

TO: Community Development Committee

FROM: Survey Administrator

MEETING DATE: 23 April 2012

SUBJECT: **SOCIAL HOUSING IN DUNEDIN TO 2031 - PROJECTED DEMAND AND SCENARIOS FOR FUTURE**

SUMMARY

This report aims to present the report An Assessment of Future Social Housing Needs in Dunedin City 2011 – 2031, discuss the implications of the scenarios proposed in the report, and to begin a conversation about how the city may address potential demand in the future.

It is estimated that up to 1,000 "new housing solutions" will be required for social housing consumers in Dunedin by 2031 (The Property Group (TPG) report 2011). This equates to between 30 and 50 additional units per year, most of which will be required as accommodation for the elderly. Currently there are around 2,736 social housing units in Dunedin, so an increase of 1,000 more units in the next 20 years is significant. This projected demand has implications for the Dunedin City Council (DCC) as the Council is committed to being a lead provider of social housing in Dunedin (particularly for older people) and to playing a lead role in facilitating a partnership approach amongst providers (p 12, DCC Dunedin City Social Housing Strategy 2010-2020).

IMPLICATIONS FOR:

- | | |
|--|--|
| (i) Policy: | No |
| (ii) Approved Annual Budget: | No |
| (iii) LTP /Funding Policy: | No - while this report does not have implications for the current Long Term Plan, it does have implications for planning for the increasing demand for social housing in Dunedin up to 2031. |
| (iv) Activity Management Plans: | No |
| (v) Community Boards: | No |
| (vi) Sustainability: | Yes - this report has implications for the long term sustainability of the supply of social housing in Dunedin, particularly in relation to: a decision making lead role around appropriate locations for new social housing that enables a more sustainable way of life for social housing residents. |

RECOMMENDATIONS

That staff work with the Social Housing Providers Network on the scenarios, develop options going forward and report back to Council.

INTRODUCTION

This report aims to alert Councillors to significant increased demand for social housing consumers by 2031, and to discuss possible options for dealing with this demand.

It is estimated that up to 1,000 "new housing solutions" will be required for social housing consumers in Dunedin by 2031. This equates to between 30 and 50 additional units per year, most of which will be required as accommodation for the elderly. Currently there are around 2,736 social housing units in Dunedin, so an increase of 1,000 more units in the next 20 years is significant. This projected demand has implications for the Dunedin City Council as the Council is committed to being a lead provider of social housing in Dunedin (particularly for older people), and to playing a lead role in facilitating a partnership approach amongst providers (p 12, DCC Dunedin City Social Housing Strategy 2010-2020).

BACKGROUND

In March 2010, the Dunedin City Council (DCC) adopted the Dunedin City Social Housing Strategy, a ten year plan for improving the range and performance of housing assistance in the city. The Strategy identified a need for an analysis of social housing provision "to provide a more complete understanding of the city's social housing needs now and into the future" (p12, DCC Dunedin City Social Housing Strategy 2010-2020). The Property Group Limited (TPG) was contracted to "undertake a needs analysis for social housing for the period 2011-2031 in order to determine what the gaps are and the scale of need, and how to meet the needs over that period, both in terms of type of accommodation and geographical location" (p1, TPG report).

Social housing is defined as the "provision of accommodation assistance for individuals and families whose housing needs or circumstances are not adequately provided for by the private sector" (p1, TPG report). TPG's approach was to assess data and statistics as well as interviewing key individuals and organisations who are involved in social housing in Dunedin.

DISCUSSION

Key points of TPG report

The TPG report includes an Executive Summary (Attachment 1) as well as a detailed report (pp 8-71) and appendices. The full TPG report is available on www.dunedin.govt.nz.

Key points are:

- Population growth between 2011 and 2031 will be slow (about 4%) but the number of family households will decrease and the number of non-family households will increase (especially those headed by people over 65 years).
- Housing stock tends to be older and more affordable than housing in most other NZ cities.
- Home ownership is declining in Dunedin and rental housing is increasing. TPG identify the main reason here as lack of affordability.
- Currently there are 2,736 social housing units in Dunedin City, about 20% of all rental housing in the city.
- The Housing NZ Corporation (HNZC) is the largest provider of social housing in Dunedin (1483 units). HNZC housing and staffing numbers have been declining since the 1990s and are predicted to decline further.
- The Dunedin City Council (DCC) has 954 units which are mostly used for pensioner housing. It has a five year upgrade programme after which it plans to increase housing

stock by five units per year. It is committed to being a lead provider of social housing in Dunedin.

- There are 24 other organisations that own and/or manage 345 social housing units (800 bed-spaces) addressing mainly disability and mental health related housing need.
- The above social housing providers appear to meet most cases of serious housing need in Dunedin.
- **TPG estimate up to 1,000 "new housing solutions" will be required for social housing consumers in Dunedin by 2031.** This equates to between 30 and 50 additional units per year. These will be needed for older people. There is also some unmet demand for health and disability related housing and a need to cater for small population based growth.
- TPG discusses three scenarios for meeting demand for social housing in the next 20 years, and says the "paradigm shift" where all Dunedin social housing providers agree to become shareholders in a single "Dunedin Social Housing Trust" will provide the most benefits.

General Implications for Council

TPG estimate the need for up to 1,000 new housing solutions, mainly for older people by 2031. Currently there are around 2,736 social housing units in Dunedin so an increase of 1,000 more units in the next 20 years is significant. There are two key implications this will have for the DCC:

- As the staff and housing numbers of HNZA continue to decline, the onus of providing social housing, particularly for older people, will fall more on the DCC who are committed to being a "lead provider of social housing in Dunedin, particularly housing for older persons" (p12, DCC Dunedin City Social Housing Strategy 2010-2020).
- There may also be increased responsibility for the DCC to co-ordinate joint responses to the demand as they are committed to "play a lead role in facilitating a partnership approach amongst all social housing providers and other key agencies in addressing social housing issues" (p12, DCC Dunedin City Social Housing Strategy 2010-2020).

SCENARIOS SUGGESTED BY TPG

TPG offers three scenarios for the future of the Dunedin social housing sector. They are:

- 1 Business as usual.
- 2 Consolidation - where several organisations become key social housing providers as HNZA relinquish staff and housing stock.
- 3 Single housing trust - where existing providers become shareholders.

These scenarios were discussed by Council staff representatives from City Property, Community Development, City Development and Corporate Policy. The scenarios are described below along with staff notes on some of the implications, advantages and disadvantages of each.

1 Business as usual:

This is based on the sector's current structure, and minimal changes to existing health and policy settings. Assumptions under this scenario are that HNZA housing stock number will continue to fall and that DCC stock numbers will increase by five units per year from 2016 (75 new units by the end of 2031), pp 66-67 TPG report.

Implications:

- This scenario will not meet the projected demand so there will be unmet demand for social housing (particularly amongst older people) in Dunedin City.
- It is likely there will be little or no government investment in Dunedin as social housing needs are greater elsewhere in New Zealand, and central government has indicated it will be more likely to fund organisations who 'think big'.
- There will be increased demand on DCC units so eligibility criteria will need to be tightened.
- There will be pressure for increased DCC investment into social housing.

- Meets DCC Dunedin City Social Housing Strategy commitment of being lead provider of social housing for older people, but may or may not meet their commitment of playing a lead role in facilitating partnership approach amongst providers.

Advantages:

- DCC/ratepayer retains control of social housing assets, and also the quality and standard of social housing it provides.
- DCC continues to provide quality accommodation for elderly.
- There is no impact on DCC rates.
- There is no increase in DCC capital demand.
- High occupancy rates of DCC social housing are maintained.

Disadvantages:

- There will be unmet demand for social housing which will mean insufficient accommodation, longer waiting lists, greater need, and increased potential for homelessness and housing stress amongst the elderly in Dunedin.

2 Consolidation:

This includes HNZZ reducing its role in social housing and transferring surplus stock to other social housing providers. TPG view is that the DCC and two to five 'niche housing trusts' could pick up surplus housing stock and consolidate their positions in the social housing sector in Dunedin.

