 - Steeman (2019). Build-to-rent apartments must not become slums, property specialists warn
- “Build-to-rent apartments must not become slums, property specialists warn”
- “The prevailing theory is that the best outcomes come in suburbs where there’s a mix of housing. The presence of higher-paying residents has an impact on providing better services, such as transport, higher-decile schools, parks and shops”
 - Kilgallon (2021). 'Racist, ageist and discriminatory': Does mixed housing work?
- “Much of the research concerned with de-concentrating social housing relates to very high concentrations – well in excess of two thirds – and highly problematic built environments. One of the few studies that attempts to establish the optimal mix of tenure suggests that beneficial effects will only be seen by reducing very heavy concentrations of rental social housing – in excess of 60% to 30%”
- “The main areas in which there is some suggestion of positive outcomes for social housing tenants in mixed housing communities appear to be:
 - Less exposure to crime
 - A feeling of greater safety
 - Quicker response to crime and disorder by police or neighbourhood/block managers – this often is very contingent on the extent and competency of the managers
 - Some increase in mental health and well-being – this is less pronounced in young men
 - Improved local amenities and built environment – these can be done through the redevelopment and are not contingent on social mix”
 - Social Policy Evaluation and Research Unit (2015). Neighbourhood Social Mix and Outcomes for Social Housing Tenants: Rapid Review
- “Residents of mixed-income developments report satisfaction with housing quality, neighborhood services, and public safety”
- “Moving to a mixed-income community appears to have psychological benefits for low-income residents, namely in mental health improvements and the reduction of stress related to neighborhood safety concerns”
- “Children may experience educational, health, and behavioral benefits from moving to a lower-poverty or income-diverse area”
 - Diane k. Levy, Zach McDade, Kassie Bertumen (2013). Mixed-Income's Anticipated and Realized Benefits

Theme 8: Housing typology

Theme 8: Housing typology

Findings

F8.1 Property developers typically build the standard 3-4 bedroom homes that don't often suit the diverse range of housing needs

F8.2 Over the last the decade, the demand for smaller houses has significantly increased

F8.3 Motels aren't designed for long-term emergency housing, so we need to build more suitable accommodation in this area

F8.4 People entering into emergency housing stay there for too long because there is nowhere to go

Conclusion

C8: Because the houses being built are typically the standard 3-4 bedroom homes, we are at risk of building houses that are not suitable for the diverse needs of the people of Taranaki now and in the future

F8.1 – Property developers typically build the standard 3-4 bedroom homes that don't often suit the diverse range of housing needs

Sample comments from interviews

Steer Comm.	<ul style="list-style-type: none"> ▪ “Housing is not a straight numbers game, needs and requirements are different (e.g., single room house vs need for a multiple room house but then there’s also people with disabilities who need single level houses etc.)” ▪ “The housing stock is not all suitable for people, a lot of the homes are not heated properly. You might also see that requirements for seniors, iwi, might look different to a young family for example. It’s about ensuring that what’s provided meets the specific housing needs. There is no point of having one person living in a three-bedroom house” ▪ “70-80% of the waiting list require 1–2 bedroom homes because families are getting smaller”
lwi	<ul style="list-style-type: none"> ▪ “Housing needs to have a very broad range. Emergency housing could even just be temporary, portable, caravans etc.”
Other	<ul style="list-style-type: none"> ▪ MSD - “I’d like to see in bigger centres, more higher-density housing being built that are family friendly. Places built in the past, don’t have lifts, pools, green spaces. For smaller centres we need to start with pre-existing houses, that come up in the market as long as they are meeting healthy homes standards. In those types of areas where land is scarce, it’s important to utilise pre-existing houses ▪ MSD - “Children need green spaces and in rural communities you need to buy pre-existing houses. There is a mix of elderly people that need flats and ramps. You need a very good mix – smaller centres just don’t have the land (rural zoning restrictions). In centres you need to build complexes, places with lifts”

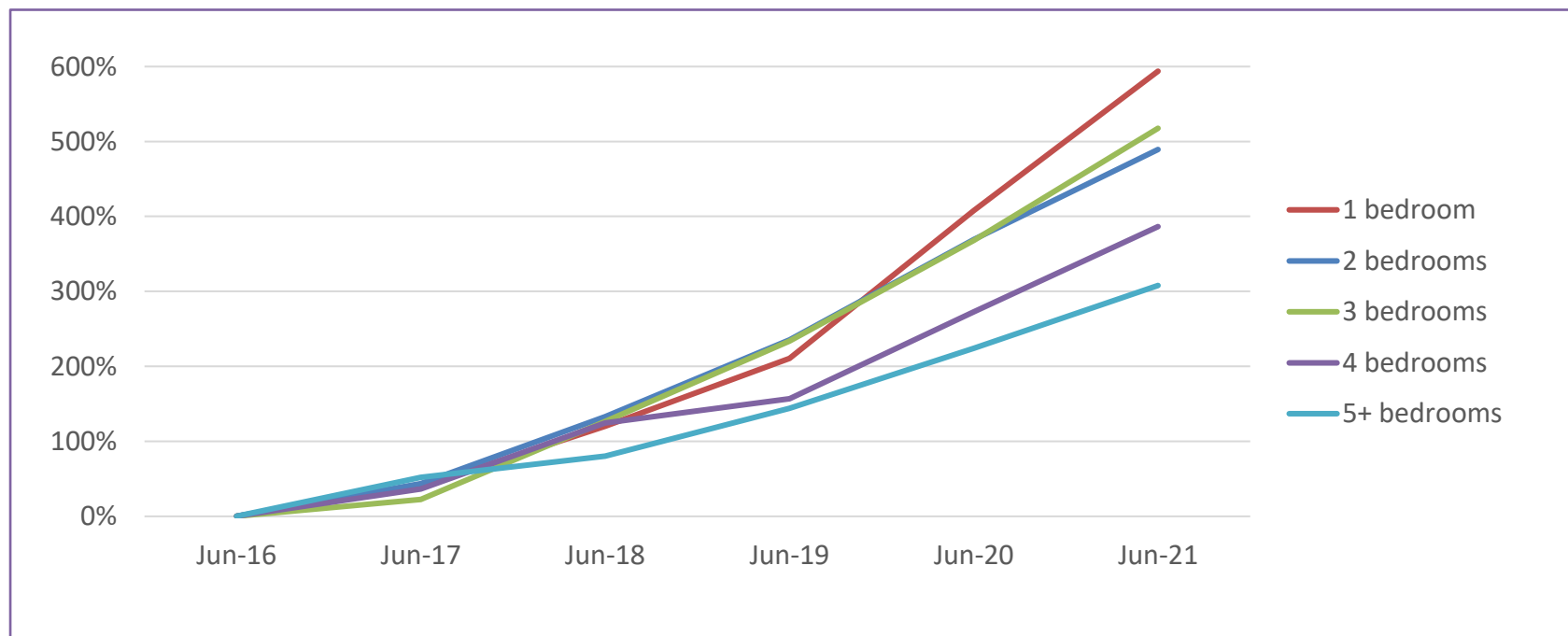
F8.1 – Property developers typically build the standard 3-4 bedroom homes that don't often suit the diverse range of housing needs (cont.)

Research Insights

- “There is a disconnect between what the market wants and what the market provides. Insufficient research is being undertaken by developers to understand their markets (beyond the notion that if it sells, that is a good indication that people want it) and because most developer housing is undertaken on a speculative basis, the end users aren't represented”
- “The funders of housing development – which generally is not the developers themselves – appear to be more conservative in their approaches than the individual developers would be. This is a key factor in why we see developers turn out the same housing as they have done for many years – i.e. it has a track record.”
 - Gjerde (2019). Addressing New Zealand's housing supply issues – Expert Q&A
- “Overwhelmingly, the predominant housing type built in the district is the detached house, with housing types such as units, flats, townhouses, or studio accommodation less available in the current market. Changes to the future social makeup of the district and the varying needs and demographics of residents will lead to an increased requirement for a wider range of housing types. Infill and medium density housing is a key component of providing this additional housing”
- “The majority of dwellings constructed in the district have three to four bedrooms. The number of three bedroom dwellings has decreased over time, while the number of four bedrooled dwellings has increased”
 - NPDC (2018). Housing and Business Development Capacity Assessment
- “Of those who said their house was unsuitable or very unsuitable, 54.0 percent gave size (too small/too large) as a reason. Housing quality and housing costs were also common issues (at 20.1 and 18.0 percent respectively)”
 - StatsNZ (2021). Housing in Aotearoa: 2020
- “Private property developers acting alone are not attracted to building affordable housing, nor has there been financial backing for them to do so”
 - Southcombe (2019). Addressing New Zealand's housing supply issues – Expert Q&A

F8.2 – Over the last the decade, the demand for smaller houses has significantly increased

Demand on the Social Housing Register for 1-3 bedroom houses is growing much faster than demand for houses with 4+ bedrooms



– MSD (June 2021). Housing Register

F8.3 – Motels aren't designed for long-term emergency housing, so we need to build more suitable accommodation in this area

Sample comments from interviews

- Steer Comm. ■ “There are approximately 13 motels being used for emergency housing in New Plymouth, 3 in Stratford, 5 in Hawera and 1 in Waverly”
- “We need safe places where we can put our clients especially when there are children are involved. Need to make sure the places we put them into are appropriate for their needs “

