

September 2017

Housing Quarterly Report



The Housing Quarterly Report provides the latest key facts on housing in New Zealand. The report gives detailed information about the Ministry of Social Development's housing support, the demand for and the supply of social, emergency, and transitional housing, and the movement of people through the social housing system.



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Cover: Two old HNZ three-bedroom properties redeveloped into four two-bedroom and two four-bedroom properties in Mangere, Auckland.

Key facts

For the September quarter MSD has spent **\$563 million** on housing support. This year MSD will spend around \$2.3 billion on providing New Zealanders with housing support.

MSD has seen a **20% decrease** in the number of Emergency Housing Special Need Grants (EH SNG) being paid, as more transitional housing places became available in the quarter.

Over the quarter, 1,876 applicants from the Social Housing Register were housed, with an average time of 50 days to house. **This is the most people housed in the shortest time over the past year.**

MSD's 2016 Purchasing Strategy seeks an additional 6,400 social houses by June 2020. In this quarter, we've reached 69% of the additional houses required in the pipeline. The total number of social housing tenancies increased by 373 over the September quarter.

An additional **540 transitional housing places** became available in the quarter, with a total of 1,663 secured for tenancing. MSD has an end of year target of 2,155 places, which could support 8,600 families each year.

On the Social Housing Register, the number of people eligible for housing support has increased, by 8% this quarter, as more people are talking with MSD about their housing situation. People on the Register are generally in some form of housing, with 94% of applicants already receiving some housing support from MSD.

Housing Support

Our housing support ranges from providing places in emergency and transitional housing, through to financial support to remain housed.

\$563.4 million

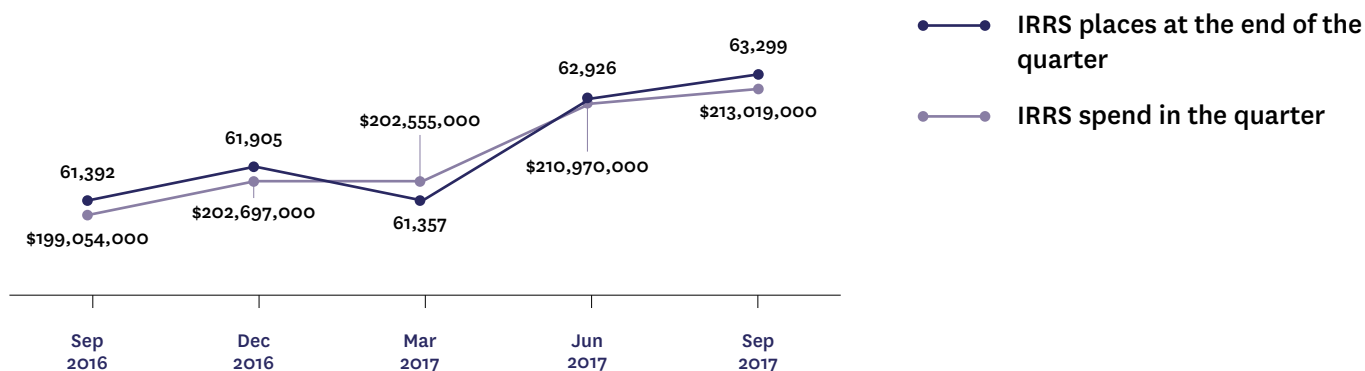
Total housing support provided in the quarter ending 30 September 2017.
(\$565.2 million – 30 June 2017)

Income-Related Rent Subsidy

MSD is paying more IRRS payments for individual households than before, with the total number of social housing tenancies increasing by 373 over the September quarter.

Most tenants in social housing pay an Income-Related Rent (IRR) which limits the amount of rent they pay to be generally no more than 25% of their net income. MSD pays an Income-Related Rent Subsidy (IRRS) to registered housing providers to cover the balance between the tenant's rental payment and the market rent for the property.

Income-Related Rent Subsidy – Places and Spend



While there are quarterly changes in the level of IRRS places over the last year, the total has increased by 3% on the same time last year.

\$16.4 million

IRRS payments per week
(\$16.2 million – 30 June 2017)

Note: The IRRS payment figure is a weekly average based on a quarterly total of \$213 million.

63,299

IRRS places as at 30 September 2017
(62,926 – 30 June 2017)

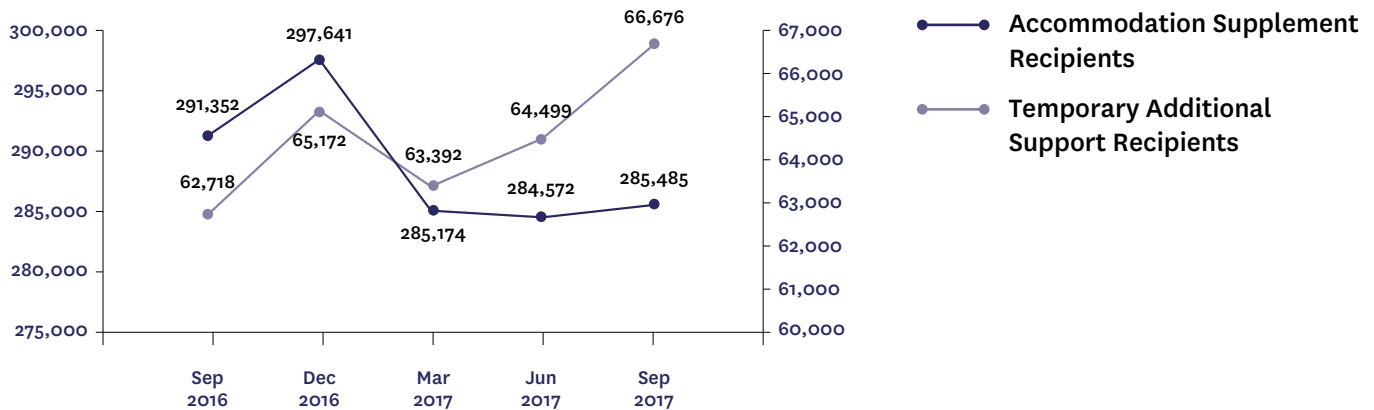
Accommodation Supplement & Temporary Additional Support

The number of people receiving the Accommodation Supplement is relatively stable, but use of Temporary Additional Support has grown significantly.