Implications:

- There will be unmet demand for social housing which will mean insufficient accommodation, longer waiting lists, greater need, and increased potential for homelessness and housing stress amongst the elderly in Dunedin.
- There will be some staffing and budget issues for DCC.
- There will be increased demand on DCC units so eligibility criteria will need to be tightened.
- There could be a call for DCC to diversify into social housing for customers other than the elderly.
- It is likely there will be little or no government investment in Dunedin.
- Meets DCC Dunedin City Social Housing Strategy commitment of being a lead provider of social housing for older people, but may or may not meet commitment of playing lead role in facilitating partnership approach amongst providers.

Advantages:

- DCC/ratepayer retains control of social housing assets, and also the quality and standard of social housing it provides.
- DCC continues to provide quality accommodation for elderly.
- High occupancy rates of DCC social housing are maintained.
- Could lead to better co-ordination and consolidation of social housing sector providers.

Disadvantages:

- There will be unmet demand for social housing which will mean insufficient accommodation, longer waiting lists, greater need, and increased potential for homelessness and housing stress amongst the elderly.
- There will be pressure for increased DCC investment into social housing.

3 Single Housing Trust:

A single housing provider is formed which will own and manage all social housing in Dunedin. Existing social housing providers work together to form this Trust and become shareholders in it. Existing social housing assets are transferred to the Trust at sub-market/peppercorn rates.

Implications:

- Meets Dunedin City Social Housing Strategy commitment of playing a lead role in facilitating partnership approach amongst providers but does not meet commitment of being a lead provider of social housing in Dunedin.

Advantages:

- Could attract central government funding as a big social housing provider, and as a pilot scheme.
- The size of the Trust's assets mean it could generate enough income over 20 years to fund 1,000 new social housing units, as well as undertaking a substantial upgrade programme.
- All social housing providers are represented and working together for benefit of those in housing need.
- Could provide better utilisation of Social Housing stock with a one stop service.
- If HNZN stock is merged into a Trust it may stop the decline in number of bed offered as any stock sold off would be replaced with more appropriate stock in Dunedin.

Disadvantages:

- If the Trust is managed badly, the quality of all social housing in Dunedin could decline.
- DCC would be giving away \$65 million asset of social housing portfolio.
- DCC would relinquish control of quality and standard of social housing for older people.
- DCC would not meet its obligation of being a lead provider of Social Housing in Dunedin as per the DCC Dunedin City Social Housing Strategy 2010-2020

CONCLUSION

TPG predict significant increased demand for social housing amongst older people in Dunedin in the next 20 years. TPG outline some of the scenarios to address this demand for Council consideration. This report provides a starting point for discussion on the future of Social Housing in Dunedin.

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Date report prepared: 25 March 2012

Attachments

- 1 Dunedin City Council Dunedin City Social Housing Strategy 2010-2020
- 2 Executive Summary from, 'An Assessment of Future Social Housing Need in Dunedin City 2011-31', by The Property Group (TPG), November 2011

Dunedin's Social Housing Future



An Assessment of Future Social Housing Need in Dunedin City 2011-31



The Property Group Limited's Report to Dunedin City Council - January 2012



1 Executive Summary

In March 2010, the Dunedin City Council ("DCC") adopted the Dunedin City Social Housing Strategy, a ten year plan for improving the range and performance of housing assistance in the city. The Strategy included a requirement for Council to commission a Social Housing Needs Assessment to guide future planning by Council and other social housing providers.

1.1 Introduction

The Property Group Limited ("TPG") began work on the Dunedin Assessment in mid-2011. In accordance with the Council's brief, our primary task has been to "...undertake a needs analysis for social housing for the period 2011-2031 in order to determine what the gaps are and the scale of need, and how to meet the needs over that period, both in terms of type of accommodation and geographical location."

TPG's approach is based on a mix of quantitative analysis and feedback from key stakeholders:

- We have made extensive use of previously published data, plus newly-commissioned statistics provided by Dunedin City Council, the Department of Building and Housing, and Statistics New Zealand. The result is a robust analysis of population and housing trends that will shape future demand for social housing in Dunedin.
- Forty individuals and organisations were identified as playing a role in the Dunedin social housing sector. Twenty of these were interviewed and others asked to complete a questionnaire. The result is a comprehensive picture of the sector, and its capacity to respond to future housing need.

The Assessment begins with a discussion on what we mean by social housing, and who needs such housing. Our own definitions largely follow those used in the Dunedin Strategy, which defines social housing as:

"...the provision of accommodation assistance for individuals and families whose housing needs or circumstances are not adequately provided for by the private sector."

In line with the Council's brief for this assessment, we take accommodation assistance to mean direct provision of state houses, council housing, and other specialist accommodation managed by government or third sector agencies. This is in contradistinction to income support mechanisms like the Accommodation Supplement ("AS"), which is designed to make private sector (market) housing, more affordable.

The target population (social housing consumers) for direct social housing assistance is defined as:

Individuals and households who cannot access appropriate, secure and affordable housing through the private sector (with or without financial assistance from the AS) because of one or more of the following issues:

- *Extreme affordability issues that cannot be fixed by minor AS tweaks.*
- *High and complex needs.*
- *Health and disability issues.*
- *Age-related housing issues.*
- *Emergency or transitional housing needs.*

As a general rule, social housing consumers will be found amongst Dunedin's lowest income households and (unless they are already in subsidised housing) will struggle to meet their rental and other housing outgoings.

Together, social housing consumers and providers make up the social housing sector. TPG has developed the "social housing matrix", which brings the forces of social housing demand and supply together into a single conceptual form. Each cell in the matrix describes the relationship between a particular market segment (for instance affordability or disability) and the main providers of social housing for that segment. We have used the matrix to organise much of this Assessment.

The Social Housing Sector Matrix

		The Social Housing Sector			
Layer: Role:		Central Government Direct provision and funding	Local Government Direct provision and other support	3 rd sector Direct provision, advocacy and other support	Informal Family, indirect 3 rd sector support, churches etc
Housing Need – type of need	Housing affordability				
	Housing Quality				
	High and complex needs				
	Health and disability				
	Older people				
	Maori				
	Emergency/transitional housing need				
	Other population-based - Refugee & migrant - Pasifika				

Source: TPG 2010

1.2 Forces Shaping Dunedin's Social Housing Future

Sections 2-4 of the Assessment consider the demographic and other trends shaping Dunedin's housing future. The aim is to create a robust evidence base to support later discussions on social housing demand and supply. The key points are as follows:

Population and Household Trends

In 2011, Dunedin City's resident population totalled about 124,000, living in 47,700 household units. There are about 22,000 tertiary students living in Dunedin, almost 20% of the City's resident population, and about 70% of all people aged 18-25.

Between 2011 and 2031 Dunedin's population will grow by about 5,000 (4%). By contrast, New Zealand as a whole will grow by 16% over the same period, which means that Dunedin will continue to decline as a proportion of the New Zealand's population – from around 3% at the time of the last census, to 2.5% in 2031.

These movements will be accompanied by major changes to Dunedin's household composition. Between 2006 and 2031, for instance, there will be a real reduction in the number of family households (net -1,600) and substantial growth in non-family households (+8,900). About 80% of new non-family households will be headed by people aged over 65.

Housing Market Trends

Dunedin's housing stock is on average older than most New Zealand cities, reflecting slow population growth in the last 50 years. Net growth in housing numbers has averaged less than 0.5% per annum in the past 20-30 years, mostly restricted to larger suburban dwellings and hostel-type accommodation. By contrast, the number of one and two-bedroom housing units has declined by almost 650.

Value-wise, Dunedin has its share of high priced housing, generally located in select suburban areas like North Dunedin, Maori Hill, or lifestyle areas such as Taieri and the peninsula. In most other suburbs, an average house can still be purchased for under \$250,000.00 (June 2011). In areas with a strong rental presence, average sale prices are below \$200,000.00.

As a result, Dunedin ranks as one of New Zealand's most affordable cities for aspiring home owners. Correspondingly low household income levels, however, meant that Dunedin experienced a net drop in owner-occupied housing of 729 units in the City between 1996 and 2006, and indications are that the home ownership rate has continued to decline.