Research Insights

- “While a motel room was a better solution for children than sleeping in cars, the government recognised it was not sustainable and considered it to be an urgent issue”
 - Blake-Persen (2021). 'Motel generation' feared as emergency housing need continues
- “Placing homeless families temporarily in hotel rooms is having a “destructive impact” on children and significantly affecting their mental and physical development”
 - Pollak (2019). Using hotels for homeless families has ‘destructive impact’ on children
- “The dramatic increase in payments to moteliors is proof that the Government has ignored official advice that week-by-week motel accommodation is not suitable for families or people with high needs”
- “The Government must stop placing vulnerable families in motels without adequate support or regard to the risks they are exposed to. Leaving over 4000 children to live exposed to violence, drug use and gangs is an utter disgrace.”
 - Neilson (2021). Government pays \$100 million to 50 emergency motel providers in nine months
- “Social services providers said the pace of demand was not slowing and they sounded a warning about the impact living in a motel was having on residents. “They're just not designed for permanent living”
- “They are quite often overcrowded, too small to store any of your belongings in, and in close quarters, there is very little space from each other”
- “The lack of space and proximity to others presenting with mental health or addiction issues was unsuitable. “It's like putting everybody into an acute mental health ward without any nurses, doctors or treatment available”
 - RNZ (2021). Housing crisis: Emergency accommodation grants up by 50 per cent

F8.4 – People entering into emergency housing stay there for too long because there is nowhere to go

Sample comments from interviews

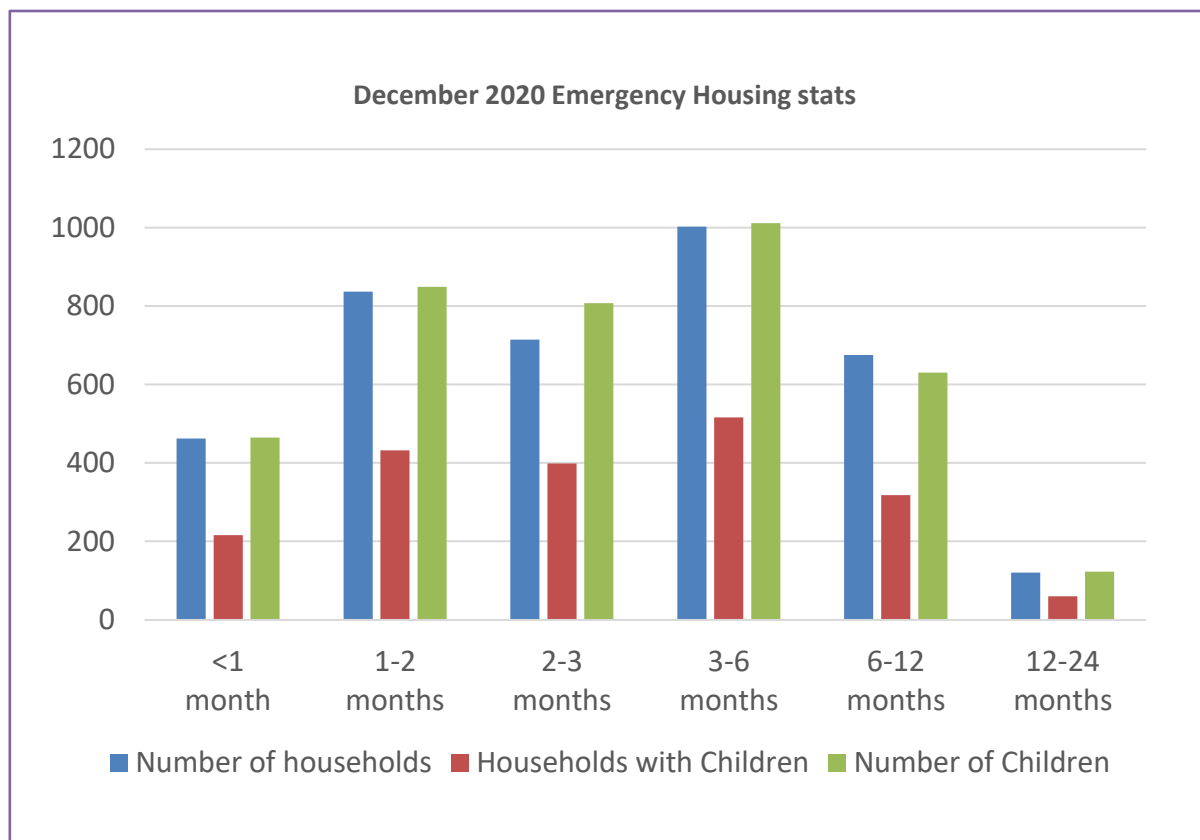
- | | |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Steer Comm. | <ul style="list-style-type: none"> ▪ “The waiting list appears to be bottle necked at the bottom end. People go into emergency housing but are there for 12 weeks because they have nowhere to go. If we solve the problems higher up the continuum it might free up the bottom end” ▪ “If they can’t get a place in community housing, they end up in emergency housing, so they are either stuck there or in the situation they are in” ▪ “For public housing tenants, we used to have people that would come and go, once people leave its very hard for them to come back in. Our turnover has halved from 14-15% to around 7-8%, meaning people on the waiting list have to wait longer now” |
| Other | <ul style="list-style-type: none"> ▪ MSD - “A lot of these transitional providers have people that stay longer than 12 weeks. If they kicked them out, they would just end up back in emergency housing in the cycle. Not enough rentals and they’re not affordable” |

Research Insights

- “A 20-year-old mother living at a local motel, who did not want to be identified, said she attended at least three viewings a day for rental properties but never had any luck. While she was struggling to find somewhere within her price range, she said she just wanted to be given a chance because most landlords seemed put off by her young age and lack of credit history. She and her three-month-old baby had been in their current motel for three months, but had lived in two others before that. Her mother-in-law said while they were grateful their whānau had somewhere to stay, the situation was far from ideal”
 - Blake-Persen (2021). 'Motel generation' feared as emergency housing need continues
- “It is intended that families and individuals stay in transitional housing for an average of around 12 weeks. They also receive a further 12 weeks support once they’ve found a more permanent place to live”
 - MHUD (2021). Transitional housing

F8.4 – People entering into emergency housing stay there for too long because there is nowhere to go (cont.)

Emergency housing is designed for short term stays, but a large proportion of families are staying far longer than the average intended period of three months



– Clinton-Gohdes (2021). The crisis of rental, public, and emergency housing facing Taranaki

Theme 9: Tenancy management

Theme 9: Tenancy management

Findings

F9.1 In addition to Kāinga Ora, there are several CHPs operating in the Taranaki region, but they only manage a small portfolio of housing

F9.2 Councils within Taranaki provide a low level of rental housing relative to other parts of NZ, targeted mainly at older persons

Conclusion

C9: Once supply is ramped up, there is potentially insufficient tenancy management capability within Taranaki for emergency housing, social housing and affordable rentals to meet the growing need

F9.1 – In addition to Kāinga Ora, there are several CHPs operating in the Taranaki region, but they only manage a small portfolio of housing

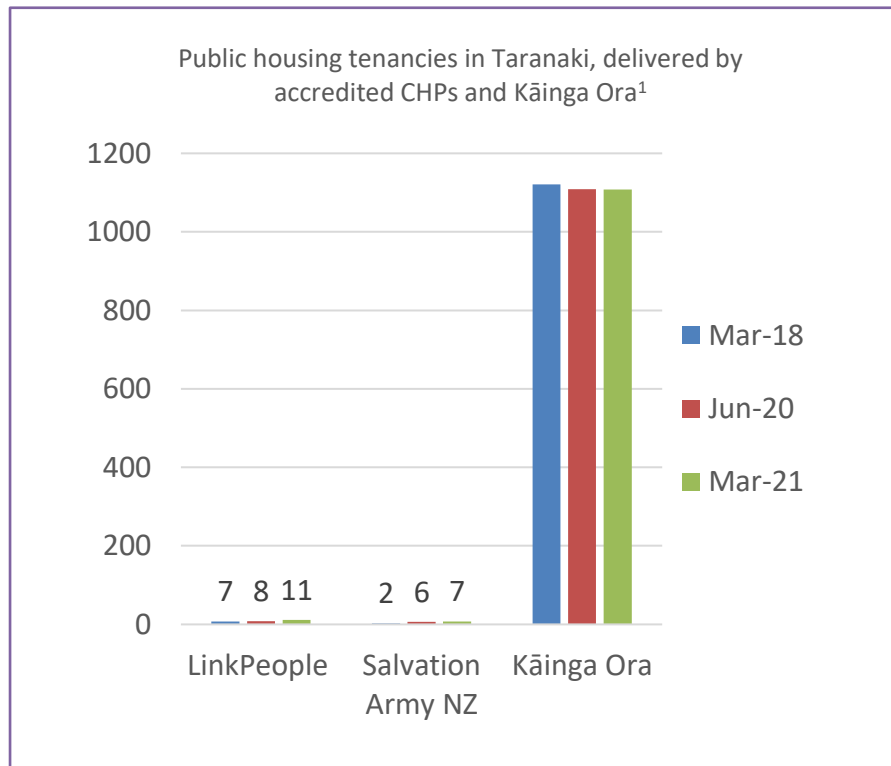
Sample comments from interviews

- Iwi
- “There is some lack of capability with regards to CHPs. There are three in Taranaki, and they are all quite niched. No Māori CHP and I don't think there is one for the broader public. Iwi could pull something together like this pretty quickly but there are no houses for us to manage. I'd say this gets developed as the housing system comes together”