Accommodation Supplement is a weekly payment to assist people who are not in social housing, with their rent, board or the cost of owning a home. A person does not have to be receiving a benefit to qualify for Accommodation Supplement.

Temporary Additional Support is a weekly payment that helps to cover essential living costs that cannot be met from their income and through other resources. It is paid for a maximum of 13 weeks, and the recipient does not have to be receiving a benefit to qualify for it.

Accommodation Supplement and Temporary Additional Support recipients



- Total recipients of the Accommodation Supplement has reduced by 2% on the same time last year, with variances due to the number of benefit recipients over the year.
- Demand for Temporary Additional Support has been rising, with the number of recipients increasing by 6% on the same time last year.
- Around a quarter (23%) of Accommodation Supplement recipients also receive Temporary Additional Support.

285,485

People receiving Accommodation Supplements as at 30 September 2017
(284,572 – 30 June 2017)

\$20.4 million

Accommodation Supplement payments per week
(\$20.3 million – 30 June 2017)

66,676

People receiving Temporary Additional Support as at 30 September 2017
(64,499 – 30 June 2017)

\$4.2 million

Temporary Additional Support payments per week
(\$4.1 million – 30 June 2017)

Note: Accommodation Supplement figures excludes the Special Benefit, therefore the figures in this Housing Quarterly Report will differ to those published in the quarterly Benefit Facts Sheets.

Social Housing Supply

The 2016 Purchasing Strategy signalled that the Ministry of Social Development (MSD) is seeking an additional 6,400 social houses by June 2020. MSD has reached 69% of the additional houses required in the pipeline.

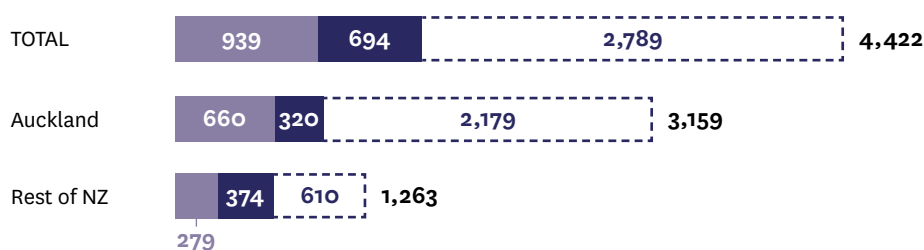
Social Houses

Social houses are properties owned or leased by Housing New Zealand (HNZ) and registered Community Housing Providers (CHPs) that can be tenanted by people who are eligible for social housing. The level of social housing has remained relatively stable, but there are plans to increase this significantly by 2020.

Social Housing Supply – Key points:

- There are **currently 66,187 social houses**. Of these, **4,874 are provided by CHPs**, and **61,313 are provided by HNZ**.
- **More than half of the places set out in the Purchasing Strategy are in Auckland (3,600 or 56%)**, and more than three quarters (5,441 or 85%) are in the four largest cities: Auckland, Christchurch, Wellington and Hamilton.
- HNZ has announced **significant redevelopment activity in Auckland (1,700 social houses through the Auckland Housing Programme) and in Wellington (475 social houses in Wellington and the Hutt Valley)**, and has been assessing its capacity to redevelop its portfolio and provide additional supply in the rest of the country. This includes new supply for Hamilton (31), Christchurch (167), Wellington (51), and Northland (4).
- Council properties placed in CHP ownership include 374 council stock transfers to Hamilton (51) and Christchurch (323).

Social Housing Supply Pipeline



■ CHP social houses contracted or approved through MSD's new supply programme. MSD is actively pursuing a number of other opportunities through this programme.

■ Council properties placed in CHP ownership

⋮ HNZ Pipeline to June 2020

Notes:

- There may be some variations in MSD and HNZ reporting. This is due to differences in timing and processes. The MSD data provides a snapshot at a specific point in time, the HNZ data is drawn from an operational database that reflects changes in tenant status.
- HNZ short-term vacant properties are those that are currently between tenancies and are about to be re-tenanted.
- As advised by HNZ, HNZ long-term vacant properties are generally vacant for the following reasons: methamphetamine contaminated, undergoing major repairs or upgrades, pending redevelopment, or properties that are pending sale, lease expiry or demolition.
- HNZ short-term vacant and HNZ long-term vacant excludes community group housing managed by HNZ.

1 The June quarterly report stated the number of social housing places as 66,332. This was due to the inadvertent inclusion of a number of HNZ community group houses and transitional houses in the vacant property data. The correct number of social housing places for the June quarter was 66,100.

58,512

HNZ IRRS Places
(58,277 – 30 June 2017)

4,787

Registered CHP
IRRS Places
(4,649 – 30 June 2017)

1,534

HNZ Market Renters
(1,541 – 30 June 2017)

87

Registered CHP
Market Renters
(71 – 30 June 2017)

421

HNZ Short-term Vacant
(527 – 30 June 2017)

846

HNZ Long-term Vacant
(1,035 – 30 June 2017)

= 66,187

Total Social Houses
(66,100¹ - 30 June 2017)

