

RANGITĪKEI DISTRICT COUNCIL

HOUSING STRATEGY 2021-2031



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1.0 COMMENT BY THE MAYOR

The Rangitikei is growing very rapidly after many years of remaining static. New industrial businesses are starting up and established commercial firms are expanding, creating increased employment opportunities. The number of people moving here from throughout New Zealand is rising. Many are attracted by our beautiful landscapes and relaxed, peaceful, and friendly 'small town' rural lifestyle. Others are motivated by the diversity of good local schooling. Most are pleased to find that our house prices are still cheaper than those in neighbouring districts.

However, over the past few years housing need in the District has reached acute levels across the eight sectors discussed in Council's Housing Strategy. Despite unprecedented growth in our housing stock, with hundreds of new homes being built or in the planning stage, demand continues to exceed supply and will do so for the foreseeable future. The supply of rental property is static or dropping, and the rise in prices shows no sign of slowing down. The demand for social housing, affordable homes for people who are on limited income and age-appropriate housing for seniors and the elderly is mounting. As our population ages there is a growing need for retirement living and aged care choices.

Because the District's housing needs are so diverse multiple solutions are called for from coalitions of interested local, regional, and national organisations and groups from the public, private and community sectors. These Council partners and stakeholders include churches, Iwi, social organisations, clubs, private companies, investors and Central Government ministries and agencies, national not-for-profits, trusts, foundations, and funding agencies.

Council, including myself and fellow elected members are committed to improving the social, economic, environmental, and cultural well-being of all its residents throughout the District, as stated in the Local Government (Community Well-being) Amendment Act 2019, and recognize that healthy, safe, affordable, and appropriate housing is a key element in each of the four well-beings. Council's main roles to achieve this are information gathering and sharing, facilitation of partners working together cooperatively and to lobby and raise funding from Central Government and other funding sources. The 2021 – 2031 Housing Strategy provides a framework within which Council can choose options to guide its response to the multiple housing needs within the District in coordination with its partners and stakeholders to jointly effect change.

Andy Watson, Mayor, Rangitikei District Council

2.0 INTRODUCTION

This Housing Strategy 2021 – 2031 has been written as a sub-component of the Rangitikei District Council (RDC) Long Term Plan (LTP) 2021 – 2031. It provides a 10-year Council strategy framework for Elected Members and the public to consider housing needs and potential solutions in eight sectors in the District. The strategy is intended to be a living document that is updated regularly as new information is gathered and market conditions affecting housing supply and demand change.

The strategy is a guideline of what Council could do to address housing need, providing a brief discussion and various options to Elected Members, who will decide what actions and decisions need to be taken. Several common Council roles to address housing challenges in all sectors are suggested, including: a) information gathering and sharing; b) facilitating organisational cooperation to effect change; and, c) lobbying and fundraising with Central Government, partner organisations, Iwi and the public.

Input was sought and discussions took place with many local, regional and national partners and stakeholders in the public and private sectors, and with not-for-profit organisations, responsible for or with an interest in the development of housing solutions that respond to the need in the Rangitikei. A key consultation concerning the strategy was conducted with Ngā Wairiki — Ngāti Apa, acknowledging their interest in contributing to housing solutions and as per the October 2020 Memorandum of Understanding between Te Rūnanga o Ngā Wairiki — Ngāti Apa and RDC

3.0 COUNCIL'S LEGAL AUTHORITY

Several key Acts establish RDC's responsibility to address the need for housing (and enforcement of the process to build or alter it) for its residents. They include:

- **The Resource Management Act 1991** (RMA) provides authority concerning sub-divisions and residential land (to provide housing);
- **The Building Act 2004** defines Council's authority as a Building Consent Authority (BCA) in the construction or alteration of housing; and,
- **The Local Government (Community Well-being) Amendment Act 2019** describes Council's broad mandate to promote the four well-beings (social, economic, environmental and cultural) in its communities. Housing is covered by each of the four well-beings.

The Eight Housing Sectors

4.0 EMERGENCY HOUSING

The need for emergency housing includes: a) refugees and safe houses for women, men and their children, and elderly, who experience family violence and abuse; b) the transitionally homeless; c) people affected by alcohol and drug addiction and with mental health issues (the episodically homeless); and, d) the chronically homeless, who have lived rough or on the street for a year or more.