Research Insights

- “New Zealand had little experience of managing large scale housing development, except for Housing New Zealand. "We don't really have an established market of property managers who understand the life cycle issues and understand dealing with the community aspects of that particularly when you've got communal facilities”
 - Steeman (2019). Build-to-rent apartments must not become slums, property specialists warn

The number of houses managed by NGO CHPs in Taranaki are miniscule compared to Kāinga Ora's housing portfolio



– MHUD (2018,20,21). Public Housing in Taranaki Region

– Kāinga Ora (2018,20,21). Managed Stock

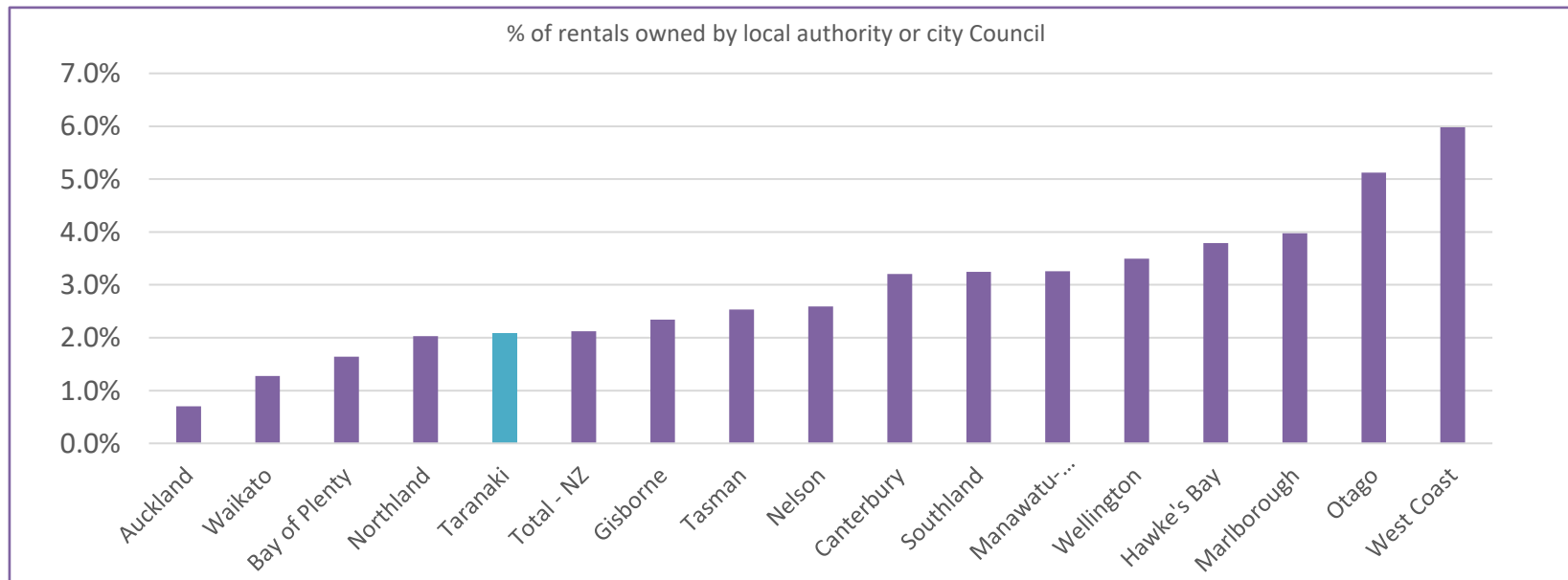
Note 1: There are one or two other CHPs who are not yet accredited and provide only a small number of houses

F9.2 – Councils within Taranaki provide a low level of rental housing relative to other parts of NZ, targeted mainly at older persons

Research Insights

- “New Plymouth has a portfolio of 156 units of housing for the elderly. As far back as 1991 demand from older persons was insufficient to achieve full occupancy and the Council resolved that other groups would also be eligible as a response to falling demand. Priority is still given to older persons but provision is also made for others, normally younger people on invalids or sickness benefits. Currently, 68% of the Council’s tenants are older persons with the balance being primarily invalids and sickness beneficiaries”
 - McKinlay Douglas LTD (2004). The Role of Local Government in the Provision of Affordable Housing
- “Historically there has been little to no political will to get involved with public and affordable housing beyond the 145 housing for the elderly units that the Council owns and runs”
 - Clinton-Gohdes (2021). The crisis of rental, public, and emergency housing facing Taranaki

Taranaki ranks 12th out of 16 regions in NZ, in proportion of total rentals owned by local Councils



– NZ.Stat (2018). Sector of landlord by household

Theme 10: Housing Aspirations

Theme 10: Housing Aspirations

Findings

F10.1 People have been put off their housing dreams because of the dramatic increase in house prices relative to incomes

F10.2 Opportunities exist to attract highly leveraged empty nesters into shared ownership/PHO due to the desire to downsize

F10.3 A low % of whānau are involved in affordable housing schemes as they don't understand the extent of the opportunity

F10.4 Iwi do not typically engage with individuals and whānau on housing ownership because most believe it is out of their reach

Conclusion

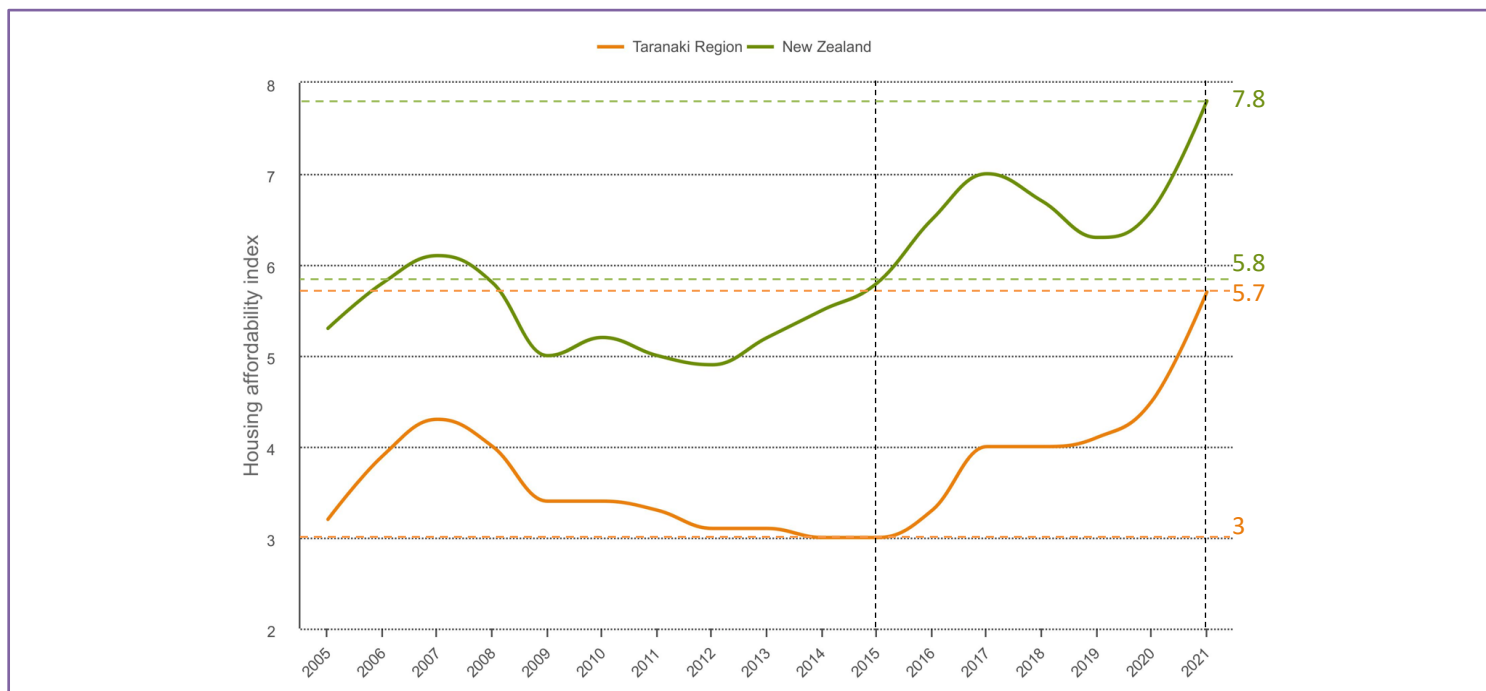
C10: There is low awareness amongst whānau around the opportunities to move up the housing continuum

F10.1– People have been put off their housing dreams because of the dramatic increase in house prices relative to incomes

Sample comments from interviews

- Iwi
- “Home ownership will not be achievable for everyone, and we need to accept that, but long-term secure tenancy is the next best step”
 - “If we can offer 5–10-year tenancy, then this can help people get into healthy homes and potentially get them up the housing continuum”