By contrast, the number of rented dwellings increased by 1,446 units between 1996 and 2006. The result is that, in "cash flow positive" suburbs close to the university, and in low-priced suburbs like South Dunedin, rental investors now dominate the property market.

In line with national trends, we expect that the slide in home ownership rates will continue, with the following result:

- As the population ages, non-family households will make up a greater proportion of owner-occupied housing.
- By contrast, family households will make up an increasing number of households in rented accommodation.
- Our estimate is that about half of Dunedin's resident population already lives in rented accommodation, and this is likely to climb to over 60% during the assessment period.

1.3 The Rental Housing Market

In 2006, Dunedin's rental housing market comprised approximately 13,500 dwellings. The highest concentration of rental housing is found close to the city centre, especially around Otago University, where almost 90% of all housing is rented or leased.

Dunedin's lower-income inner suburbs (Caversham, St Kilda and South Dunedin) have all experienced a rapid increase in rental housing numbers in recent years. In the case of South Dunedin, rental housing has overtaken owner-occupied housing as the predominant tenure. Mosgiel has emerged as Dunedin's largest rental centre outside of the inner city.

Demand for rental housing in Dunedin comes from four main areas, or market sectors:

Discretionary and life-style renters (about 15% of all renting households) are generally described as those who can afford to own a dwelling, but choose not to for a number of reasons, for instance households on temporary transfer to Dunedin, or families that can afford to own a lower-priced suburban home, but prefer to live in higher-priced areas like the CBD.

Other life-cycle renters are at a stage in life where home ownership is not seen as a priority. Most recognisable within this sub-group are young people living in multi-person households, and young singles/ couples.

The intermediate rental housing market (upwards of 40% of all renting households) is defined as those households currently renting in the private market that have at least one member of the household in paid employment but who cannot afford to buy a low-cost house under standard housing criteria.

Recent research suggests that this group is the fastest growing of all housing market sub-groups. The thesis is that, as house price rises have outstripped incomes, other spending pressures have reduced the ability (or inclination) of New Zealand Households to save a deposit for their first home.

As a result, many households who traditionally moved from renting to home ownership at the family formation stage of their life cycle now face the prospect of being lifetime renters. We estimate that about 4,000 Dunedin renters could fall within this market segment, up from only a few hundred in the 1980's when Homestart and other government home ownership incentives were last available.

The student housing market consumes about 20% of all Dunedin rental housing, and is regarded by landlords as the most profitable market sector. Although students are generally on low incomes, they are willing to pay a higher proportion of their income in rent to live close to university. They also prefer to live in multi-person households, thus increasing rental "buying power".

As a result, many landlords have reconfigured their properties in recent years, adding bedrooms and improving quality (especially insulation and heating) to attract the high per-bedroom rates students are able to pay. Students are highly mobile, and accounted for more than 60% of all new letting activity in 2010.

The Social Housing Sector is made up of the lowest-income (mainly beneficiary) households in the private rental market (excluding students), plus those already resident in Housing New Zealand Corporation ("HNZC"), Council or third-sector-owned housing.

Rental affordability and other issues faced by this market segment are discussed in more detail later in the paper. As a starting point, however, we estimate there are about 3,500 renting households either facing serious housing stress in the private market or already housed by the social housing sector.

Market rent levels in Dunedin are still low by main centre standards, but have moved up over the past decade to a point where the City is no longer the "low rent capital" of New Zealand. The largest rental price increases have occurred in traditional low-cost rental areas where the emerging intermediate housing market is competing with traditional low-income renters for available stock.

This is particularly the case for smaller one and two-bedroom rental stock, for which weekly rentals have increased by more than 100% in some areas over the past five years.

1.4 Affordability and Housing Stress

As a result of increasing rents, more and more private renters are experiencing “housing stress” which is generally measured by the number of households in the lowest 40% income bracket that pay more than 30% of their income in housing outgoings. Rental subsidies like the AS are generally triggered around this level.

More than a third of all renting households (excluding students) suffered housing stress in 2006, of which more than 70% were paying 40% or more of their household incomes in rent. Single person households, sole parents and (to a lesser degree) couple-based households were “most likely” to experience serious housing stress.

To better understand housing stress in today’s rental marketplace, the Assessment includes affordability calculations for a range of different households using contemporary income and rent data (current at mid-2011). The main findings are:

- The affordability threshold for market rental housing is around \$30,000 for households with children, and about \$20,000 for single people. Above these levels, most households can afford a lower quartile rental unit sourced from the private sector with the aid of Working for Families and the AS.
- Family households earning over \$40,000 annually usually have a choice of housing type (apartment or house, three or four bedroom) and location.
- Single people who rely on a benefit and cannot easily share housing are most at risk, along with single parent family households.
- For such households, there are few affordable options in the current market – at least not at current market rents.

Our summary analysis is that sole parent households, older single and couple renters without savings, and people on invalids benefits are particularly exposed in the private rental market, and are most likely to turn to subsidised housing if market rent rises outstrip rises in benefit levels and the AS.

1.5 The Social Housing Sector

In Section Seven, we take a closer look at the social housing sector, its current form, and its capacity to absorb any increase in social housing demand. The findings are largely based on sector interviews and data collected in mid-2011.

In summary, Dunedin’s Social Housing asset pool currently comprises almost 2,800 housing units owned by 26 housing providers. The sector currently houses about 80% of those broadly identified as being social housing consumers - the balance being housed in private sector housing either at market rates or via informal subsidy arrangements.

The social housing portfolio is heavily geared towards smaller units, with over 70% of all units being two bedrooms or less. Only 6% of all units contain four bedrooms or more.

- HNZC (1483 units) is Dunedin’s largest provider of generic social housing, although its influence has been on the wane since the early 1990’s as a result of successive housing reforms.
- Dunedin City Council has one of the largest pensioner portfolios (on a per capita basis) in New Zealand (954 units). The City has reaffirmed its commitment to retaining an older persons housing portfolio, and growing numbers over time.
- The current plan is for Council to focus on a five year comprehensive refurbishment programme, after which the depreciation reserve will be applied to increase stock numbers by about 5 units per year.
- Third Sector Providers: During consultation we identified a further 24 separate organisations that own and/or manage a total of 345 social housing units comprising more than 800 bed spaces - heavily weighted towards intellectual disability and mental health-related housing need.

Although details of total social housing demand is sketchy, our analysis suggests that social housing providers have managed to absorb most cases of serious housing need in the city. As a broad estimate of unmet demand, there are up to 200 individuals and households on various wait lists who could be construed as having serious and immediate housing need. Low income single people and sole parent families are most at risk, in particular those with support housing needs or at the severe housing stress end of the affordability spectrum.

Our summary assessment of the social housing sector is that it is performing well (at least by national standards), but faces some significant challenges in the years ahead:

- The sector's largest provider (HNZC) is in decline, shedding units and staff.
- Dunedin City Council has made a commitment to increase older person's numbers, but its ability to do so is likely to be dwarfed by increasing demand from Dunedin's aging population.
- The number of third sector housing providers has grown significantly since 1990, but many are at a watershed. In particular the relevance of group housing is being questioned, and few third sector providers have capital to fund an expanded housing programme.

Our overall impression is that the Dunedin social housing sector lacks role clarity. HNZC and City Council, for instance, are both significant providers of housing for older people, but have yet to coordinate their waiting lists.

The human capital of the sector is fragmented across multiple agencies, as are rental cash flows. This we believe will be the sector's greatest challenge, to reconfigure itself in a way that will attract new capital, and build future capacity.

1.6 Forecasting Future Demand

The table below summarises our view of new demand for social housing over the 2011-31 assessment period (Section 8). Our overall assessment is that demographic forces will play a large part in shaping demand growth:

- About 1,000 new "social housing solutions" will be required to meet the needs of older social housing consumers, including a significant increase in independent living units, and supported housing for 80+ households.
- The overall quantum of working age households needing social housing assistance is likely to decline, although there will be an increase in sole parent households (2-300) and single people (500+) seeking assistance. This supports a case for reconfiguring the existing portfolio.
- Population and benefit trends suggest that Dunedin is unlikely to face a significant surge in demand for health and disability-related housing. Third sector providers have, however, identified a number areas of unmet demand, and some provision should be made for population-based growth.
- Emergency/transitional housing in Dunedin is currently restricted to ex-offender housing, refugees and the night shelter. Sector respondents believe that additional provision is immediately required for young people at risk, young women and children with addiction and other complex needs and homeless women. Longer term, more transitional housing will be required to cater for New Zealand's growing prison population.