The Ministry of Social
Development is
planning for

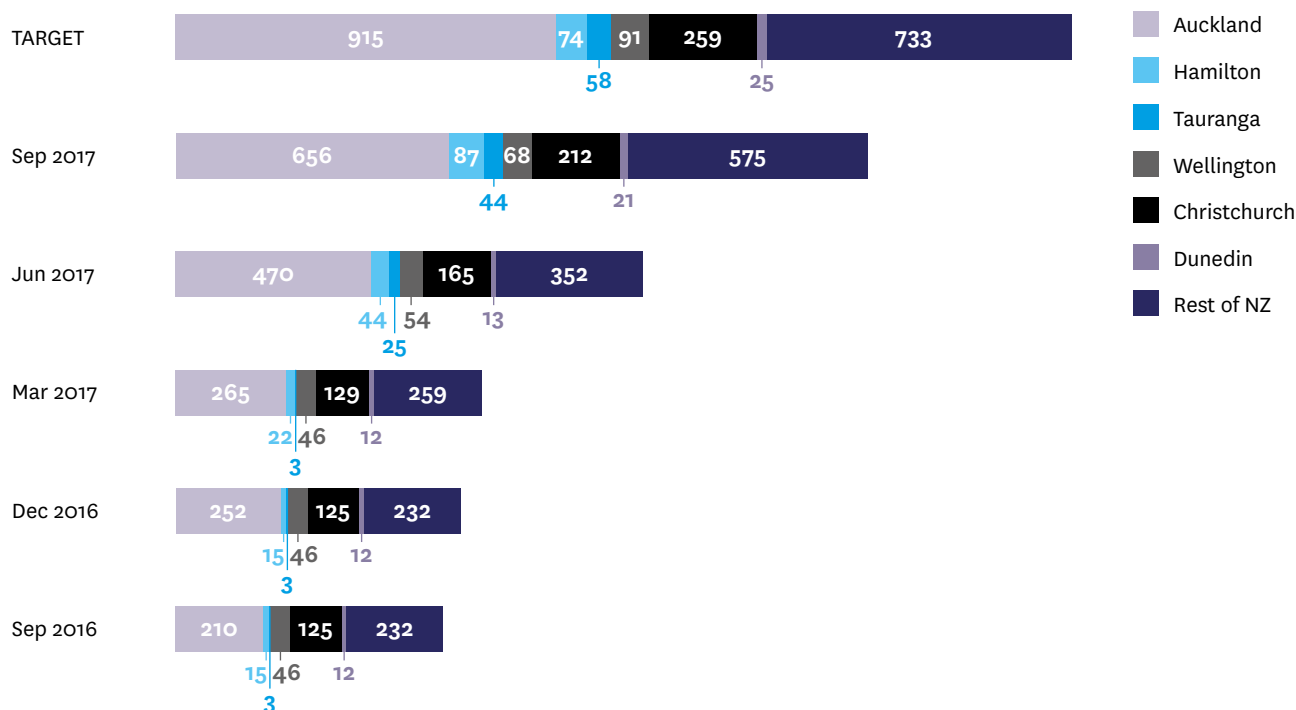
72,000

social houses to be
available by June 2020

Transitional Housing

An additional 540 transitional housing places became available in the quarter, with a total of 1,663 places secured for tenanting. The Ministry of Social Development (MSD) has an end of year target of 2,155 places, which could support 8,600 families each year.

Transitional Housing Places



What is transitional housing?

Transitional housing provides warm, dry and safe short-term accommodation for people in need, along with tailored social support while they're there. Transitional housing is managed by contracted providers, who are skilled in supporting tenants with a range of social and tenancy-related services, and are also responsible for maintaining the properties.

The transitional housing programme is led by MSD and Housing New Zealand and involves local councils and emergency housing providers.

There are currently 39 providers across New Zealand, offering diverse properties. In some cases individual, stand-alone residential homes can be used for transitional housing. In other cases it may be larger developments, such as former motels or purpose-built housing.

Transitional housing places are being developed in Auckland, Hamilton, Tauranga, Rotorua, Napier, Hastings, Palmerston North, Wellington, Nelson, Blenheim, Christchurch and Dunedin.

People living in transitional housing pay rent of up to 25% of their income, which is in line with income-related rents for social housing. The balance is subsidised to providers by the government.

1,663

Places secured for tenanting as at 30 September 2017 (1,123 - 30 June 2017)

2,155

December 2017 target for places secured for tenanting

\$354 million

Government investment over four years from 2016

Emergency Housing

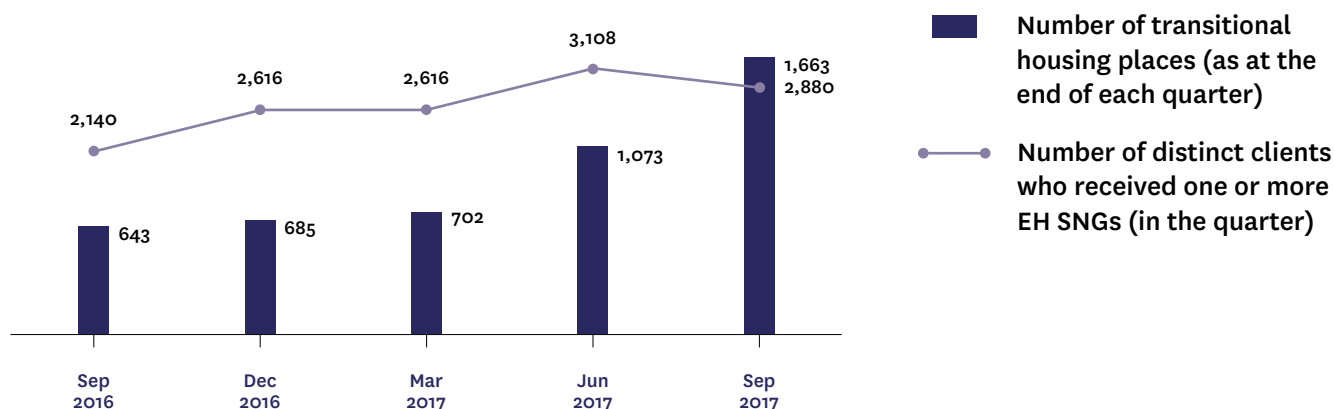
The Ministry of Social Development (MSD) has seen a 20% decrease in the number of Emergency Housing Special Needs Grants (EH SNG) being granted, as more transitional housing places became available in the quarter.

Emergency Housing Special Needs Grant

The purpose of the EH SNG is to help individual and families with the cost of staying in short-term accommodation if they are unable to access one of the Ministry’s contracted transitional housing places.

The EH SNG pays for short-term accommodation for up to seven days at a time, with the accommodation being provided by commercial and community providers who are not contracted by MSD to deliver accommodation services.

People in Transitional Housing vs EH SNG recipients



Every applicant for an EH SNG must make reasonable efforts to find secure accommodation. For most applicants, this includes applying for transitional housing and social housing.

The EH SNG payment normally does not need to be paid back by the applicant, but where the household has contributed to their own housing need, the EH SNG may be made recoverable at 25% of the applicants weekly income.

In the quarter ending 30 September 2017, 11% of EH SNG grants were issued as recoverable payments, which is a decrease from the quarter ending 30 June 2017 where 12% of grants were recoverable.