The housing affordability index (measured by the ratio of the average house value to average household income) is better in Taranaki compared to the NZ average, however, the region’s index has nearly doubled from 3 in 2015 to 5.7, an increase of 90%. In the same period, NZ has increased by 2 to 7.8 (34.5%)



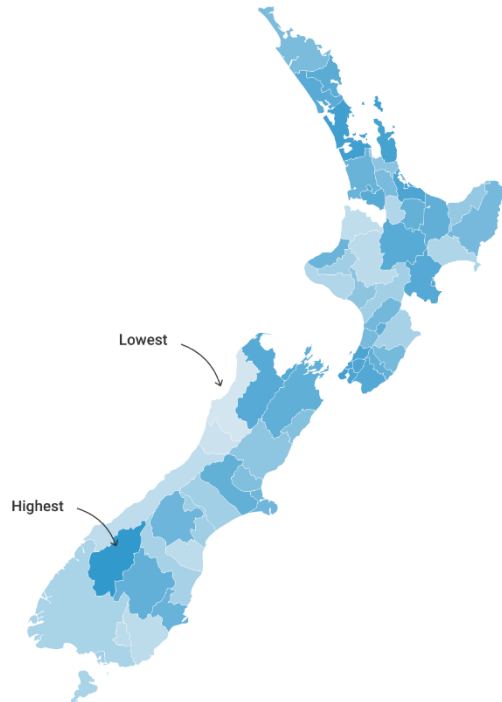
F10.1– People have been put off their housing dreams because of the dramatic increase in house prices relative to incomes (cont.)

Taranaki is the middle of the road when comparing affordability against other regions but New Zealand is highly burdened on housing costs relative to the OECD

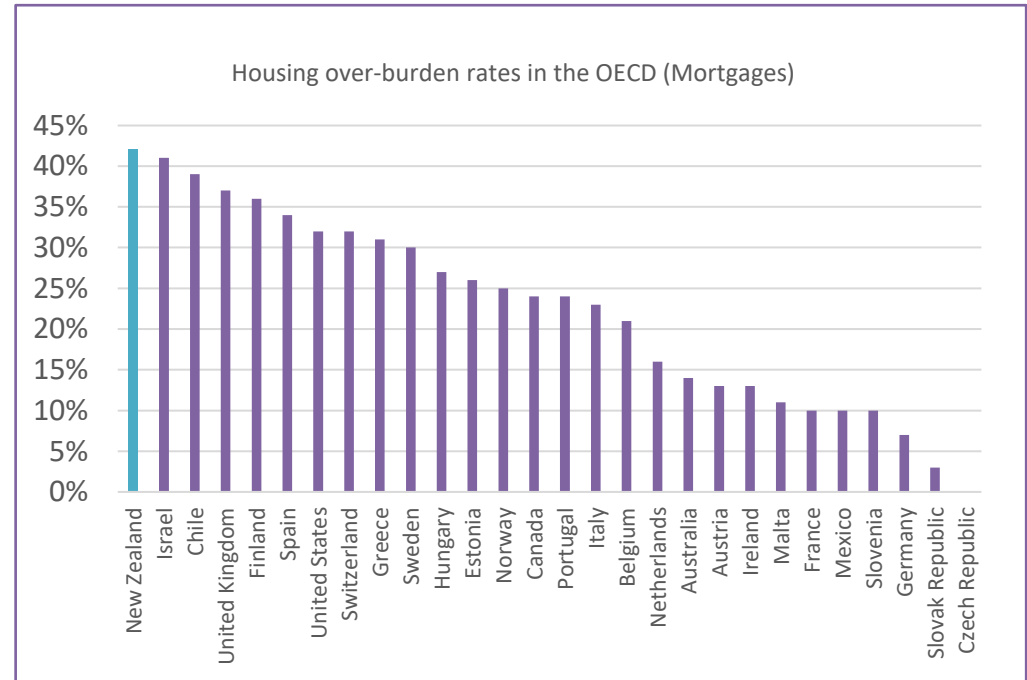
Household income required to afford an average mortgage

Zoom or hover for values.

\$39,520 \$205,440



The housing over-burden rate measures the proportion of people spending more than 40% of their disposable income on mortgage costs, New Zealand ranks 1st in the OECD



- Mitchell (2021). The housing affordability crisis is likely worse than you think

- Mitchell (2021). The housing affordability crisis is likely worse than you think

F10.2 – Opportunities exist to attract highly leveraged empty nesters into shared ownership/PHO due to the desire to downsize

Taranaki has a high Old Age Ratio relative to the proportion of 1-2 bedroom homes

Table 2 Old Age Ratio by Region 2013 New Zealand Census

Region	65 Years and Over	Older Age Ratio
Marlborough Region	8,907	33.3
Northland Region	27,762	30.4
Tasman Region	8,463	28.9
Bay of Plenty Region	46,869	28.7
Hawke's Bay Region	25,461	27.4
Nelson Region	8,109	27.4
Manawatu-Wanganui Region	37,128	26.5
Taranaki Region	17,802	25.9
West Coast Region	5,184	24.9
Southland Region	14,616	24.6
Canterbury Region	83,844	23.6
Otago Region	31,695	23.3
Waikato Region	59,574	23.2
Gisborne Region	6,126	22.9
Total New Zealand	607,032	21.9
Wellington Region	62,268	19.6
Auckland Region	163,155	17.1

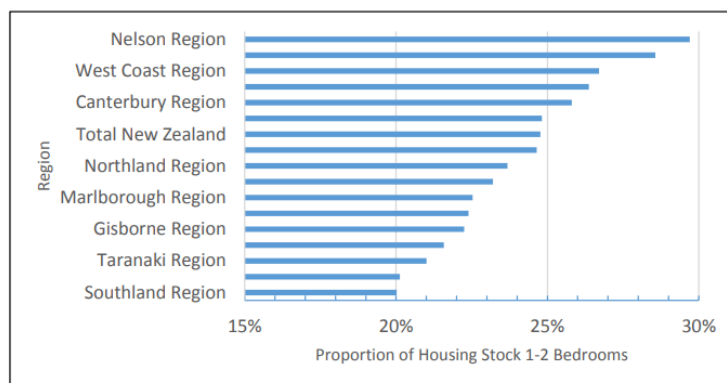


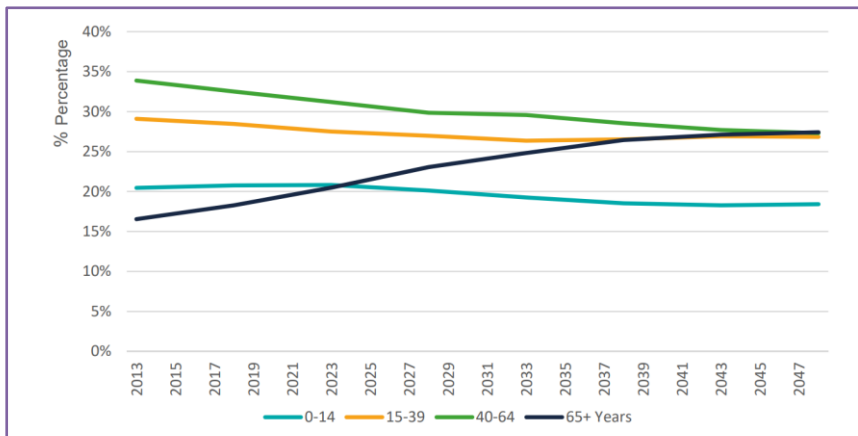
Figure 2: Proportion of 1-2 Bedroom Stock by Region

- Saville-Smith, Rehm, James, Murphy (2016). Downsizing and the Housing Stock – Realities for Older People

Sample comments from interviews

- Steer Comm.
- “We have an ageing population which could be another issue for us. We get this from a national perspective but is a large part of the situation for Taranaki”
 - “Iwi are experiencing an ageing population, so we need to ensure we meet the needs of the community and in this case its meeting the needs of ageing population”
 - “There is a, growing number of empty-nesters that would love to move into something smaller, even then many of them need to take out a mortgage to downsize”

By 2048, nearly 30% of the total population in the NP district will be aged over 65



- NPDC (2019). Housing and Business Development Capacity Assessment

F10.2 – Opportunities exist to attract highly leveraged empty nesters into shared ownership/PHO due to the desire to downsize (cont.)