Table 1.1: Forecasting Future Demand - Summary Assessment

Market Segment	Demand Drivers	Current Provision (approx. units)	Current Unmet Demand	Net New Demand 2011-2031
Affordability	Working age households 15-65 years	1,400 in HNZC	A's B's & C's	Any future rise in demand offset by reduction in overall no. of working age households? Key issue is stock reconfiguration
	- Lowest income couple family households	200 in DCC		
	- Sole parent family households	32 units		
	- Growing number of singles and couples with serious affordability issues			
Older People	65+ Renters	200 in HNZC	Approx 100	800
	- Existing HNZC tenants getting older	500 in DCC		
	- Existing DCC tenants getting older			
	- Other low income non-family households unable to sustain market rents			
	80+ renters capable of living in a non-rest home environment	70 in HNZC	0-10	200
	- Existing HNZC tenants	150 in DCC		
	- Existing DCC tenants			
	- Low income single and couple renters			
	Aging older people with Intellectual disabilities	Unknown	20	Unknown

Market Segment	Demand Drivers	Current Provision (approx. units)	Current Unmet Demand	Net New Demand 2011-2031
Mental Health & Addiction	Current provision just underdone?	102 units	Varies	10 new individual housing solutions
	No population-based rationale for increasing numbers?	220 beds		
Intellectual disability	No population-based rationale for increasing numbers?	114 units	About 20	20-40 new individual housing solutions
	Market gap - Supported living for people never before institutionalised	375 beds		
	Key issue - quality of private sector housing			
Physical Disability	Key issue – shortage of modified housing	9 units	DHB not sure	5-10 new individual housing solutions
	Market gap – young people in rest homes	54 beds		
	Not a Social housing supply issue?			
Emergency and Transitional Housing	Market gap Young people on youth benefit	9 units	7 units	3-4 units?
	Young women and children	38 beds		
	Homeless women – emerging/identifiable			
	Increasing prison population			

1.7 Future Social Housing - Supply and Location Issues

Section 8 considers future trends in social housing supply. For older persons housing, there is a need to move toward a “multiple solutions” environment which enables older people to move from family housing, into independent older persons housing and then into supported care within the same community. In particular, workable options are needed for the “oldest old” (80+ households), because rest homes are unlikely to be freely available.

Our view is that social housing providers can learn a lot from the private sector, which has led the way in creating housing products that enable older people to age in place beyond their capacity for independent living. Retirement villages are amongst New Zealand’s fastest growing forms of new housing, and are widely utilised by people that can afford them. They provide a range of on-site services as well as different types of accommodation, along with a managed environment that addresses core concerns of older people such as social isolation and safety.

The challenge for the social housing sector is to make similar levels of support available to older renting households, especially those moving into advanced age. At best, this could be delivered in partnership with private sector or not-for-profit retirement village operators, so that affordable rentals would be largely indistinguishable from owner-occupied units.

An alternative approach would be to create a “virtual” village, which augments existing independent living units with supported living options and integrated services based within the same community.

Whatever option(s) are selected, the sector will have to “think smart” and explore a wide range of housing options - from low/no cost options like encouraging older people to share housing through to affordable supported housing /environments like Abbeyfield. We doubt whether the current policy environment will support an estimated 1,000 independent living units - likely to cost upwards of \$175 million¹ over the 20 year assessment period.

For health and disability housing, we see the move towards individualised housing solutions as a major challenge. For instance, for every 100 group home residents, the sector would need about \$15 million to transfer them to single or two-person supported housing units.

¹ Based on 60m² and an inclusive modal construction cost of \$2,000.00m², plus provision for land development and project costs

The brief calls for consideration of where new social housing should be located. In our view, location should be based on four core considerations:

- **Follow demand:** in particular look at the largest and fastest-growing rental areas. How much social housing provision has already been made? What proportion of the community is made up of low-income tenants?
- **Financial considerations:** Where can the sector best leverage off the existing social housing investment? What are the dangers of doing this, for instance, increasing the concentration of social housing within an already depressed area?
- **Segment-related considerations:** Are there any special features of a community that make it more or less suitable for housing a particular social housing market segment? For instance, flat access, employment, proximity to health and other services?
- **Wider principles** like enabling people to age in place

Ultimately, a degree of pragmatism is required in deciding where to locate new social housing. We would urge future housing planners to “think with a broad brush”, and engage with future housing consumers. Do not, for instance, assume that people will always want to age in place - some may be glad to move out of rapidly transitioning central suburbs to an integrated older persons “community”.

1.8 Conclusion - Future Directions for the Social Housing Sector

The Assessment concludes with a discussion of three scenarios, each of which offers an alternative view of how the social housing sector will develop over the 2011-31 assessment period:

- The **business as usual scenario** is based on the sector’s current structure, and minimal changes to existing health and policy settings. Under this scenario, the Dunedin sector is likely to decline in size and relevance.
- A **consolidation scenario**, built around the Government’s recently-announced Housing Reform package. This includes reducing HNZA’s role, and transferring surplus stock to other social housing providers. New capital funding is also available, but only to providers offering scale and innovation.
- Scenario Three - **paradigm shift** - is based on all of Dunedin’s social housing providers (including HNZA and Council) agreeing to become shareholders in a single “Dunedin Social Housing Trust”.

Our assessment is that a single social housing agency vehicle would deliver management efficiencies, better coordination and operating surpluses large enough to fund expansion of housing.

In conclusion, Dunedin City’s social housing sector is at the beginning of a new chapter. Provision of affordable housing for families in the 1960’s and 70’s was well-funded, and occurred alongside a discrete pensioner housing programme. De-institutionalisation in the 1980’s and 1990’s was equally well funded, and resulted in a well prepared and committed third sector that would be the envy of most other New Zealand cities.

Over the next 20 years, however, Dunedin faces an uncertain future. The city is unlikely to be a priority for Crown funding, there are too many overlaps (at least in our view) and the sector’s capacity to expand is in doubt.

The scenarios suggest that these problems can be overcome, and that the best results will come from the City itself taking full responsibility for its social housing sector, resolving differences and encouraging synergies at a local level in preference to being subject to central government policy imperatives.



Dunedin City Council

Dunedin City Social Housing Strategy

2010 – 2020

Foreword

Housing is internationally recognised as a fundamental human right in such important decrees as the United Nations Universal Declaration of Human Rights. Here in Dunedin, a number of different organisations recognise its importance as a core component of well-being and accordingly assist the housing needs of the more vulnerable members of our community.

As with other cities, there are some significant challenges facing Dunedin which will impact on how we provide what this Strategy refers to as 'social housing'. These include demographic challenges such as an ageing population and economic challenges such as decreasing housing affordability. A likely scenario is an increased demand for social housing in Dunedin. At the same time, there are some quality issues surrounding some of Dunedin's housing stock, often corresponding to that which houses our more vulnerable people.

This Strategy provides a platform for the Council and other social housing providers to address these social housing challenges. We have consulted with social agencies and social housing tenants, and taken on board their suggestions. This is reflected in a strong Council commitment to maintaining and improving its own housing stock, along with an undertaking to develop a partnership approach with other social housing providers to face the challenges ahead.

Any strategy runs the risk of being merely words on paper, especially if focused too much at one point in time. This Strategy realises that there are knowledge gaps, along with future strategic decisions to be made once these gaps filled in. It is hoped that the partnership approach proposed in this Strategy will bring about a responsive and effective means of addressing the social housing needs of our community.



Peter Chin
MAYOR



Cr Fliss Butcher
CHAIR, SOCIAL HOUSING WORKING PARTY

Executive Summary

This Strategy provides a platform for the consideration of social housing issues right across Dunedin. Social housing is defined as the provision of accommodation assistance for individuals and families whose housing needs or circumstances are not adequately provided for by the private sector. The Strategy is derived from background research reports as well as consultation with social housing tenants, social agencies and the public.