Local social service agencies state that of the four emergency housing needs refugees and safe houses is the most acute but that the size of the towns within the District may be too small to guarantee victims' anonymity and safety. For the time being Council could maintain or deepen its relationship with existing refuges (Whanganui Women's Refuge and Women's Refuge Palmerston North). Should the situation change in the future Council and local stakeholders could lobby Central Government to provide funding to build a refuge.

Emergency housing for people in the Rangitikei who suffer from addiction and mental health issues is mainly provided by the Whanganui District Health Board as part of a package of support services in partnership with primary health, mental health and addiction non-governmental organisations (NGOs), Kaupapa Māori services and community agencies.

Council's role could be to:

- **Gather and share information** concerning emergency housing need;
- **Coordinate** with the Police and District-based service providers to refer those who need emergency housing (and support services) to appropriate agencies; and,
- **Lobby** for Central Government funding in coordination with stakeholders.

Council does not directly provide emergency housing itself.

5.0 SOCIAL HOUSING

The need for social housing by low income families, the long-term unemployed, single parents, ex-offenders, refugees, beneficiaries, pensioners on fixed or limited income and "essential workers" is increasing throughout the District because:

- The number of applicants on the MSD Public Housing Register is growing, particularly due to the increase in transitionally homeless;
- Many low income earners are not able to keep pace with rapidly rising market-related rental prices caused by low levels of rental stock;
- Some "essential workers" who are on low salaries are being priced out of the rental market and may be forced to look for employment elsewhere unless they receive social housing; and,
- Many investment rental properties have been sold to take advantage of rapidly increasing house values, with some owners moving back into their properties, displacing tenants, without enough new, moderately-priced rental stock entering the market to provide alternative housing.

Solutions rest with key stakeholders, including the Ministry of Housing and Urban Development (HUD), Ministry of Social Development (MSD), Kāinga Ora (Housing NZ), future local not-for-profit Community Housing Providers (individual churches, social service agencies and Iwi or groups collaborating together), large businesses that need to provide subsidised housing to their employees to attract/retain them and private investors.

Council's role could be to:

- **gather and share information** concerning social housing need;
- **lobby:**
 - HUD to document the District's level of need in the Public Housing Plan (leading to MSD funding and Kāinga Ora provision of housing);
 - MSD to encourage more people to register on the Public Housing Register;
 - stakeholders to collect anecdotal evidence of transitionally homeless, couch-surfers, people living in cars, vans, sheds and garages, multiple family members or separate families living together and renters who may have recently lost their tenancy; and,
 - residents who need social housing to register on the MSD Public Housing Register or with local Community Housing Providers;

- **support and facilitate:**
 - local stakeholders to develop and register as Community Housing Providers, enabling them to receive MSD funding;
 - local stakeholders, including future Community Housing Providers, to purchase land, build, relocate and purchase houses and to create social housing developments;
 - potential social housing developers to link to service providers (builders, funders, organisations or management companies) and groups whose members need housing;
 - grant funding applications to public trusts, charitable organisations and foundations;
 - fund-raising events and donations by the public;
 - resource consent and building permit applications;
 - input to the design of housing developments;
 - access to information, institutional support, training and Technical Assistance from regional and Central Government; and,
- **directly intervene to:**
 - require that new large business investments include staff housing as part of their development agreements with Council; and,
 - lease Council-owned land for a social housing development in partnership with a property developer, group of investors or Iwi.

6.0 COMMUNITY HOUSING

The need: Council owns 72 mostly 1-bedroom pensioner flats distributed throughout the District in Bulls (6 units at one complex), Marton (50 units split between three complexes), Ratana (4 units at one complex) and Taihape (12 split between two complexes). Pensioners receive preference to occupy Council flats at a subsidised rent and represent close to 100% of tenancy. There is a growing pensioner applicant waiting list ¹ and non-retirees are not able to be housed at present.

Council administers its community housing in conformance with the Residential Tenancies Act 1986 and the Healthy Homes Guarantee Act 2017.