Research Insights

- “Only 38 per cent of people between the age of 55 and 64 are mortgage free. The percentage of people aged 65+ with no mortgage has also dropped from 78% in 2007 to 72% in 2017. Today, about 12% of people aged 65+ are still paying a mortgage, and the same number are renting. They’re eligible for Superannuation, but Super wasn’t designed to cover rent”
 - Te Ara Ahunga Ora – Retirement Commission (Accessed 2021). Pupuri Whare Home ownership
- “The rate of owner occupation among pre-retirement cohorts is declining
 - The exposure of older age groups to debt is increasing (some older owner-occupiers sell and move to rental accommodation to clear debt)
 - Instruments to release home equity such as reverse mortgages are costly and have low take-up
 - There is variation in house prices and capital gains – high capital gains apply to a minority of houses
 - House prices are subject to unpredictable risks such as natural disasters and the effects of climate change
 - There is limited stock of smaller dwellings for those who would like to downsize; some retirement village residents chose to live in a village only because they could not find a suitable dwelling on the market
 - Downsizing to a retirement village exposes residents to ongoing fees and restrains the extent of future equity release
 - Downsizing via moving to renting exposes the renter to additional non-discretionary housing costs”
- “The authors conclude that resolving New Zealand’s crisis of supply and affordability of housing is critical for ensuring adequacy of retirement incomes”
 - Saville Smith, CRESA (2019). Housing - New Zealand’s Tenure Revolution and Implications for Retirement Incomes
- “The retirement village stock is heavily focused on two-bedroom dwellings. The problem of finding a smaller dwelling that is functional and connected is persistently found in both the surveying and the qualitative research undertaken in the Finding the Best Fit research programme. The in-depth interviews and focus groups with 170 older people showed both a desire for a smaller home and, at the same time, the difficulty of achieving that desire. The aspiration for a small home was common”
 - Saville-Smith, Rehm, James, Murphy (2016). Downsizing and the Housing Stock – Realities for Older People
- “An increased ageing population has resulted in greater demand for rest homes and retirement villages. We also expect changes to the District Plan will result in increased availability of small, multiunit dwellings to meet an ageing population’s housing needs”
- “While the majority of building consent applications are for standalone detached houses, there has been an ongoing increase in the number of applications for retirement villages. This reflects an increase in the district’s ageing population”
 - NPDC (2018). Housing and Business Development Capacity Assessment

F10.3 – A low % of whānau are involved in affordable housing schemes as they don't understand the extent of the opportunity

Research Insights

- “KiwiBuild homes are out of the price range for many Māori”
 - Rout, Reid, Menzies, MacFarlane (2019). KĀINGA TAHI, KĀINGA RUA – Homeless and landless in two generations – Averting the Māori housing disaster
- “The government introduced the \$400 million PHO program with two providers in Auckland and Queenstown in July 2020 to support low- to medium-income families struggling to pay a home deposit or mortgage”
- “Last month, the opposition criticised the scheme after finding that only 12 families had moved into new homes since its launch. KiwiBuy Coalition chair Dominic Foote acknowledged that progress had been slow as government agencies and officials had no previous experience or knowledge in delivering a PHO program with housing support. However, the scheme is now gathering pace following its launch aimed at low-income families, the first to receive long-term government commitment and financial backing”
 - Libatique (2021). Government’s progressive home ownership scheme gathering pace - Over 150 new homes are currently under construction or in development
- “A publicly-funded programme set up two years ago to help people buy their first home is yet to do so for even a single family. The programme was initially hindered by regulatory issues so it switched to a shared ownership model in mid-2020. But that was then beset by lending problems. To date, eight families shortlisted for the programme remain in limbo over their chances to own a home”
- “Christchurch City Councillor Yani Johanson said the programme was now a lost opportunity, given the growth in house prices over the past two years”
- “Roach said 155 applications were received from families interested in the programme. Fifty were shortlisted and eight selected to take part in a pilot. Those eight have been in limbo for about 18 months, Roach said. “That’s the frustrating thing – those eight families have not been helped, and that’s disappointing”
 - Walton (2021). \$6m scheme to help families buy home has zero success after two years.

Sample comments from interviews

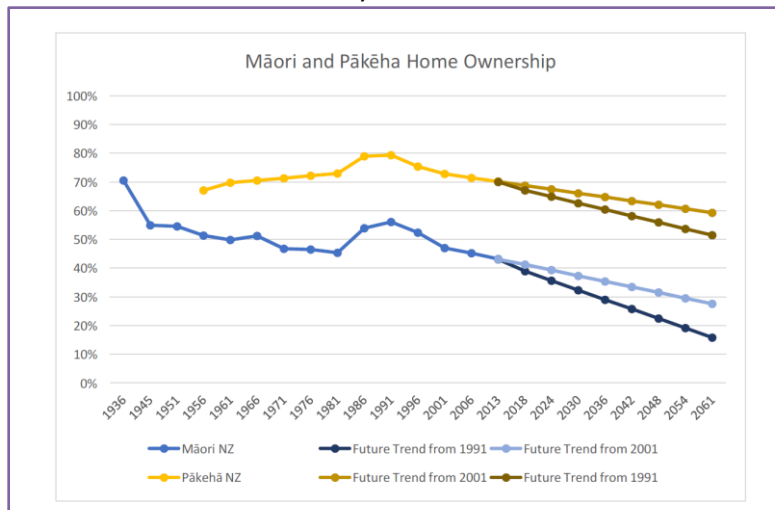
- Iwi
- “Most of our people are living in accommodation where they are paying rent over and above what they would be paying for a mortgage. The issue is around the deposit. There must be some solution around iwi underwriting some of the deposit to the bank. There are people paying \$600 a week on rent for a 4-bedroom home and if they were paying a mortgage they would be only be paying \$380”
 - “Buying a house is outside of peoples thinking, they need some education to understand how they can do it”
 - “Home ownership will not be achievable for everyone, and we need to accept that, but long-term secure tenancy is the next best step. If we can offer 5–10-year tenancy, then this can help people get into healthy homes and potentially get them up the housing continuum”

F10.4 – Iwi do not typically engage with individuals and whānau on housing ownership because most believe it is out of their reach

Sample comments from interviews

- Iwi
- “Housing ownership is just not part of many of our iwi’s thinking at the moment. They just can’t see themselves owning a home”
 - “There is some trauma around housing and land. Home ownership is disproportionate for Māori so it is under our umbrella to show how Māori home ownership is achievable and beneficial”

If home ownership continues to decline at the rate it has been falling since 1991 Māori will almost be entirely renters by 2061



Rout, Reid, Menzies, MacFarlane (2019). KĀINGA TAHI, KĀINGA RUA – Homeless and landless in two generations – Averting the Māori housing disaster

Research Insights

- “Māori home ownership rates have declined to 26%, trailing non-Māori at 41%. Māori are therefore disproportionately impacted by the poor quality & high cost of rental housing in Aotearoa – exacerbated by the relative lower incomes of Māori”
 - Ka Uruora (2021). Regional Housing Model & Delivery Programme Draft Report
- “In 1936 71% of Māori lived in dwellings that the whānau owned, by 1991 the ownership rate had fallen to 56%, by 2013 it was at 43%, and today it is likely to be below 40%. This is compared to the national average of 70% for Pākehā”
- “Māori have internalised negative views of themselves in relation to home ownership. These views can be traced to state assimilation interventions that shamed Māori for their culture and race. Economic shifts and policies that channelled Māori into working class occupations reinforced the assimilation narratives that Māori should occupy the bottom economic rungs of New Zealand society. Interviewees suggested that the impact of Māori internalising these narratives is that some do not see themselves as home owners, or people that should own homes”
 - Rout, Reid, Menzies, MacFarlane (2019). KĀINGA TAHI, KĀINGA RUA – Homeless and landless in two generations – Averting the Māori housing disaster

Theme 11: Access to social services

Theme 11: Access to social services

Findings

F11.1 The accommodation supplement is not enough to close the affordability gap and ensure whānau can access quality housing

F11.2 More and more families are struggling to afford quality rental homes

F11.3 People transitioning from social housing often struggle to navigate the contractual, legal and tenancy requirements

Conclusion

C11: Low-income whānau are not receiving sufficient support to access, sustain and transition between emergency, transitional, community and affordable rentals

F11.1 – The accommodation supplement is not enough to close the affordability gap and ensure whānau can access quality housing

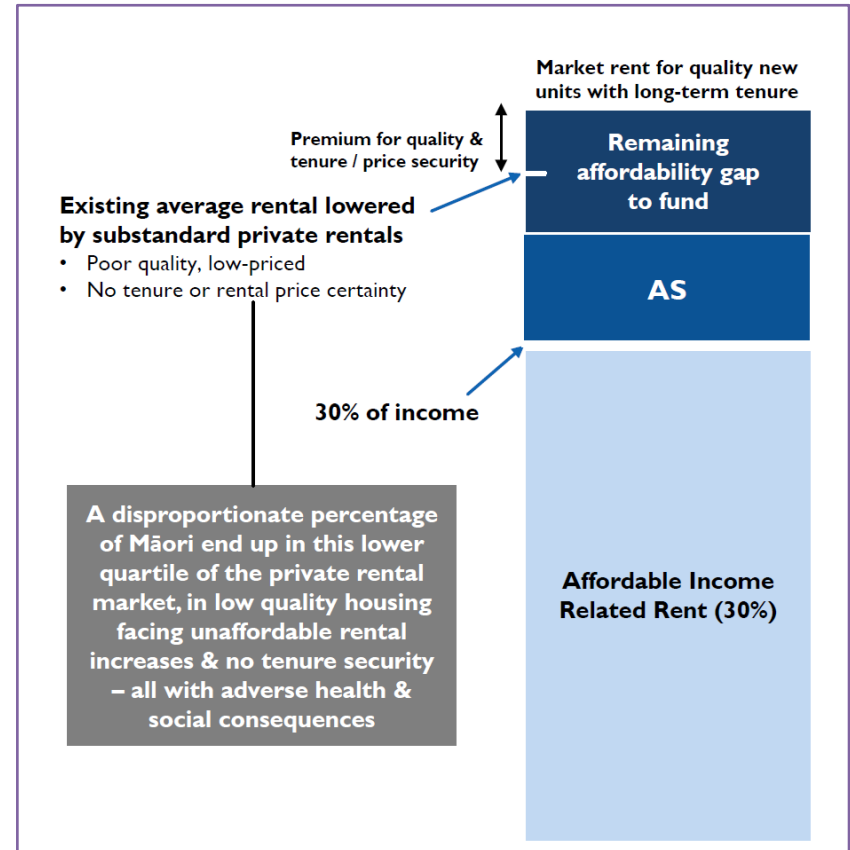
Sample comments from interviews

- Iwi
- “Families can't afford to live separately as rents rise so they move back in together which creates other problems such as overcrowding which can cause issues especially for young people (e.g. meningitis)”