9,159

EH SNG Grants in quarter ending 30 September 2017 (11,446 – quarter ending 30 June 2017)

2,880

Individual clients granted an EH SNG in quarter ending 30 September 2017 (3,108 – quarter ending 30 June 2017)

\$9.0 million

Total EH SNG amount granted in quarter ending 30 September 2017 (\$12.6 million – quarter ending 30 June 2017)

Notes:

- This is a count of grants. A client can have more than one grant in the time period.
- Emergency Housing assistance payments are granted as Special Needs Grants.
- The total amount granted may not be the same as the amount spent.

Social Housing Demand

The number of people eligible for housing support on the Social Housing Register has increased by 8%, as more people are talking with the Ministry of Social Development (MSD) about their housing situation.

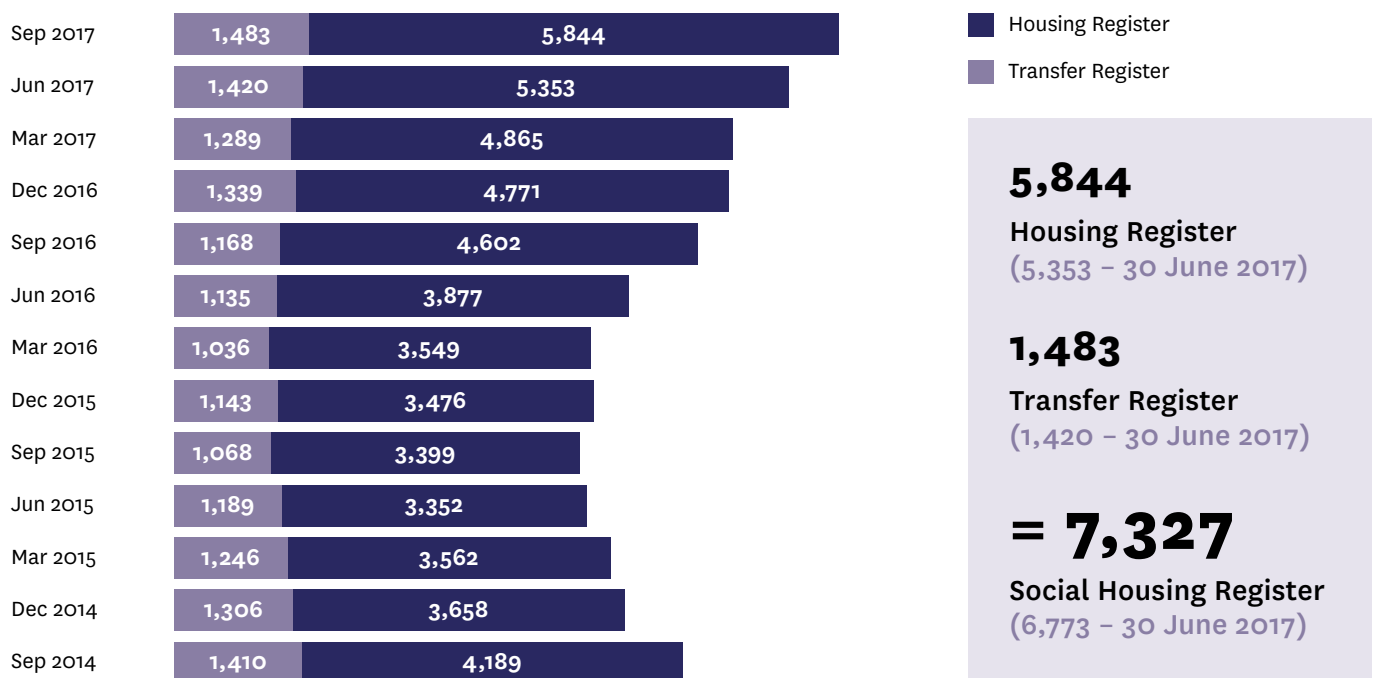
Social Housing Register

People on the Social Housing Register are generally in some form of housing, with 94% of applicants on the register already receiving housing support from MSD.

When New Zealanders are in need of social housing, their needs are recorded on the Social Housing Register, which is comprised of a Housing Register and a Transfer Register.

The Housing Register is prioritised by need and consists of social housing applicants who have been assessed as being eligible for social housing. The Transfer Register is made up of people already in social housing, but who have requested and are eligible for a transfer to another property.

The Social Housing Register has grown by 8%, particularly the highest priority clients.



Key figures at a glance

- As at 30 September 2017, the **Social Housing Register was up 8%** compared to the June quarter, which was not as high as the 10% increase from the March quarter.
- **For the year to September 2017, the Social Housing Register increased by 27%**, which in comparison was a **decrease from 35%** for the 12 months ending June 2017.
- Living situations for applicants on the Social Housing Register include, private accommodation (26%), boarding (21%), currently in social housing (18%), in emergency accommodation (15%), temporarily sharing with family or friends (12%), in a temporary facility (2%), or in a homeless situation and are not accessing or seeking additional housing support from MSD (6%).
- The number of applicants on the Housing Register and on the Transfer Register fluctuates. This is because people are constantly coming on and off the registers, or because their circumstances are changing in ways which result in a change of priority rating. These include:
 - Attaining better information through regular contact with people on the registers to ensure MSD has the most up-to-date information about their circumstances, their housing needs and their social assistance needs.
 - Helping people on the registers move into the private rental market with extra financial help such as rent and bond assistance, help with moving costs, the Accommodation Supplement, and help with finding paid work.