Research and consultation highlighted a number of issues. These typically related either to increased demand arising from trends such as demographic change or to issues of supply such as inadequate quality and location of housing stock.

Through this Strategy, the Dunedin City Council (DCC) confirms the following **principles**.

- The Council's role as a lead provider of social housing in Dunedin, particularly housing for older persons.
- That the Council will maintain the current breakeven approach for setting rents for Council housing tenants who meet the income and asset thresholds.
- That, where possible, greater flexibility will be used in the allocation of housing places for those who fall just outside eligibility criteria.
- The Council will play a lead role in facilitating a partnership approach amongst all social housing providers and other key agencies in addressing social housing issues.

The **vision** of this Strategy is that the Dunedin City Council would like all residents to have:

1. Access to suitable, adequate and affordable housing options.
2. Access to assistance to meet accommodation needs for those requiring support.

To attain the vision, the following **objectives** are adopted:

1. To improve the quality of social housing accommodation in Dunedin, including the Dunedin City Council's own community housing.
2. To increase access to social housing options for all residents requiring assistance.
3. To ensure that there are adequate levels of support that address housing needs.
4. To ensure there is adequate emergency housing provision.

The implementation plan contains a variety of **actions** to give effect to the **objectives**. These include the following:

- The formation of a Social Housing Providers' Network
- The commissioning of a Housing Needs Assessment
- A change in the Council's emphasis from building new units to upgrading its existing housing units for a period of five years.

This Strategy creates a vehicle for all social housing providers to share information and collaborate in a partnership approach toward the provision and management of social housing. It also directly addresses issues regarding the quality of Dunedin City Council's own social housing stock.

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Introduction

Purpose of Strategy

This Strategy provides a platform for the consideration of social housing issues right across Dunedin. Social housing is defined as the provision of accommodation assistance for individuals and families whose housing needs or circumstances are not adequately provided for by the private sector.

This Strategy creates a vehicle for all social housing providers to share information and collaborate in a partnership approach toward the provision and management of social housing.

The Strategy also directly addresses issues regarding the Dunedin City Council's own social housing stock. It will resolve the quality issues that are of concern to some Council tenants, particularly in creating healthier homes for tenants.

This Strategy is derived from background research reports commissioned by the Council as well as consultation with social housing tenants, social agencies and the public. Background research has been mainly in the area of identification of key issues in social housing. It is recognised that there are still some gaps in knowledge regarding housing needs, and it is anticipated that further research will be commissioned to fill these gaps.

Summary of Consultation

A draft Social Housing Strategy was approved for release by the Dunedin City Council in December 2008. Consultation on the draft Strategy was undertaken in mid-2009, via a written questionnaire and meetings with Council housing tenants, social housing providers and other organisations¹. Some 201 questionnaires and written submissions were received, with 161 completed by Council tenants and 40 by organisations and members of the public. Key themes arising from the consultation process are as follows²:

- There was very strong support for an ongoing Dunedin City Council role in the direct provision of social housing, particularly housing for older persons. There was no huge call for any change to the status quo in terms of how the current Council model provides social housing. Council tenants favoured the current break-even model for setting rentals.
- There was support for a shared, collaborative, partnership approach to addressing social housing issues in Dunedin, such as the provision of new housing units and the provision of emergency housing. It was recognised that the Council cannot address such issues alone.
- There was strong support for the vision and objectives of the draft Strategy. However, it was thought there was room to expand on and clarify the vision. A need was also identified to spell out the purpose and scope of the Strategy (for example, does it just apply to Council housing stock or to all Dunedin social housing) and the role of the Council and other agencies in giving life to it.
- There were concerns about the quality of many of the existing Council housing units, particularly their lack of insulation and need for better and more efficient heating.
- Council housing tenants favoured the status quo in matters such as eligibility criteria and rent-setting processes for Council units. They expressed concern for how ratepayer money is used.

¹ Refer to Appendix 1 for a list of organisations that participated in the consultation process.

² A separate Summary of Submissions report is available upon request.

- Council housing tenants also expressed a real appreciation for the provision of Council housing and the work of Council housing staff, in line with high levels of satisfaction that result from regular tenant surveys.
- While there was general support for the vision and objectives, there was concern amongst organisations about whether the Strategy could deliver on these. The Strategy was seen as being light on implementation, and a number of measures were suggested to address this.

As a result of the consultation process, the following changes have been made to this Strategy:

- » Clarification of the purpose and scope of the Strategy.
- » Confirmation of the Council's role in social housing, particularly in providing housing for older people.
- » Outlining the partnership approach to addressing social housing issues in Dunedin.
- » Redirection of depreciation funding to upgrade Council's existing housing stock.
- » New housing unit requirements to be addressed following upgrading of existing stock, using a partnership approach and based on further research into housing needs.
- » Provision of greater detail on how the Strategy will be implemented and monitored.
- » Redrafting of social housing issues, background information and the wider policy context.



The Housing Situation

Social Housing Provision in Dunedin

The DCC's forerunner, the Dunedin City Corporation, first got significantly involved in social housing in 1946 in response to "an acute housing shortage". At that time, transit housing for returned servicemen and their families was provided; the Corporation also developed and sold 56 acres as allotments, but it was chiefly concerned with providing dwellings in blocks of three to four units for elderly people with low incomes. By 1965, the Corporation had 90 double and 114 single units at a total cost of £359,000 of which £125,000 came from central government.

Today, the DCC is a substantial provider of rental accommodation in Dunedin (around 8% of all rented dwellings), primarily leasing single bedroom units to those over 55 years of age. The Council Housing Portfolio consists of 996 units which, when last valued in June 2009, had an estimated market value of \$67.6 million³. Most units are managed on a 'no cost to the ratepayer' or breakeven basis, whereby rents are set to cover maintenance and depreciation costs only. Since the criteria were amended in 2004, the numbers on the waiting lists have remained fairly static at around 140⁴.

Eligibility for Council units is based on a four-tier system as follows:

Priority	Age	Within Income and Asset Limits?*	Rent
1	55 and over	Yes	Breakeven
2	55 and over	No	Market
3	54 and under	Yes	Breakeven
4	54 and under	No	Market

*Income limits are the WINZ Accommodation Supplement income thresholds. Asset limit is 50% of median Dunedin house sale price as at June 2006.

Around 855 units are let on a breakeven basis, while about 68 pay market rental. Around 80% of tenants are over the age of 55.

A further 61 units fall outside the definition of 'social housing' (for reasons of location and access) and are leased to tenants on a market rental basis. There is currently a waiting list of around 50 for these market rental properties.

Housing New Zealand Corporation (HNZC) is the other major provider of social housing in Dunedin, providing 1,502 or around 12% of all rented properties. Housing New Zealand homes are often larger than Council units, with most containing either two or three bedrooms, and are targeted at low-income families. The waiting list currently stands at around 150.

A number of other agencies provide social housing in some form, including Abbeyfield Dunedin Incorporated, Araiteuru Marae Council, Dunedin Night Shelter Trust, Just Housing Otepoti, Patients and Community Trust (PACT), Presbyterian Support Otago and Te Whare Pounamu Dunedin Women's Refuge.

A comprehensive analysis of social housing provision, client groups, waiting lists and likely future demand has not yet been conducted for Dunedin. A housing needs assessment may be needed to provide a more complete understanding of the city's social housing needs now and into the future.

³ Refer to Appendix 2 for a map showing the location of DCC social housing complexes.

⁴ Some of the people on DCC and HNZC waiting lists are current tenants seeking to move to a different unit.

Social Housing Issues

The following compilation of key issues for social housing across Dunedin is derived from a number of background research studies⁵.

Demographic Change

While this Strategy has a ten year timeframe, it is prudent to consider demographic trends over a longer timeframe. Table 1 shows the extent of projected age-related population changes. In particular, the significant increase in the 65+ age group will have a considerable impact on the future of housing in Dunedin.