Council's role could be to:

- re-purpose some of the properties that are not equipped for the disabled or with access challenges to make them fit-for-purpose by either rebuilding them or renting them to younger tenants;
- sell older properties and replace them with new units on alternative Council-owned land, incorporating more modern materials and designs;
- demolish some of the existing flats to fit a larger number of replacement units onto the same site to make more efficient use of land; and,
- expand the number of flats by building more units on additional Council-owned land, potentially in partnership with Iwi, not-for-profit groups or social service agencies.

7.0 RENTAL HOUSING

Need: Since 2018/2019, an extreme shortage of rental properties has developed throughout the District, despite approximately 30% of the population living in rented accommodation. Renters of all ages include singles or those who live together (flat mates), couples, families with children, inter-generational families, retirees and the transitionally homeless. By number, renters are concentrated in Bulls, Marton and Taihape but represent a sizeable percentage in small settlements, as well.

Causes of the shortage:

- Many rental property investors are selling their properties to lock-in the profit they've realised since the rapid acceleration of prices since 2017;
- The Residential Tenancies Amendment Act 2020, which significantly increases tenant rights and landlord responsibilities, has also motivated a sell-off of rental property, which is generally converted to privately-owned housing by the buyer;

¹ Waiting list numbers increased from 3 in 2019 to 18 in 2020.

- Some owners have moved back into their rental properties, converting them to their primary residence and displacing long-time tenants. This forces renters to look for new accommodation in a shrinking market, often having to pay a higher price, or forces them into transitional homelessness; and,
- Not enough new, moderately-priced rental stock is being built or is reaching the market in the short-term to satisfy the increasing demand from both new renters and long-term tenants displaced by the sale of rental housing or when it's reoccupied by its owner.

Effects of the shortage:

- Increasingly, as rents continue to rise some pensioners, people on fixed income and low income families will be driven out of the rental market, expanding the number of people who need social housing or who, in extreme cases, are forced into transitional homelessness; and,
- Some people, including “essential workers”, will leave the District, moving to areas where rents are still affordable. Unfortunately, this comes at a high social and economic cost since:
 - people are often forced to loosen ties to family, friends and their community;
 - key skills and services are lost to the District; and,
 - employers incur additional expense to recruit and train replacement staff when they lose skilled employees who they may have invested in for years to train and upskill.

Council's role could be to:

- Offer rates remissions to investors to bring new rental property to the market;
- Enter into partnerships with Community Housing Providers to develop social housing rental stock and/or with property developers, investors and Iwi to build unsubsidised, market-related rental housing;
- Add a clause to development agreements negotiated with property developers who seek resource consents that a percentage of housing in the development should be devoted to market-related rentals;
- Require new or expanding large-scale commercial and industrial investments to provide new rental housing to a percentage of their employees; and,
- Create a District Plan change to permit new, alternative, less expensive rental property development models, incorporating state-of-the-art, eco-friendly materials, building techniques and amenities.

8.0 PRIVATELY-OWNED HOMES

The demand for privately-owned housing exceeds the supply throughout the District. Until this imbalance is corrected house prices will continue to rise, limiting the number of people who can afford to purchase a home.

There is an increasing shortage of privately-owned houses for sale in the southern part of the District, with asking prices rising rapidly and multiple offers frequently made over the pricing “guideline” within a few days. In Taihape a similar scarcity of homes for sale exists in the centre of town on the flat, with more properties available in the hills, but still not enough to meet the demand as the town grows.

This accelerating trend in increasing house prices is reducing the potential of first-time home ownership by low and medium-income wage earners, who do not have the deposit required by a bank for a mortgage down payment but may already be paying a rent that is higher than the mortgage payment would be on the house they want to purchase.

Causes of the shortage:

- Since 2014, District population has increased more than new housing stock;
- There are not enough 1 – 2 bedroom properties for sale to satisfy the large number of singles, couples without children and retirees wishing to down-size who want to buy;
- Seniors often occupy large family homes that they would like to sell (but can't find enough age-appropriate small homes to buy), while young families with children can't find enough 3 – 4 bedroom homes to buy at an affordable price;
- There is an influx of new residents seeking cheaper housing in the District who work in Whanganui, Feilding and Palmerston North where housing prices are higher than in the Rangitikei and are willing to trade off a longer commute against a cheaper house price; and,
- The District's economy is developing very rapidly, driving up demand for existing housing and new homes. This is particularly notable in Bulls and Marton, with the arrival of new Ohakea Air Force Base staff and new commercial and industrial investments requiring hundreds of employees, who will arrive with their families.