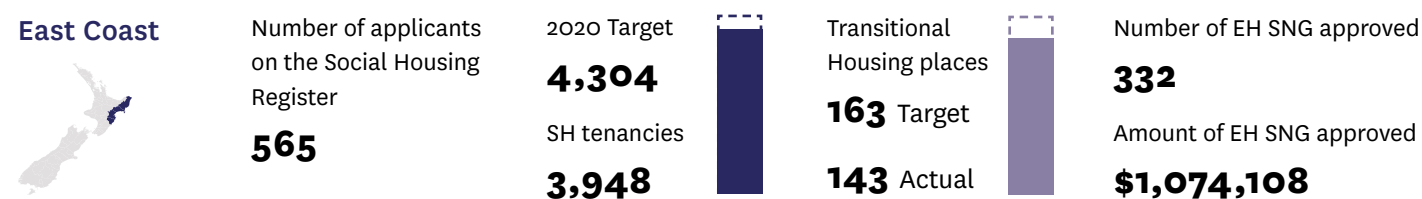
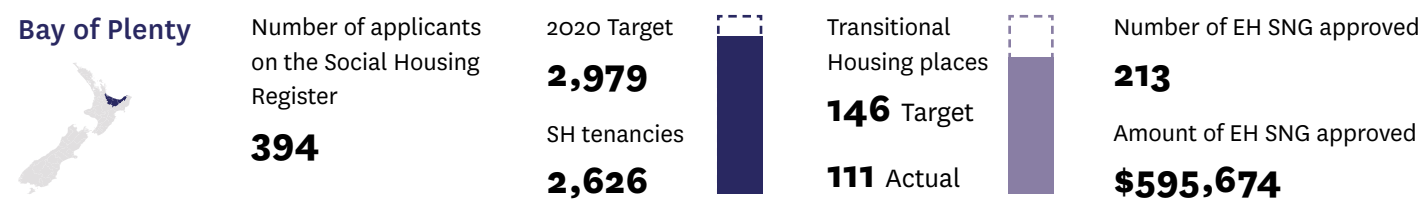
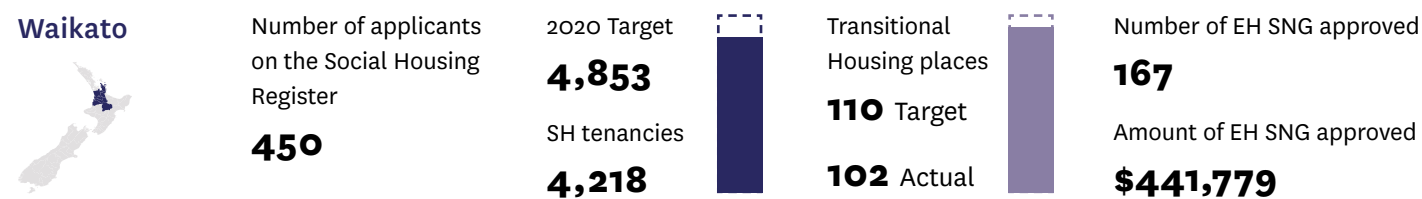
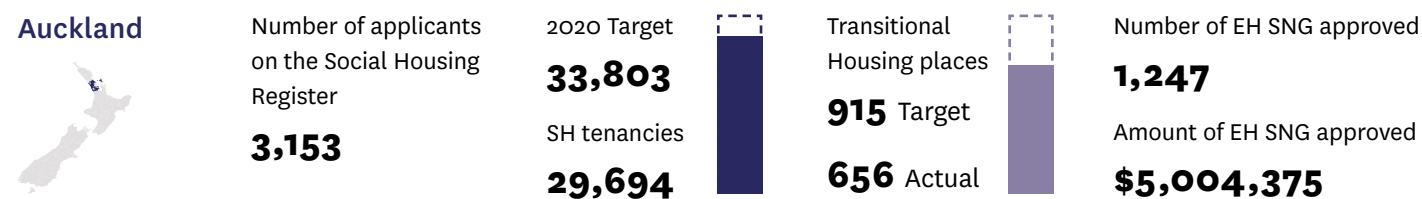
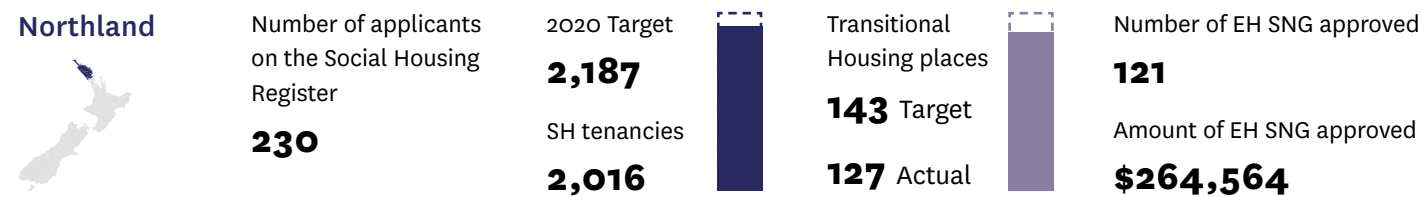
Regional Overview

The top two Territorial Authorities for applicants on the Housing Register as at 30 September 2017 continued to be Auckland (2,464 applicants) and Christchurch (458), which account for half of the applicants on the register

Compared with the same time last year, there was an increase in the number of Housing Register applications in Auckland (up 29% or 557 applicants) and the rest of New Zealand (up 32% or 720 applicants).