Table 1. Dunedin Population Projections by Age

Year	Population by age group (years) at 30 June				
	0–14	15–39	40–64	65+	Total
2006	20,300	49,000	36,800	16,200	122,300
2011	19,600	49,200	38,000	17,300	124,100
2016	19,400	49,600	36,900	19,900	125,700
2021	19,600	50,000	35,100	22,600	127,200
2026	19,200	48,600	35,000	25,600	128,400
2031	18,700	47,400	35,000	27,900	129,000
change	-1,600	-1,600	-1,800	11,700	6,700
% change	-7.9%	-3.3%	-4.9%	72.2%	5.5%

Source: Statistics New Zealand Subnational Population Projections (2006 base, medium series)

Rather than being a short-term trend as a result of the baby boom generation moving into retirement, this trend towards an ageing population looks set to continue, with projections showing over a quarter of New Zealand's population being 65 years or older in 2051.

Forecast demographic changes such as an ageing population and decreasing average household sizes mean that a more diverse range of dwelling types will be needed. Statistics New Zealand's projections indicate that Dunedin will have 7,700 more households from 2006 to 2031 (Table 2).

⁵ Refer to References Section, page 17



Table 2. Dunedin Household Type Projections

Year at 30 June	Household type			
	Family*	Other multi-person**	One-person	Total
2006	30,900	4,200	12,700	47,700
2011	31,500	4,400	13,600	49,500
2016	32,100	4,400	14,700	51,200
2021	32,600	4,300	15,900	52,800
2026	32,700	4,300	17,200	54,200
2031	32,700	4,400	18,300	55,400
change	1,800	200	5,600	7,700
% change	5.8%	4.8%	44.1%	16.1%

Source: Statistics New Zealand Subnational Household Projections (2006 base, medium series).

Owing to rounding, individual figures may not sum to give the stated totals.

* A household containing two or more people usually living together, with at least one couple and/or parent-child relationship, with or without other people.

** A household containing two or more people usually living together, but not in couple or parent-child relationships with each other.

Of real note is the projected increase of 5,600 single person households. While there is a forecast increase in the number of family households, the composition of these family type projections is also revealing (Table 3).

Table 3. Dunedin Family Type Projections

Year at 30 June	Family type			
	Couple without children	Two-parent	One-parent	Total*
2006	13,800	12,200	5,400	31,400
2011	15,200	11,400	5,600	32,100
2016	16,400	10,600	5,600	32,700
2021	17,300	10,100	5,700	33,100
2026	17,800	9,600	5,900	33,300
2031	18,200	9,100	6,000	33,200
change	4,400	-3,100	600	1,800
% change	31.9%	-25.4%	11.1%	5.7%

Source: Statistics New Zealand Subnational Family Projections (2006 base, medium series).

Owing to rounding, individual figures may not sum to give the stated totals.

* The differing family totals in Tables 2 and 3 reflect families living in multi-family households.



It is projected that Dunedin will have an additional 4,400 couple-only households and a decrease of 3,100 two-parent families, with a slight increase in single-parent families. Along with the large increase in single-person households, such projections indicate decreasing household sizes into the future.

Such demographic changes are occurring for a variety of reasons, including the following:

- the ageing population is resulting in a greater number of couple and single person households;
- compared to previous generations, more couples are either delaying family formation to later ages or choosing not to have children;
- increased rates of separation and divorce are resulting in more single person and single-parent households; and
- as a result of increased life expectancies and trends toward fewer children, people are spending a smaller proportion of their lives as couples with children⁶.

Overall, these changes can be expected to result in a greater number of smaller households in future. Such trends have real implications for Dunedin's housing stock and for the future provision of social housing in Dunedin.

It is acknowledged that the Dunedin City District Plan currently does not easily provide for a range of housing sizes and types.

Quality of Housing Stock

Dunedin has relatively older housing stock. One in five Dunedin dwellings were built prior to 1920, a far higher rate than the national average. Dunedin also lacks diversity in dwelling types; 79% of Dunedin dwellings are separate stand-alone houses. Three bedroom dwellings are the most common, at 42% of all Dunedin dwellings.

The older nature of Dunedin's housing means it is less likely to be insulated, retrofitted or outfitted to suit those with physical disabilities, the aged or even young families. Dunedin's hilly topography also means that a number of houses are located on hills or in shade, complicating issues in winter for those who are aged or have a disability.

The Presbyterian Support Services 2004 report, 'Old, Cold and Costly' focused on provision of low-income private rentals in Dunedin. Issues highlighted by this study include:

- Lack of maintenance being undertaken by landlords leading to substandard housing.
- Cold housing – houses insufficiently insulated, ventilated and/or heated.
- Cost of rental – percentage of income being spent on accommodation.
- Inability of regulations/legislation to ensure a reasonable standard of housing, particularly those built before 1976.

A large number of Dunedin's rental properties are owned by small portfolio landlords with only one or two rental properties, who often lack the capital to retrofit, outfit and/or maintain rental housing to current level of needs or expectations. Also people in rental accommodation are often unable, or reluctant, to access central and local government home improvement schemes.

⁶ Source: Statistics New Zealand, *Demographic Trends 2005*, cited in Christofferson, A. (see References).

Mental health consumers, low income younger individuals and low income families have been identified as groups that frequently have no choice but to rent poor quality housing.

Poor quality housing is often linked as a causal factor in poor health, particularly cold and damp homes. It may also cause economic hardship through excessive expenditure on items such as heating and medical treatment.

Design, Location and Access

There is a very limited supply of units designed of suitable size and design for older persons and those with physical or sensory disabilities. This is increasingly linked to the mismatch with Dunedin household sizes described above. Other desirable features that may be missing include location on the flat; easy access into and around the home; off-street carparking; access to public transport routes, support services and amenities such as shops.

Affordability and Hardship

A number of groups including older people, low-income individuals and families, those with physical and sensory disabilities, mental health consumers and their families are facing issues of housing affordability and supply. High rental costs and high energy costs, often associated with poor quality housing, are a significant burden for these groups.

The increase in ageing population will create more people in the community reliant on fixed and limited incomes. There are greater numbers of people living in rental accommodation due to a number of issues, including the cost of buying property in relation to income levels.

Emergency Housing

It has been identified that there is a shortfall in the provision of Emergency Housing. There are few options in Dunedin of suitable short-term emergency accommodation. There is no provision of emergency housing for women (except those eligible for the Women's Refuge), youth or mental health consumers and few suitable options exist for transients.

Tenure and Eligibility Issues

Lack of flexibility in tenure is a complication for mental health service consumers, people with physical and sensory disabilities and older people (e.g. when moving from hospital care or supported to independent living).

Lack of flexibility may also result from allocation policies which restrict who may access social housing options. For instance, people who fall just outside eligibility criteria such as age thresholds. Allowing more flexibility may result in more efficient and fair allocation.



Policy Setting

Central Government

A number of strategic documents at central government level provide a relevant policy framework to which this Strategy has regard.

New Zealand Housing Strategy 2005

Central Government's vision for housing is that:

All New Zealanders have access to affordable, sustainable, good quality housing appropriate to their needs.

To achieve this vision, the government will work with the community, industry and local government to: reduce unmet housing need; reduce inequalities in housing; improve the quality of New Zealand's housing stock; and develop a housing sector that encourages appropriate provision of, and investment in, housing.

New Zealand Positive Ageing Strategy 2001

One of the goals of the Positive Ageing Strategy is:

Affordable and appropriate housing options for older people.

Relevant objectives under this goal for the Government are:

- 3.2 Provide adequate assistance towards the cost of local authority rates.
- 3.4 Work with local government and other agencies to increase the supply of universal design and energy-efficient low-rental housing, including supported pensioner housing complexes.
- 3.6 Encourage the provision of a range of sustainable housing choices for older people.
- 3.7 Develop low cost communal housing and support housing arrangements for older people, including promoting the development of kaumātua housing.

New Zealand Disability Strategy 2001

Objective 8 of this strategy is:

Support quality living in the community for disabled people.

A relevant action is to:

- 8.1 Increase opportunities for disabled people to live in the community with choice of affordable, quality housing.