Research Insights

- “The accommodation supplement has had relatively little impact on reducing the numbers of households under housing affordability stress even under severe circumstances where accommodation costs > 50% of income”
- “The accommodation supplement also has some other key failings as an effective long-term mechanism to address housing issues:
 - As a subsidy paid direct to households, it is not linked to the quality of rental housing provided, thereby providing no incentive / requirement for landlords to provide quality housing, secure tenure or provide protection from rental increases / abuse
 - It is not linked to new supply. The cost of the accommodation supplement will continue to grow as the affordability gap grows, driving vulnerable low-income households (disproportionately Māori) into poor quality housing & insecurity as they compete with higher income households
 - It does not address vulnerable who do not have formal housing costs to apply for accommodation the supplement (homeless) & counter-productively incentivise crowding”
- “The above failings have adverse health & wellbeing impacts, with increased cost implications for Government”
 - Ka Uruora (2021). Regional Housing Model & Delivery Programme Draft Report

Too many whānau with access to the AS are still living in unsuitable housing



- Ka Uruora (2021). Regional Housing Model & Delivery Programme Draft Report July 2021

F11.2 – More and more families are struggling to afford quality rental homes

Sample comments from interviews

- Steer Comm.
- “We have a community housing repair contract with one of the iwi and they have 30 families on their list and increasing. There are terrible houses out there”
 - “Ageing population is an issue because income level stays constant as a pension, but rents continue to rise”

In Taranaki, 2,271 (24%) more people are receiving the AS since June 2018 costing an additional \$228,000 (35%) per week

	People receiving AS	Weekly total AS amount
Jun-18	9,531	\$659,757
Sep-18	9,875	\$687,547
Dec-18	10,292	\$723,604
Mar-19	10,075	\$719,312
Jun-19	10,294	\$738,378
Sep-19	10,611	\$767,313
Dec-19	10,999	\$805,150
Mar-20	11,099	\$818,402
Jun-20	11,781	\$855,429
Sep-20	12,296	\$899,901
Dec-20	12,499	\$928,275
Mar-21	12,019	\$911,299
Jun-21	11,800	\$887,687

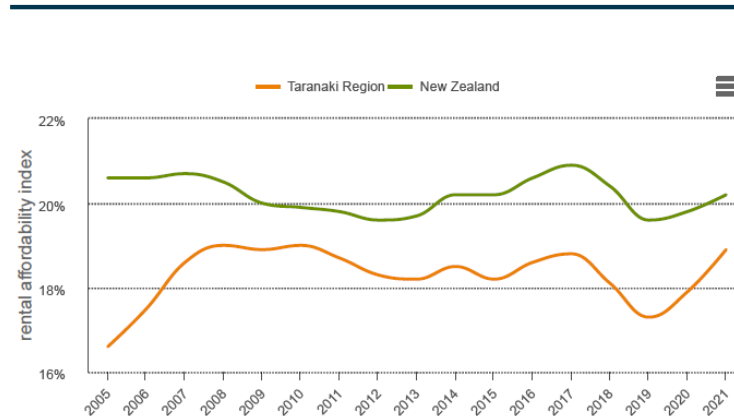
– MHUD (2018-2021). Public Housing in Taranaki Region – Fact Sheets

Research Insights

- “The findings suggest there is still a disparity between the condition of owned and rental dwellings, both inside and out. Roofs, wall cladding, and windows were all more likely to be in better condition in owner-occupied dwellings. On the interior, room linings were consistently in a poorer state of repair in rentals, which aligns with the higher rate of visible mould observed”
 - StatsNZ (2021). Housing in Aotearoa: 2020

Since 2019 the ratio of the average weekly rent to average household income in Taranaki has increased faster than the national average

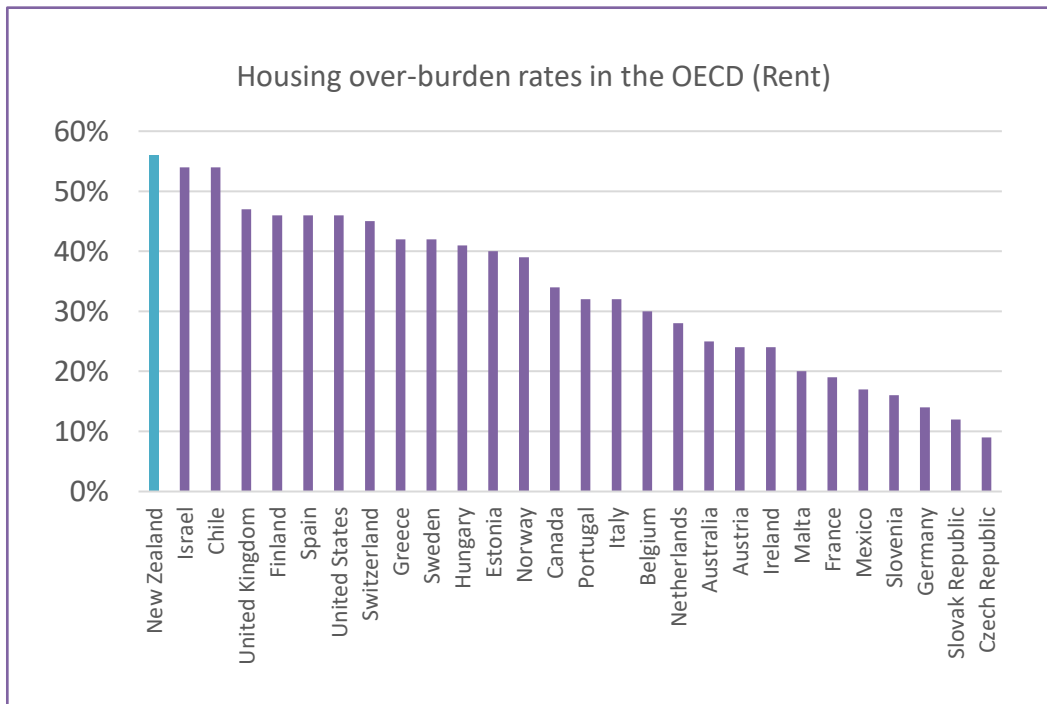
Rental affordability index, 2005-2021



– Infometrics (2021). Taranaki Region Economic Profile – Rental Affordability

F11.2 – More and more families are struggling to afford quality rental homes (cont.)

Similar to mortgages in F10.2, New Zealand also ranks 1st in the OECD on the housing cost over-burden rate for rental costs



- Mitchell (2021). The housing affordability crisis is likely worse than you think

F11.3 – People transitioning from social housing often struggle to navigate the contractual, legal and tenancy requirements

Sample comments from interviews

- Steer Comm.
- “There are some landlords that will look at a beneficiary and make judgements about them (will they pay the rent, trash the house, overpopulate the house etc.)”
 - “The other side of the equation is that turnover of housing has reduced as the market tightens up. Landlords don’t increase their rent when they have good tenants, so people stay put”
 - “You can no longer issue a 90-day notice without reason, so landlords are holding on to their tenants more. Really easy for quality tenants to find a rental which is interesting when there are so many people who can’t get a home. Its essentially landlords discriminating against people in social or transitional housing. Landlords have two concerns, the place gets trashed, and they don’t pay rent”
 - “They have other issues, it’s not just affordability, there could be violence, addictions, a whole range of things that they are having to work through at the same time as not having their own house”
 - “There is a lack of social services ‘hubbing’ in Taranaki”

Theme 12: Pathway to financial independence

Theme 12: Pathway to financial independence

Findings

F12.1 Many whānau do not have the financial capability to manage their financial wellbeing

F12.2 Existing saving schemes such as Kiwisaver are not accessible for low-income earners

F12.3 Low-income whānau struggle to secure mainstream mortgage funding without assistance from others, but this isn't widely accessible

Conclusion

C12: There are insufficient organisations within Taranaki to offer a wide breadth of financial independence services required to meet the diverse needs

F12.1 – Many whānau do not have the financial capability to manage their financial wellbeing

Sample comments from interviews

- Other
- Toi Foundation - “Financial literacy component is a big challenge as people have to go through a programme as they have to realise the total cost of a house is not just paying the mortgage (they have rates, insurance etc.)”
 - Toi Foundation - “There are roadblocks for people when it comes to accessing finance for banks. (e.g. credit rating, if they have issues 3 years ago with paying a power bill, they won't be able to get a mortgage. They need a guarantor. Bank have a servicing test, applicants have to be able to service their mortgage at x% above the current interest rates. E.g. if rates are 3% they have to prove they can service their mortgage at say 4.5%”