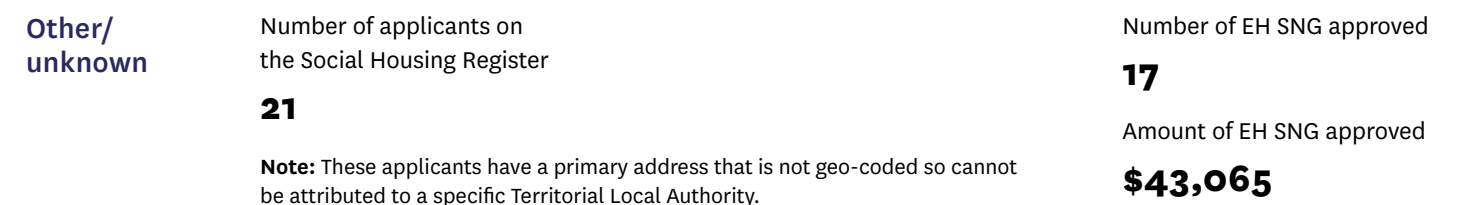
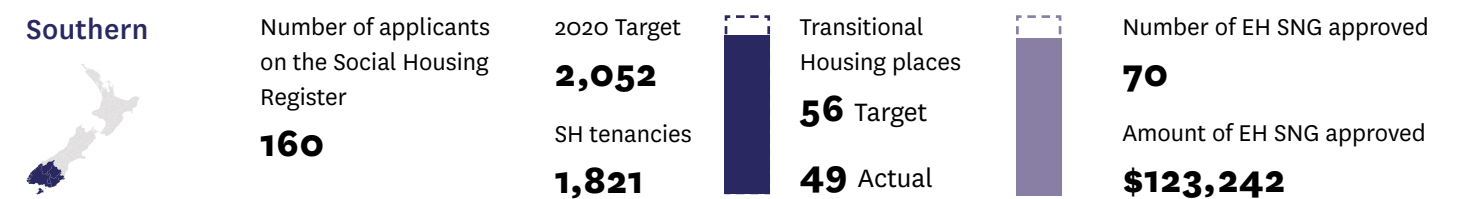
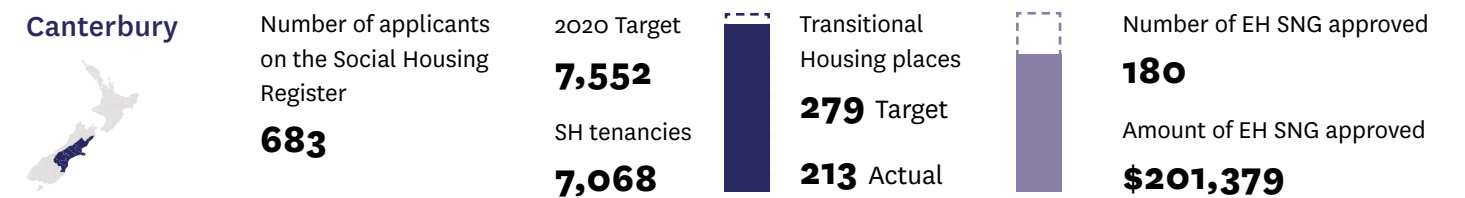
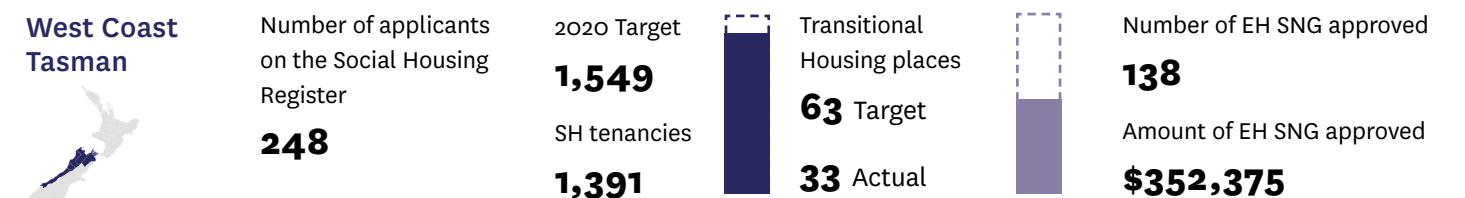
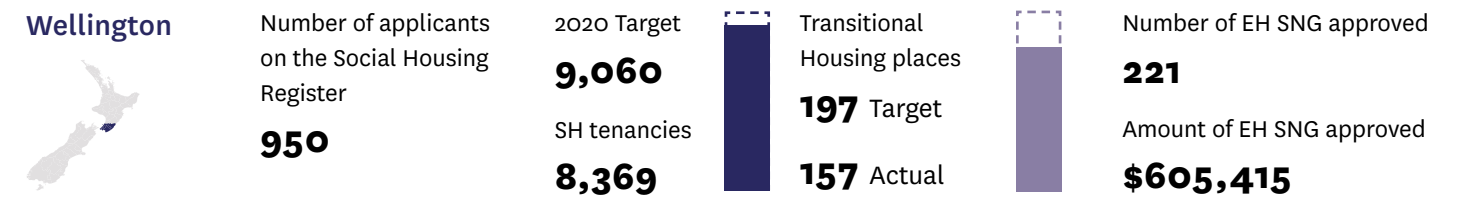
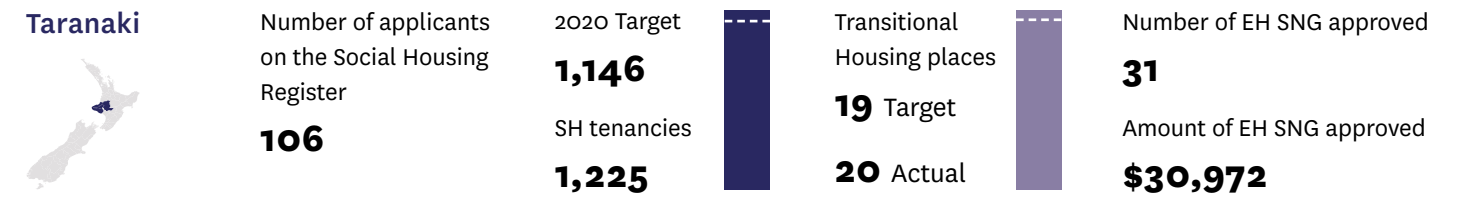
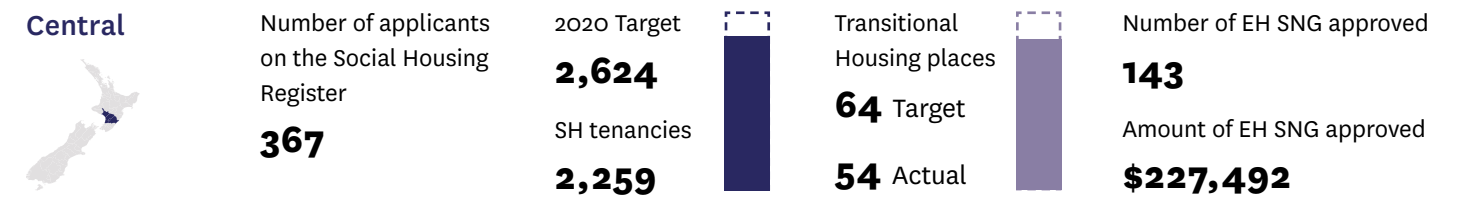
The Purchasing Strategy is due to be updated in December 2017, where targets will be reassessed and aligned to updated demand. MSD is not intending to reduce supply in any area.

The 2020 targets outlined below are based on the Purchasing Strategy 2016 data, that dates back to September 2016.