Dunedin City Council

The Strategy also aligns with and contributes to the relevant Dunedin City Council policies.

Long Term Council Community Plan 2009/10-2018/19

This Strategy makes a primary contribution to the achievement of the Community Plan outcome areas Safe and Healthy People and Supportive Community. The service objective for the Council is to provide affordable, good quality housing where rental values will not exceed operating expense, for qualifying elderly low income citizens.

Housing Policy 1997

Goal:

The Dunedin City Council will promote an adequate standard of housing for its residents.

Objective 2: Provide accommodation for those whose needs are otherwise not adequately met in the community provided there is no direct cost to the ratepayer. Council's primary focus is on the provision of housing for older persons, particularly those with limited financial means. It also has an interest in providing housing for younger persons with disabilities and/or limited financial means. Council does not have a focus on providing housing for larger families.

Older Persons Policy 1997

Housing policy statement:

To promote a high standard of housing for older people in Dunedin.

Objectives:

1. Council will continue to provide housing for older people as detailed in its Housing Policy.
2. Council Housing for older people will be designed and located in a way that suits the physical, social and financial needs of older people.
3. Council will liaise with tenants regularly to ensure that housing is satisfactory and that tenants' needs are being met. Council will also provide referral to certain services that can meet tenants' needs.
4. Council will regulate and promote the quality of housing for all City residents, including older people, through its statutory functions.

Disability Strategy (2007)

5.1 Goal One:

Dunedin is accessible.

Objective: Disabled people are able to move about the city easily and safely without being limited by physical access issues – including buildings, footpaths and recreational facilities.

Key Action 4: Develop a programme of barrier-free audits of all public buildings owned and managed by the DCC, including recreational facilities and social housing. Implement a plan of action to address barriers and allocate resources. The DCC has the role of lead agency and provider.



The Strategy

Principles

Through this Strategy, the Dunedin City Council confirms the following:

- The Council's role as a lead provider of social housing in Dunedin, particularly housing for older persons.
- That the Council will maintain the current breakeven approach for setting rents for Council housing tenants who meet the income and asset thresholds.
- That, where possible, greater flexibility will be used in the allocation of housing places for those who fall just outside eligibility criteria.
- The Council will play a lead role in facilitating a partnership approach amongst all social housing providers and other key agencies in addressing social housing issues.

Vision

The Dunedin City Council would like all residents to have:

1. Access to suitable, adequate and affordable housing options.
2. Access to assistance to meet accommodation needs for those requiring support.

The terms 'suitable' and 'adequate' refer to housing that is healthy (well-insulated, dry, with reasonable natural light), accessible (both external access and ease of access within housing units), well-located (to services, amenities and transport routes), of an appropriate size, fit-for-purpose (meets tenants' needs, particularly for older persons or persons with disabilities).

Objectives

To attain the vision, the following objectives are adopted:

1. To improve the quality of social housing accommodation in Dunedin, including the Dunedin City Council's own community housing.
2. To increase access to social housing options for all residents requiring assistance.
3. To ensure that there are adequate levels of support that address housing needs.
4. To ensure there is adequate emergency housing provision.

Implementation Plan

The implementation plan below is structured according to the four objectives of the Strategy. Some of the same action items are repeated as they relate to more than one objective. This is done to depict how the action items contribute to achievement of the various objectives, and should not be interpreted as an actual repetition of actions and resources.

1. Improving the quality of social housing accommodation in Dunedin.

Action	Responsibility	Timeline	Estimated Cost
Formation of Social Housing Providers' Network*	DCC (lead role in establishment), HNZA etc	Established by March 2010	Existing budgets
Scope and commission a Housing Needs Assessment for Dunedin**	Social Housing Providers' Network	Scoped by October 2010	\$70,000 Existing Property budgets***
Redirection of depreciation funding of \$1 million per annum over 5 year period to upgrading Council units****	DCC	2010/11 – 2015/16	Existing budgets
Investigate assistance to low-income residents in meeting non-subsidised costs of installing house insulation	DCC Rates Working Party	Scoped by June 2010	To be determined

Notes:

- * The Social Housing Providers' Network will be comprised of the following partners (note that this list is not necessarily exhaustive): Dunedin City Council (Housing and Community Development teams), Housing New Zealand Corporation, Abbeyfield Dunedin Incorporated, Araiteuru Marae Council, Dunedin Night Shelter Trust, Just Housing Otepoti, PACT, Presbyterian Support Otago and Te Whare Pounamu Dunedin Women's Refuge. The Network will meet four times per annum, with the initial sessions to draft a memorandum of understanding to guide how it will function.
- ** A Housing Needs Assessment provides a structured approach to understanding key market drivers, and monitoring and projecting housing market outcomes. It provides a robust evidence base for developing strategic views of housing demand and need both now and into the future; it enables an assessment of the level of social housing required in an area; and it provides context information that can be used in a range of strategies and plans.
- *** Note that financial partners for the Housing Needs Assessment will be sought.
- **** It is proposed the \$1 million per annum will be spent as follows (note that construction of new Council housing units will be deferred over this period):

Capital Expenditure Item	Cost Per Annum	Units Upgraded per annum	Units Upgraded over 5 years
Reroofing/Insulation (ceiling, underfloor etc)	\$700,000	140	700
Exterior Upgrades (utility services, site lighting etc)	\$200,000	60	300
Internal Upgrades (showers, ventilation etc)	\$100,000	30	150
TOTAL	\$1,000,000		

Please note that Council will seek funding partnerships with Central Government and other funders on this upgrade programme.

2. Increasing access to social housing options.

Action	Responsibility	Timeline	Estimated Cost
Formation of Social Housing Providers' Network	As above		
Scope and commission Housing Needs Assessment for Dunedin	As above		
Establish 'single desk' point of contact for referrals	Social Housing Providers' Network	Scoped by June 2011	To be determined
Construction of new units* to be resumed once upgrade programme completed	Dunedin City Council	2016/17 – 2019/20	Existing budgets
Investigate partnership approaches to provision of new social housing**	Social Housing Providers' Network	Scoped by October 2012	To be determined
Advocate for changes to District Plan residential density provisions	Social Housing Providers' Network	June 2012***	Existing budgets
Dunedin City Council Housing Policy to be amended to provide greater flexibility around age thresholds	DCC Property Department	June 2011	Existing budgets

Notes:

* This refers to the 5-7 new Council units per annum currently budgeted for. This funding is to be redirected to the upgrading of existing Council units for a five year period.

** The Dunedin City Council will cap its social housing stock at 1,000 units over the next five years. During this time a Housing Needs Assessment will be undertaken, which will help to determine an appropriate level of social housing provision into the future.

*** In conjunction with the 2nd generation District Plan.



3. Adequate levels of support that address housing needs.

Action	Responsibility	Timeline	Estimated Cost
Formation of Social Housing Providers' Network	As above		
Advocacy in setting of rates for Accommodation Supplement	Social Housing Providers' Network	Ongoing	Existing budgets
Investigate the establishment or coordination of tenancy support services for social housing tenants	Social Housing Providers' Network	Scoped by June 2011	To be determined

4. Adequate provision of emergency housing.

Action	Responsibility	Timeline	Estimated Cost
Formation of Social Housing Providers' Network	As above		
Scope and commission Housing Needs Assessment for Dunedin	As above		
Establish 'single desk' point of contact for referrals	As above		
Investigate partnership approaches to provision of new social housing	As above		



Monitoring & Review

The following suite of performance indicators will be used to monitor the implementation of this Strategy. This suite of indicators may be further developed in conjunction with the Social Housing Providers' Network. In particular, further work is required to provide indicators that monitor objectives 3 and 4 of this Strategy, and to monitor provision of social housing not owned by the Dunedin City Council.