Research Insights

- “An intervention commonly mentioned in both the interviews and review was the need for investment in Māori leaders, mentors and educators across the housing sector. The purpose of this intervention is to develop Māori capability, or provide capability support, for Māori to navigate the sector on an equal footing with Pākēha”
 - Rout, Reid, Menzies, MacFarlane (2019). KĀINGA TAHI, KĀINGA RUA – Homeless and landless in two generations – Averting the Māori housing disaster
- “In Budget 2020, the Government invested \$39.2 million over four years in Building Financial Capability (BFC) services. The investment is to support more sustainable BFC services, respond to the additional demand of individuals, families and whānau as a result of the economic impact of COVID-19, and expand specialist debt solution services”
 - MSD (Accessed 2021) Funding for Building Financial Capability services through Budget 2020
- “A lot of New Zealanders aren't wealthy and battle from week to week. There is more than \$4 billion of credit card debt that is interest bearing at an average interest rate of 17.8 per cent. That's \$1,000 of personal debt for every person in New Zealand over the age of 18, charged at an incredibly high interest rate. The Government has had to crack down on loan sharks and truck shops, but the fact people use them is telling. Some reflects necessity. Some reflects poor money skills and getting ripped off”
- “Increasing household incomes is a key part of the solution to improve our poverty levels, but families living on credit to survive and with limited financial knowledge compounds the poverty trap”
 - Bargir & O'Connell (2020). Poor money management affects kids, and we need to do better

F12.2 – Existing saving schemes such as Kiwisaver are not accessible for low-income earners

Research Insights

- “About half of non-contributors had gross personal incomes under \$30,000”
 - Stock (2021). Why are there so many people in KiwiSaver who aren't saving at all?
- “Many low income New Zealanders can't afford KiwiSaver contributions, and growing numbers are withdrawing their funds for hardship reasons. This vulnerable group needs options that will lift their incomes when they retire”
- “Surveys by the Commission for Financial Capability (CFFC) suggest the lack of KiwiSaver contributions is due to weak incentives, lack of awareness of existing incentives, lack of knowledge around voluntary contributions, and KiwiSaver is not perceived as a valuable investment”
- “High-income and better-resourced KiwiSavers will find an extra \$1000 easy to contribute and a 200 percent return too good to forego. On the other hand, low-paid workers and others struggling to maintain their 3 percent contribution would likely be unable to save an extra \$1000 and will miss out on the current government contribution of \$521.43”
 - John & Dale (2020). The Kiwis falling through the KiwiSaver cracks
- “For three in 10 households living week to week, they simply don't have a few thousand dollars in basic savings before they could comfortably enter KiwiSaver in the first place”
- “The number of KiwiSaver hardship application withdrawals has soared by 41% – an indication that the retirement designs of KiwiSaver are not realistic for a growing number of people struggling right now”
 - Collins (2021). Here's why KiwiSaver is not designed for the poor and struggling

F12.3 – Low-income whānau struggle to secure mainstream mortgage funding without assistance from others, but this isn't widely accessible

Sample comments from interviews

Steer Comm.	<ul style="list-style-type: none"> ▪ “It is difficult to get mortgage finance for free hold Māori land”
Iwi	<ul style="list-style-type: none"> ▪ “Paying for housing is a problem. Even as we speak the interest rates are going up. Reserve bank are trying to limit access to mortgages. Something like 53% or more of our uri were living in rental accommodation. This is a common issue for Māori” ▪ “Most of our people are living in accommodation where they are paying rent over and above what they would be paying for a mortgage. The issue is around the deposit. There must be some solution around iwi underwriting some of the deposit. There are people paying \$600 a week on rent (4-bedroom home) and if they were paying a mortgage, they would be only be paying \$380” ▪ “A house now is about \$400k, even if you need a 10% deposit that’s \$40k – who can and will do that? Iwi could help through a national/regional body like Ka Uruora who can develop relationships with banks to resolve the problem (e.g. placing a caveat over the property, second mortgage)” ▪ “Bank of mum and dad is non-existing for many Māori. Being able to leverage home ownership to get into the market”
Other	<ul style="list-style-type: none"> ▪ MSD - “I think the biggest challenge will be for the whānau who can't afford to service a mortgage (e.g. single parent)”

Research Insights

- “Another issue raised by the participants was how increasing rents meant many Māori struggled to save for a deposit. Compounding this issue has been stagnant wage growth in the dominant sectors that Māori are employed within, which could not compensate the increasing house prices”
 - Rout, Reid, Menzies, MacFarlane (2019). KĀINGA TAHI, KĀINGA RUA – Homeless and landless in two generations – Averting the Māori housing disaster

Summary of Conclusions

C1: Iwi and the local community have not developed a joint understanding of their housing aspirations for the region and whether this aligns to the national perspective

C2: Because there is not a comprehensive analysis of supply and demand, no one knows exactly how many houses of each type need to be developed in Taranaki

C3: The fragmented approach to funding within Taranaki is potentially limiting the opportunities to maximise Crown funding

C4: The growth in construction in the Taranaki region is an opportunity for people exiting Oil & Gas to re-skill and to establish new businesses, especially for Māori

C5: There are opportunities to collaborate with other regions and national entities to address current supply chain issues which enables greater access to more innovative, cheaper and sustainable building methods and materials

C6: Freeing up land in the short-medium term is possible through the district plan and loosening Council restrictions on the development of papakāinga

C7: Because of the commercial incentives to develop standard houses for private ownership, there are gaps and imbalances in the housing continuum, predominantly at the bottom end

C8: Because the houses being built are typically the standard 3-4 bedroom homes, we are at risk of building houses that are not suitable for the diverse needs of the people of Taranaki now and in the future

C9: Once supply is ramped up, there is potentially insufficient tenancy management capability within Taranaki for emergency housing, social housing and affordable rentals to meet the growing need

C10: There is low awareness amongst whānau around the opportunities to move up the housing continuum

C11: Low-income whānau are not receiving sufficient support to access, sustain and transition between emergency, transitional, community and affordable rentals

C12: There are insufficient organisations within Taranaki to offer a wide breadth of financial independence services required to meet the diverse needs

Section 4: Recommendations

Introduction

- Given the findings and the conclusions outlined in the previous section, this section outlines the vision and goals, and our recommendations about how we will achieve our aspirations
- As a starting point we defined some overarching guiding principles to inform the development of our vision and goals. This resulted in four strategic streams which we have used to develop our recommendations
- Each recommendation outlines the key activity, the future state service offering and key interventions that need to be carried out as part of the implementation of the strategy
- Collectively, our recommendations form the basis of the strategy which at the end of the day, represents a systems view of how to develop regional housing at scale for the Taranaki region
- We have developed a separate one-page strategy map that incorporates all the details from this report to convey the essence of the strategy

Guiding Principles, Vision and Strategic Goals

Overarching Guiding Principles

Principle 1

Strong collaboration between iwi, Civic and the community

Principle 2

Think long-term so we build the right housing today for tomorrow

Principle 3

Create opportunities to enable our people to lead and participate in the delivery of housing

Principle 4

Reduce inequality by ensuring sustainable social outcomes

Principle 5

Address gaps across the housing continuum so whānau can seamlessly progress up it

Vision

An enduring partnership between iwi, Civic and the community to develop accessible and affordable housing, with a social purpose, at scale

Stream 1: Planning

To ensure we have a long-term plan of the housing stock to be developed to meet the need of people in Taranaki, now and in the future

Stream 2: Remove barriers and impediments

To grow sustainable capability and capacity to develop houses at pace and scale

Stream 3: Supply

To develop communities with a suitable mix of tenure and typology and a focus on social outcomes

Stream 4: Demand

To provide whānau with every opportunity possible to achieve their housing dreams

Stream 1 Recommendations

Overarching Guiding Principles

Principle 1

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Principle 2

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Stream 1: Planning Recommendation 1

Conclusion

C1: Iwi and the local community have not developed a joint understanding of their housing aspirations for the region and whether this aligns to the national perspective

Recommendation

Activity: Engage with iwi, local and central government to align the housing aspirations of the region

Future state service offering: [Clarity of aspirations] Collective understanding of where the opportunities and challenges are within the Taranaki housing ecosystem and how they might be overcome

Interventions:

1. Strengthen relationships between iwi, Central and Local Government to ensure regional approaches align to national policy and directives
2. Develop mechanisms to understand the housing aspirations of iwi/community and local & central government in regards to resolving the housing crisis in Taranaki

Stream 1: Planning Recommendation 2

Conclusion

C2: Because there is not a comprehensive analysis of supply and demand, no one knows exactly how many houses of each type need to be developed in Taranaki

Recommendation

Activity: Develop and maintain a regional housing plan to meet long-term supply and demand

Future state service offering: [Accuracy of forecasted supply & demand] – Supply and demand forecast broken down by housing tenure and typology to meet the diverse range of needs in Taranaki supported by comprehensive data and assumptions

Interventions:

1. Develop mechanisms to survey different cohorts of the population to understand their specific housing needs
2. Set up a Taranaki housing registration site where people with housing aspirations can enter 'real time' data into a centralised hub on their specific needs
3. Collaborate with other Councils to systematise the collection of existing national and local data to forecast future housing developments and land requirements

Stream 1: Planning Recommendation 3

Conclusion

C3: The fragmented approach to funding within Taranaki is potentially limiting the opportunities to maximise Crown funding

Recommendation

Activity: Facilitate regional funding applications to improve our success in securing commitment to Crown funding

Future state service offering: [Success of securing funding] – A coordinated regional approach to accessing Crown funding that demonstrates alignment between all relevant parties

Interventions:

1. Design process to raise awareness with key players (e.g. iwi, Ka Uruora, CHPs, Civic) of funding opportunities and coordinate regional funding to ensure the region puts its best foot forward when applying for Crown funding

Stream 2 Recommendations

Overarching Guiding Principles

Principle 1

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Principle 2

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Stream 4: Demand

To provide whānau with every opportunity possible to achieve their housing dreams

Stream 2: Remove barriers and impediments

Recommendation 4

Conclusion

C4: The growth in construction in the Taranaki region is an opportunity for people exiting Oil & Gas to re-skill and to establish new businesses, especially for Māori

Recommendation

Activity: Grow the development workforce to build at scale

Future state service offering: [Capacity of the construction workforce] – Enough capacity to meet construction demands now and in the future

Interventions:

1. Promote the construction industry as an opportunity to re-skill and attract more people to the workforce
2. Collaborate with partners in the construction industry to train and develop our workforce e.g. RSLG and Te Pūkenga
3. Support iwi to become employers in building and construction

Stream 2: Remove barriers and impediments

Recommendation 5

Conclusion

C5: There are opportunities to collaborate with other regions and national entities to address current supply chain issues which enables greater access to more innovative, cheaper and sustainable building methods and materials

Recommendation

Activity: Identify ways of reducing housing costs & using innovative building approaches

Future state service offering: [Building cost of construction] – Cost effective modern building practices

Interventions:

1. Collaborate nationally with other Councils to research innovative building methods and materials and share with property developers, architects and planners
2. Utilise economies of scale at a regional or national level in order to gain greater access and negotiate cheaper building materials
3. Explore opportunities for investing into the supply chain by iwi and local organisations to reduce reliance on imported products and national providers

Stream 2: Remove barriers and impediments

Recommendation 6

Conclusion

C6: Freeing up land in the short-medium term is possible through the district plan and loosening Council restrictions on the development of papakāinga

Recommendation

Activity: Work with Councils to expediate the freeing up of land to enable development

Future state service offering: [Accessibility of land] – Maximise the use of surplus and under-utilised land for housing

Interventions:

1. Determine ways to overcome rigid Council rules and district plans (e.g. with a request for a private plan change, repurposing unused office space) and share this knowledge with the development community
2. Work with TPK to streamline the process between iwi, the Crown and the Māori Land Court to enable Māori landowners to build on their land
3. Change Council regulations that limit the development of papakāinga on rural land

Stream 3 Recommendations

Overarching Guiding Principles

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Principle 2

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Stream 3: Supply Recommendation 7

Conclusion

C7: Because of the commercial incentives to develop standard houses for private ownership, there are gaps and imbalances in the housing continuum, predominantly at the bottom end

Recommendation

Activity: Promote commercial & social development opportunities to the iwi/private development community

Future state service offering: [Mix of tenure]
– Sufficient number of iwi/private developers across the housing continuum to address the unmet housing needs

Interventions:

1. Develop a value proposition to attract more developers in the emergency, transitional and community housing
2. Encourage more commercial/social investment from iwi, Civic and private developers
3. Encourage the development of 'blind tenure' housing to meet variable demand and encourage socio-economic diversity within communities

Stream 3: Supply Recommendation 8

Conclusion

C8: Because the houses being built are typically the standard 3-4 bedroom homes, we are at risk of building houses that are not suitable for the diverse needs of the people of Taranaki now and in the future

Recommendation

Activity: Encourage development at scale with mixed typology to meet diverse housing needs

Future state service offering: [Suitability of housing typology] – Houses built to meet the changing demographics resulting in demand for smaller, family friendly accessible housing and more sustainable emergency accommodation in Taranaki

Interventions:

1. Enable property developers, architects and planners to develop or share designs around the ideal housing typology for the diverse range of housing needs
2. Explore innovative options to enhance the provision of emergency housing beyond the use of motels
3. Establish commercial arrangements between private developers and Civic for the supply of purpose-built affordable rentals and PHOs

Stream 3: Supply Recommendation 9

Conclusion

C9: Once supply is ramped up, there is potentially insufficient tenancy management capability within Taranaki for emergency housing, social housing and affordable rentals to meet the growing need

Recommendation

Activity: Grow the capability and capacity to offer tenancy management with a focus on social outcomes

Future state service offering: [Continuity of social purpose] – Ensuring housing products stay true to its purpose over its life

Interventions:

1. Set up a Civic operating trust to manage purpose-built affordable rental and PHOs (working capital funded by loans rather than rates)
2. Support the growth in tenancy management organisations to deliver at scale including attracting more Māori organisations to register
3. Introduce policies and models that provide greater certainty and stability of tenancy as whānau's personal circumstances change and no longer qualify for accommodation support/subsidies

Stream 4 Recommendations

Overarching Guiding Principles

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Stream 4: Demand

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Stream 4: Demand Recommendation 10

Conclusion

C10: There is low awareness amongst whānau around the opportunities to move up the housing continuum

Recommendation

Activity: Work with iwi & community to inspire whānau to move up the housing continuum

Future state service offering: [Realistic ownership expectations] – People know how much it costs to own a home and how they may be able to afford it

Interventions:

1. Leverage the Ka Uruora model and develop promotional mechanisms to attract more aspiring homeowners across a broad range of personas (e.g. elderly people who are highly leveraged)

Stream 4: Demand Recommendation 11

Conclusion

C11: Low-income whānau are not receiving sufficient support to access, sustain and transition between emergency, transitional, community and affordable rentals

Recommendation

Activity: Provide access to support for people in emergency, transitional, & community housing

Future state service offering:

[**Comprehensiveness** of support services] – Wrap around support services to ensure that low-income whānau are not disadvantaged in housing

Interventions:

1. Collaborate with health and social service providers such as Tui Ora to enhance the number of navigators that can provide support services to those most at need including integrating with Central Government support
2. Increase access to client-centred services, to help whānau navigate the contractual, legal and tenancy requirements so they can transition out of social housing
3. Develop a regional housing plan to identify and repair substandard housing including accessing government funding

Stream 4: Demand Recommendation 12

Conclusion

C12: There are insufficient organisations within Taranaki to offer a wide breadth of financial independence services required to meet the diverse needs

Recommendation

Activity: Deliver services to enable long-term housing & financial independence

Future state service offering: [Availability of financial independence services] – Best of breed products that everyone in Taranaki has the opportunity to access

Interventions:

1. Enhance delivery capacity by expanding service offerings delivered by Ka Uruora and Housing Foundation or set up an alternative delivery entity
2. Explore options to expediate the embedding of financial literacy so that more whānau can access loans and financial support
3. Facilitate access to greater community funding for PHO/Shared Ownership

Closing thoughts

- To successfully implement the Taranaki Regional Housing Strategy requires RLG to take full ownership and drive accountability down to the Regional Recovery Team
- This strategy represents significant changes that need to occur within the housing continuum in order to produce housing at pace and scale
- This strategy reinforces the five overarching guiding principles that help shape our vision: “An enduring partnership between iwi, Civic and the community to develop accessible and affordable housing, with a social purpose, at scale”

Overarching Guiding Principles	How the strategy reflects the guiding principles
Principle 1: Strong collaboration between iwi, Civic and the community	Stream 1 has a strong focus on planning which will ensure that iwi, Civic and key players in the housing ecosystem align in their aspirations and coordinate their efforts
Principle 2: Think long-term so we build the right housing today for tomorrow	A core component of the strategy is to develop an accurate long-term picture of supply and demand so that we can invest and focus our efforts today to build sustainable housing for the future
Principle 3: Create opportunities to enable our people to lead and participate in the delivery of housing	Streams 2 and 3 in the strategy are heavily focussed on providing opportunities for local people and organisations to grow their capability and capacity and be more involved in the supply of affordable housing
Principle 4: Reduce inequality by ensuring sustainable social outcomes	A core focus of this strategy is to ensure we support those that are the most disadvantaged, who are not in a position to help themselves, by providing holistic financial assistance & support, and ensuring social housing and affordable rentals stay true to its intended social purpose
Principle 5: Address gaps across the housing continuum so whānau can seamlessly progress up it	The strategy is focussed on attracting more commercial and social developers to build more emergency and social housing, affordable rentals and homeownership, in order to fill in the current gaps in the housing continuum

Closing thoughts (cont.)

- Critical next steps include embedding the strategy into a detailed operational plan and establishing a reporting framework to provide assurance to RLG that significant progress is being made and all key players are making a valuable contribution
- Assigning accountabilities, prioritising interventions and seeking investment funding is also critical for ensuring the successful implementation of the strategy
- A collective approach based on mutual trust and respect is required to enable the people of Taranaki to move up the housing continuum and live their housing dreams