Notes:

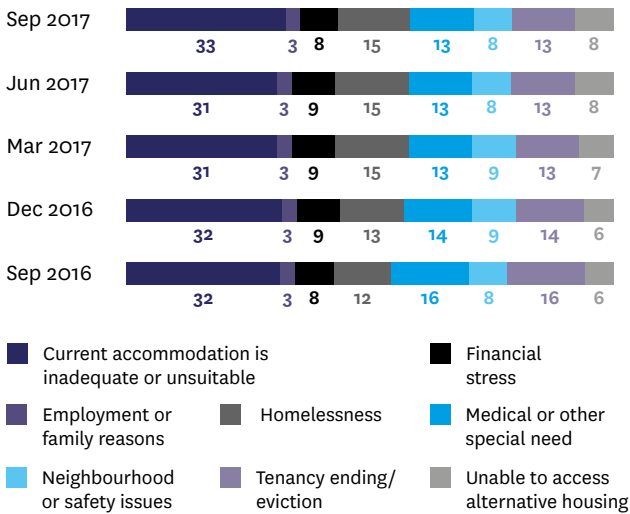
- Social Housing Register includes both the Housing Register and Transfer Register as at 30 September 2017.
- Transitional Housing – Actual is at 30 September 2017.
- Emergency Housing – Number of EH SNG is the number of distinct clients who were granted a SNG in the quarter ending 30 September 2017.
- Emergency Housing – Amount of EH SNG is the total value of grants issued in the quarter ending 30 September 2017.
- SH (Social Housing) Tenancies includes Housing New Zealand & community housing provider tenanted properties that are either subsidised through Income-Related Rent Subsidy or the tenant is paying market rent, and is at 30 September 2017.



Characteristics of People on the Social Housing Register

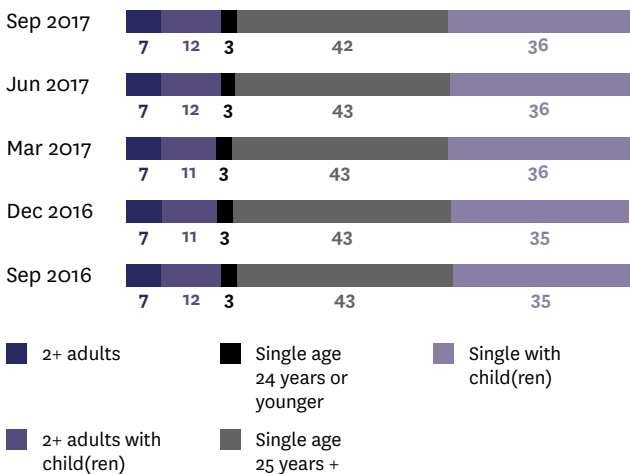
As the register increases, the characteristics of households remains relatively unchanged.

Main reason for application (%)



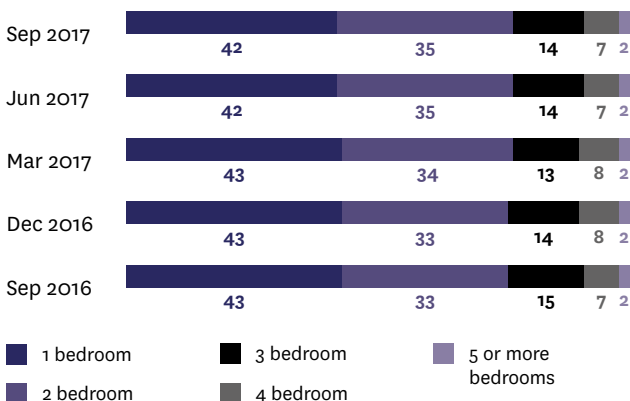
- The main reason given for applying for the Social Housing Register as at 30 September 2017 was “Current accommodation is inadequate or unsuitable” which accounted for 2,391 applicants or 33% of applicants on the Social Housing Register.

Household composition (%)



- Household composition describes the people who will be housed with the applicant. This may include extended family or boarders who are permanent members of the household, and provide or receive financial, physical and emotional support.
- The most common type of applicants on the Social Housing Register as at 30 September 2017 continued to be single adult households, which made up 42% of all applicants (3,080 applicants). The second most common type of applicant was single adult households with children (2,659 applicants or 36.3%).

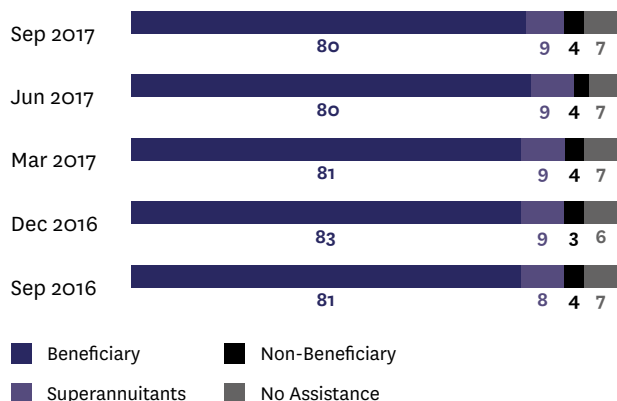
Bedrooms required (%)



- Number of bedrooms required is the number of bedrooms assessed as being required based on the number and composition of the people that will be housed with the applicant.
- The most common number of bedrooms needed for applicants on the Social Housing Register as at 30 September 2017 continued to be one bedroom (3,056 applicants or 41.7%), followed by two bedrooms (2,540 applicants or 34.7%).

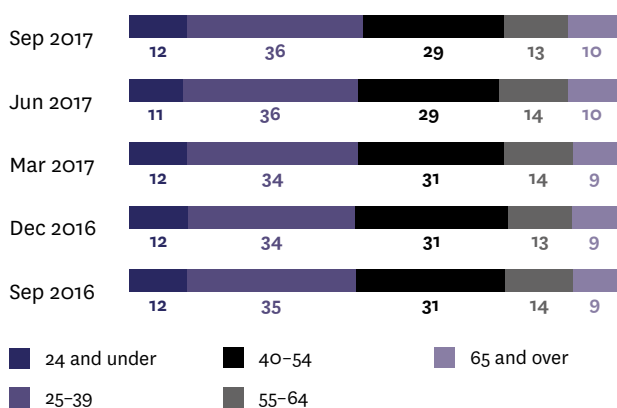
Characteristics of People on the Social Housing Register continued...