Performance Indicators	Social Housing Strategy Objective	Indicator Value	Indicator Time Period	Indicator Target (2009/10)
Number of Council-owned housing units	2	996 units	2009/10	No greater than 1,000
Percentage of tenants satisfied with the Council's rental housing	1	95%	2008/09	≥95%
Percentage occupancy of Council's rental housing	2	94%	2008/09	≥94%
Percentage variance from Council's budgeted revenue and expenditure for housing	1, 2	Revenue +0.78% Expenditure +3.2%	2008/09	±5%
Housing affordability 1 (percentage of Otago households experiencing 'housing stress')*	1, 2, 3	33.8%	2004	≤30%
Housing affordability 2 (percentage of Otago households experiencing 'severe housing stress')*	1, 2, 3	10.8%	2004	≤10%

Notes:

* The proportion of net household income spent on housing costs provides a measure of 'housing stress'. Housing affordability 1 highlights the proportion of households spending 30% or more of net household income on housing costs (including mortgage and rental payments and rates, but excluding other costs such as insurance, utilities and maintenance). Housing affordability 2 is the proportion of households spending 40% or more of net household income on housing costs. These indicators are sourced from data in the report *Quality of Life in Twelve of New Zealand's Cities 2007*, with the data originating from the Statistics New Zealand Household Economic Survey and being reported at an Otago region rather than Dunedin city level.

A complete review of the Social Housing Strategy will be conducted after eight years, with a view to its renewal at the end of its ten year lifespan. It is expected that the Social Housing Providers' Network will play an integral part in this review process.

It is worth noting that this Strategy does not provide a fully complete set of strategic actions. Rather it creates a way forward for Dunedin's social housing partners to better plan and manage the provision of social housing. As such, the Strategy itself will be continually evolving and under review by those responsible for its implementation.

References

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Ministry of Social Development (2001) *The New Zealand Positive Ageing Strategy*.

Office for Disability Issues (2001) *The New Zealand Disability Strategy*.

Presbyterian Support Otago (2004) *Old, Cold and Costly: A Survey of Low Income Private Rental Housing in Dunedin*.



Appendix One

List of Participants

Meeting Attendees

- Age Concern Otago
- Citizens Advice Bureau
- Council of Social Services
- DCC Tenant
- Dunedin Night Shelter Trust
- Housing NZ
- Office of Clare Curren MP
- Patients and Community Trust (PACT)
- Police
- Presbyterian Support Otago
- Public Health South
- Senior-Link

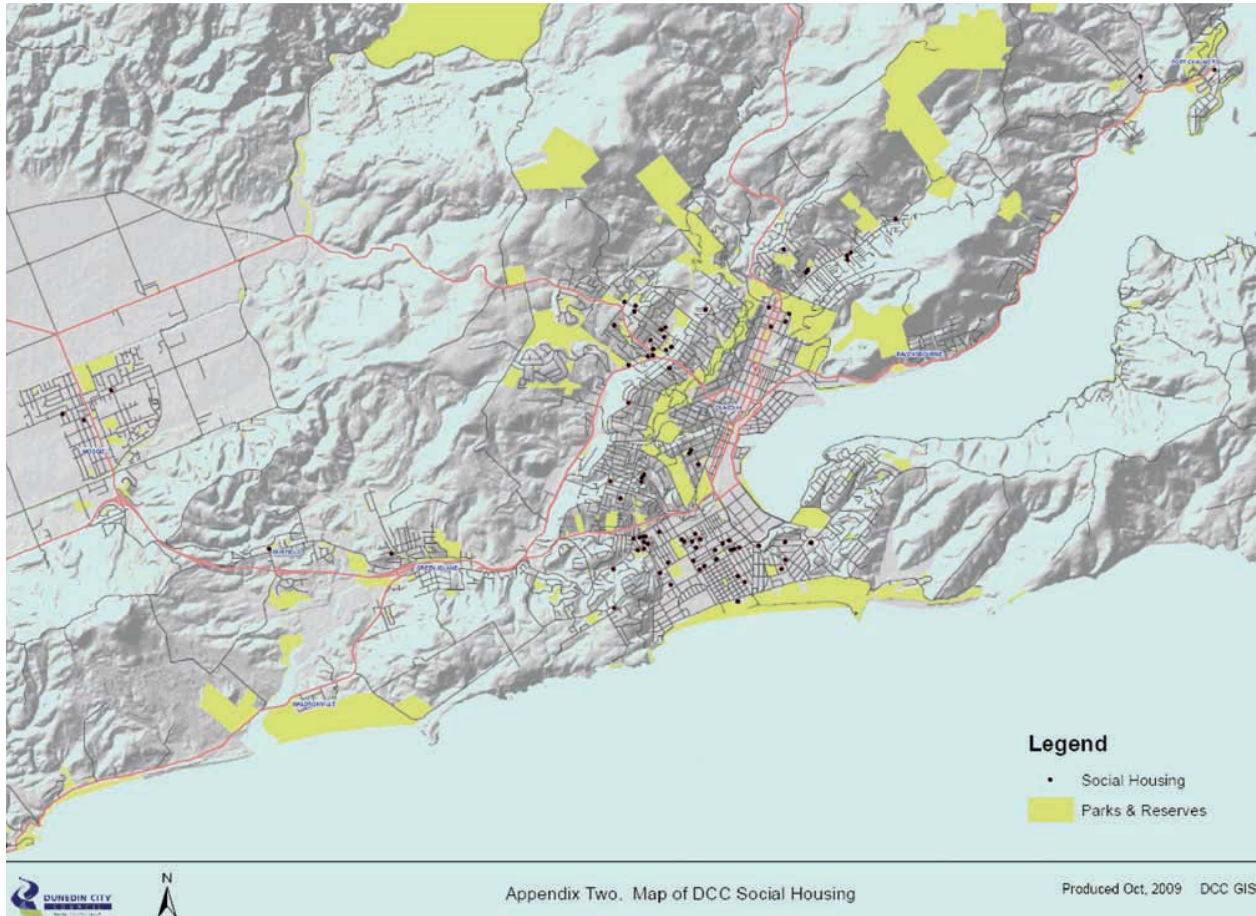
Organisations that returned a Questionnaire

- Otago Seafarers Charitable Trust
- Patients and Community Trust (PACT)
- Senior Link
- Grey Power (Otago) Inc
- Age Concern Otago
- Abbeyfield Dunedin Incorporated
- CCS Disability Action Group
- The Methodist Mission
- Housing New Zealand Corporation
- Public Health South
- Coastal Clarity Presbyterian Church
- Ministry of Social Development
- Presbyterian Support Otago
- Just Housing Otepoti Dunedin



Appendix Two.

Map of Dunedin City Council Social Housing



Appendix Three.

Income and Asset Criteria

The table below sets out the DCC's current priority criteria for community housing:

Income And Asset Criteria - Community Housing (July 2009)

Priority	Number of People	Age	Income Limit ¹	Asset Limit ²	Rent
1	1	55 and over	\$31,824	\$117,500	Breakeven
	2	55 and over	\$43,368	\$117,500	Breakeven
2	1	55 and over	N/A	N/A	Market
	2	55 and over	N/A	N/A	Market
3	1	54 and under	\$31,824	\$117,500	Breakeven
	2	54 and under	\$43,368	\$117,500	Breakeven
4	1	54 and under	N/A	N/A	Market
	2	54 and under	N/A	N/A	Market

¹ Income Limit = Accommodation Supplement income threshold for single/married rate with no children (WINZ Working for Families booklet)

² Asset limit = 50% of median Dunedin Sale Price as at June 2006

Housing New Zealand Corporation's Eligibility Criteria

- New Zealand citizens or permanent residents
- Have assets valued below a certain amount (currently **\$23,000**)
- Have an income that is less than one and half times the appropriate rate of New Zealand Superannuation. This is subject to change in line with NZ Superannuation rate changes. In 2009, the income threshold is as below:

Single person \$466.42 (net)

Other household \$717.57 (net)

Housing New Zealand's rental homes are allocated on the basis of need, rather than how long the applicant has been on the waiting list. Priority is given to people who can't get and stay in housing they can afford, and housing that is safe and big enough for them.

The length of time an applicant has to wait depends on their circumstances, current housing situation, and if the right home is available.

How the waiting list works:

If eligible, the applicant will be placed on the waiting list. The list is divided into four groups. 'A' and 'B' applicants have greater priority for housing than 'C' and 'D' applicants. Housing New Zealand's Social Allocation System is used to determine an applicant's housing need.