Council's principal role is to stimulate the supply of privately-owned housing stock to satisfy market demand by:

- **Gathering and sharing information** to determine housing needs;
- **Exploring alternative and best-practice** housing models, technologies and developments, bearing in mind the experiences and lessons learned in other Districts and locations;
- **Identifying, engaging with and coordinating** partners and stakeholders; and,
- **Facilitating** working groups, advisory bodies, coalitions and solutions.

This could be achieved by:

- **Direct intervention**
 - Incentivise investment in housing developments based on location, scale, type and cost of housing, development contribution and impact on infrastructure with rates remissions, reduced or waived resource consent fees, etc.;
 - Purchase of land that Council on-sells to property developers on condition that a housing development is built within an agreed period. This achieves three objectives: a) designation of specific land for housing development, creating the orderly, planned design and growth of residential areas; b) determination of the kind of development and the homeowners it will be aimed at; and, c) generation of revenue with the profit on the purchase and sale of the land;
 - The same scenario as above except that Council could continue to maintain ownership of the land, with home owners leasing their section. Leases would generate an ongoing source of revenue to Council, in addition to the rates homeowners will pay;
 - Creating District Plan changes that extend the residential zone and lower the minimum section size for sub-divisions in the rural living zone. Both of these actions would bring more buildable land to the market, slowing or decreasing the rising cost of sections, and would stimulate the building of more homes;
 - Creating more land for privately-owned housing development as part of a spatial planning exercise to re-design the District's future physical layout, utilisation of land and allocation of infrastructure;
 - Collaborating with other Councils to lobby Central Government to increase the income and maximum price caps for the KiwiSaver First Home Buyers Scheme; and,
 - Facilitating the generational change-over of property to satisfy the housing needs of different age groups (seniors downsize while young families upsize).
- **Publicising partner organisations that promote alternative routes to home ownership**
 - "Rent-to-Buy" programmes aimed at people who work and can afford to pay a market-related rent, but can't get a mortgage to buy their first home because they don't have the money for a down payment;
 - Shared Ownership programmes for people with stable employment and some portion of a mortgage down payment who partner with a for-profit or not-for-profit equity investor that provides the remainder of the down payment.
- **Stimulating pilot projects to promote less expensive home ownership**
 - Leased Sections: Council could work with partners to develop a home ownership model that removes land from the purchase price by leasing it;
 - A modular, pre-fabricated housing development could offer inexpensive, modern, eco-friendly, relocatable homes on small leased sections;
 - Apartments, condominiums and townhouses could be developed in rehabilitated buildings (if they are fit-for-purpose and earthquake resistant) and others can be purpose-built to offer urban living without being tied to a section.

9.0 GROUP HOMES, REST HOMES AND ASSISTED LIVING FACILITIES

Council would like to facilitate an increase and diversification of the housing and care options available to seniors and the elderly in the District who no longer wish to or are able to live in their own housing or with their families, and who want to remain close to family and friends and to maintain links to their communities.

Shared group housing in Taihape would be aimed at independent, mobile seniors and the elderly who seek companionship and may not have or be supported by family. A group home could be of interest to seniors in the “missing middle” between pensioners with very limited assets and affluent private home owners who want to downsize but can’t find age-appropriate housing on the flat in the centre of town.

Rest homes are funded by their District Health Board, which in turn is funded by Central Government. Rest home funding is based on the number of beds occupied by elderly patients. Funding does not cover the full cost of providing the services offered and to remain solvent rest homes need to supplement their income with profit from alternative sources. Most of this profit comes from the sale of ‘licence to occupy’ housing to seniors who become residents of a retirement village with a continuum of care, including a rest home. At present, Edale Masonic Village and Rest Home is the sole remaining rest home in the District.

Council’s role could be:

- **Information gathering and sharing;**
- **Facilitation of key partners and stakeholders** who could develop and operate group homes, assisted living facilities and rest homes in the District; and,
- **Lobbying and assisting to raise funding** from Central Government ministries and agencies.