Household income type (%)



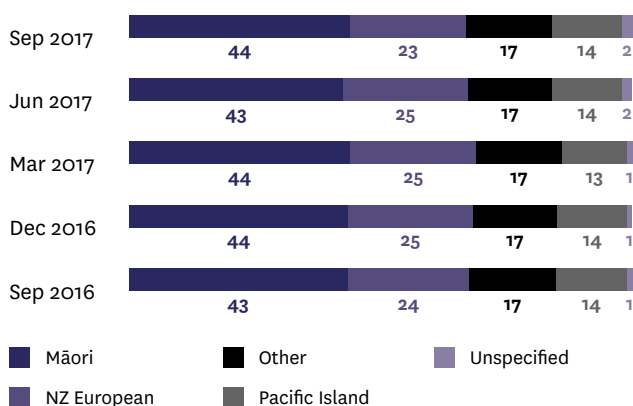
- A large majority (80.1%) of applicants on the Social Housing Register as at 30 September 2017 received a main benefit. The most common benefit received continued to be Jobseeker Support (JS), which made up 30% of applicants (2,204), followed by Sole Parent Support (SPS), (1,712 applicants or 23.4%), and Supported Living Payment (SLP) (1,758 applicants or 24%).

Age of main applicant (%)



- The following age group data in this report is for the main applicant only, and does not include any other individuals associated with the application.
- The most common age group for main applicants on the Social Housing Register as at 30 September 2017 continued to be those aged 25 to 39 years (2,664 applicants or 36.4%), followed by those aged 40 to 54 years (2,129 applicants or 29.1%).
- There has been a modest shift towards applicants on the Social Housing Register being younger over the past quarter. Last quarter, 47.1% of applicants were under 40 years of age. This quarter, 48.1% of applicants are under 40 years of age.
- There were 120 applicants on the Social Housing Register aged 16 to 19 years. This has increased from June 17 quarter, by 8 applicants in this age group.

Ethnicity of main applicant (%)



- The following ethnicity data is self-identified and multiple ethnicities may be chosen by an individual as fits their preference.

Note:

- Main reason for application is recorded at the initial application for social housing only. All other characteristics can change while the application is on the Social Housing Register, based on any change to the household.
- Figures have been rounded.

Transitions

Over the quarter, 1,876 applicants from the Social Housing Register were housed, with an average time of 50 days to house. This is the most people housed in the shortest time over the past year.

Applications Housed

Over the September 2017 quarter, 1,859 applicants from the Housing Register were housed, and 17 applicants from the Transfer Register were re-housed. The majority of applicants housed from both registers were for Priority A applicants (1,763 compared to 113 Priority B applicants). When housed, the majority of applicants from both registers went into a Housing New Zealand property (1,599), while 277 were housed in a community housing provider property.

Time to House

Time to house is defined as the average number of days it takes from the time an application is first registered on the Housing Register or Transfer Register, to the day a tenancy commences for that application.

Applications housed	Mean time to house (days)	Median time to house (days)
Sep 2017 1,876	105.5	50
Jun 2017 1,725	115.9	55
Mar 2017 1,799	107.5	52

Notes:

- After September 2015 time to house is defined as the number of calendar days between the date an application is first confirmed on the Social Housing Register as an 'A' or 'B' priority and the date a tenancy is activated for that application. The date a tenancy is activated may differ from the tenancy start date.
- This table includes both A and B priority applications.
- The quarter in which the tenancy was activated is the quarter in which the application has been reported as housed in.
- Applications housed may have been housed with Housing New Zealand or with a community housing provider.

Housing Support Products

Housing Support Products (HSPs) consist of a range of products designed to assist people to achieve or sustain accommodation in the private housing market. HSPs also help to ensure that people who most need social housing can access it by reducing the number of people on the register, and by helping those who can sustain alternative housing to transition out of social housing.

Since the establishment of the Housing Support Assistance Programme at the end of June 2014, 5,356 HSP payments have been granted, totalling \$5,636,431

The use of HSP increased from the last quarter, up 23.3% from \$699,344 over the June 2017 quarter to \$862,614 over the September 2017 quarter.

Notes:

- A client may have multiple grants during the period for different purposes, but will only be counted once in the overall total of distinct clients.
- This does not include the HSP Relocation from Auckland Assistance.
- MSD's improved reporting now captures HSP Rent in Advance, which was not included in the June quarter figures.

\$486,725	\$55,013	\$54,590
Bond Grants (\$366,544)	Letting Fees (\$45,527)	Moving Assistance (\$55,105)
\$96,968	\$6,959	\$162,359
Rent in Advance (\$68,269)	Tenancy Costs Cover (\$7,767)	Transition to Alternative Housing Grant (\$156,312)
= 875		
Grants for 478 distinct clients (total \$862,614) (554 grants for 375 distinct clients, total \$631,074 – 30 June 2017)		

Social Housing Overview – September 2017

6,773

Existing applications from June quarter

The number of applicants on the Housing Register and on the Transfer Register fluctuate. This is because people are constantly coming on and off the register, or because their circumstances are changing in ways which result in a change of priority rating. The information below illustrates the entries on and off the Housing Register and Transfer Register for the September 2017 quarter, with the numbers in brackets showing the June quarter.

4,351

New entries over September 2017 quarter (4,072 over June 2017 quarter)



● **3,932**
Housing Register (3,687)

● **419**
Transfer Register (385)



● **3,443**
Priority A (3,253)

● **908**
Priority B (819)

1,839

Register exits over September 2017 quarter (1,677 over June 2017 quarter)

1,876

Applications housed over September 2017 quarter (1,725 over June 2017 quarter)

50

Median time to house (days) over September 2017 quarter (55 over June quarter)

1,859 (1,703)
Housing Register

49 (54)
days

17 (22)
Transfer Register

117 (105)
days

1,763 (1,618)
Priority A applicants

49 (53)
days*

113 (107)
Priority B applicants

58 (72)
days*

1,599 (1,504)
housed in HNZC properties

277 (221)
housed in CHP properties

* these are not BPS measures.

7,327

Current applications at 30 September 2017 (6,773 at 30 June 2017)



● **5,844**
Housing Register (5,353)

● **1,483**
Transfer Register (1,420)



● **4,908**
Priority A (4,532)

● **2,419**
Priority B (2,241)

2,635

Tenancies ended over September quarter (3,353 over June quarter)

Note: The difference in register flow and outcomes is generally due to tenancy transfers where a tenancy is ended and a household is housed but do not originate from the social housing register.