10.0 RETIREMENT VILLAGES

Retirement villages offer independent living facilities to seniors 65+ years of age in a townhouse, villa or apartment. Most villages provide continuum of care facilities in the same complex, including serviced apartments, assisted living, rest homes, hospitals, dementia, palliative and end-of-life care units that residents can transition to as needs increase.

Council is interested in promoting a retirement village in the District to:

- **Provide secure and attractive housing and the provision of services and care** to a meaningful number of retirees within the District;
- **Expand continuum of care opportunities** for residents to access a rest home, dementia care, hospital care, respite care and hospice care, without having to leave the District;
- **Enable retirees to maintain their ties with family and friends and to continue their linkage to their communities**, promoting their social well-being;
- **Provide a major stimulus to the local economy** in the form of the goods and services a village will need during construction, start-up and ongoing operation; and,
- **Increase the employment of local residents** and staff from outside the District to create an ongoing economic development multiplier effect since:
 - Many retirement village staff will settle locally, renting or purchasing a home, because of cheaper housing prices compared with neighbouring districts and cities, the healthy lifestyle, good schooling and a short commute to work;
 - Staff will send their children to local schools, which will need to hire more teachers and expand their facilities;
 - Many staff members will buy the food, petrol and retail products and services they need from local businesses, which will enable them to increase investment and employ more staff as they grow to satisfy customer demand; and,
 - Council’s rates revenue will increase as these staff members purchase their own homes.

Council’s role could be to:

- **Identify and contact investors** to determine their interest in establishing a facility in the Rangitikei;
- **Gather and share information** with potential investors to help them develop a business case and to conduct due diligence;
- **Facilitate** site and familiarisation visits to the District, meetings with key funding agencies such as the Whanganui District Health Board, identification of strategically located pieces of land and contact with local groups, clubs and social service organisations with senior and elderly members, local builders, tradesmen, suppliers, employment agencies, etc.
- **Provide investment incentives**, as necessary. These might include rates remissions, fast-tracking of resource consents, a development agreement and assistance in recruiting and upskilling staff, etc.
- **Lobby Central Government** for funding on behalf of a retirement village to pay for staff salaries, internships or technical training that aligns with government initiatives to provide upskilling, increase employment, etc.; and,

- **Provide publicity** concerning the retirement village to seniors and facilitate opportunities for the operator to hold community consultations to tell its story, answer questions, alleviate concerns and gauge the level of interest amongst potential residents.

11.0 PAPAĀINGA HOUSING

After each hapū in the Rangitikei determines its papakāinga housing needs and what it would like to do to address them, Council should consult with them on an individual basis to determine how it can engage and assist them in partnership. Council's roles will vary based on each community's needs and wishes.

Council is committed to supporting papakāinga housing for the following reasons:

- **The Memorandum of Understanding – Tūtohunga – signed between Council and Te Roopuu Ahi Kaa** in December 2019 on behalf of Te Tangata Whenua o Rangitikei establishes that Council will, "support opportunities for hapū and iwi members to live on tupuna lands (i.e. Papakāinga)."²
- **The Local Government (Community Well-being) Amendment Act 2019** "provides for local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach."³ Papakāinga housing falls squarely within each of the four well-beings for Māori residents and families within the District.
- **The availability of papakāinga housing can motivate whānau to return home** from where they live outside of the District, which aligns with Council's need to attract residents and grow the population, expanding their skill base and stimulating economic and social growth; and,
- **Papakāinga housing provides an appropriate cultural solution to the housing needs of marae-affiliated families;** and,
- **Papakāinga housing offers a local community solution to address housing need** that can serve as an example to other community groups to organise similar shared responses to their own housing needs.

Council's role could be to:

- **Gather and share information** to enable communities to understand the approaches taken by other hapū in developing their papakāinga housing, the challenges in the process and how they were successfully navigated;
- **Identify planning and funding opportunities** from Te Puni Kōkiri, Kāinga Ora, etc.; and,
- **Offer regulatory and resource consent advice and rates remissions** to encourage the building or relocation of papakāinga housing within the District.

² <https://www.Rangitikei.govt.nz/council/policies-bylaws/policies/memorandum-of-understanding-tutohunga>

³ Part 1, Reinstatement of 4 aspects of community well-being, Section 3 amended (Purpose)

<https://www.legislation.govt.nz/act/public/2019/0017/latest/LMS30978.html>.