RANGITĪKEI DISTRICT COUNCIL

HOUSING STRATEGY
2021-2031
BACKGROUND DOCUMENT

RANGITĪKEI
DISTRICT COUNCIL

Making this place home

TABLE OF CONTENTS

1.0   Introduction

This Housing Strategy 2021 – 2031 has been written as a sub-component of the Rangitīkei 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 needs and potential solutions to them in eight separate housing sectors that together constitute the sum of housing need in the District. The strategy is intended to be a living document that is updated on a regular basis as new information is gathered and market conditions (supply and demand) affecting housing stock change.

The strategy has been written in a question and answer format and attempts to answer the who, what, why, where, when and how questions related to housing in each different sector.

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. Nevertheless, several key Council roles are described in which it can effect positive change to solve housing challenges in all sectors, including a) information gathering and sharing; b) facilitation of the establishment of coalitions of partner organisations; and, c) lobbying and fundraising with Central Government, partner organisations, Iwi and the public.

2.0   Objectives

The Housing Strategy 2021 – 2031 has a number of objectives, including:
- Provision of a 10-year strategy framework within which to consider housing challenges and solutions;
- The basis to develop annual and longer-term housing development plans;
- Potential roles and options for Council to improve housing stock;
- Discussion of the inter-relationships between different housing sectors and needs;
- Discussion of Public/Private Partnership (PPP), referred to as a consortium of interest within the document, as an effective way for diverse partners and stakeholders with different interests to work together and raise resources to resolve common concerns;
- Identification of the categories of residents who are affected by housing needs and organisations, including Council, that individually or cooperatively offer solutions to those needs;
- Identification of potential funding sources; and,
- Provision of web links to partners and stakeholders that Council could work with to address housing needs.

3.0   Economic and Social Well-being Linkages

Economic and social well-beings are strongly linked, and housing contributes strongly to both of them. 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."[1]

People who are housed in warm, dry, safe and comfortable housing are happier and better able to focus on working productively and contributing to the economy and society than those who spend their time worrying about their family's health, safety and survival. This premise has been recognised by the government's use of housing as one of Statistics NZ's principal indicators of national well-being. Similarly, RDC recognises the relevance of the linkage between economic and social well-beings and is committed to improving' housing solutions as part of its responsibility under the Local Government Act to strengthen the four well-beings (economic, social, environmental and cultural) for residents.

Residents' personal economic and social well-beings underpin broad economic development throughout the District. Housing, as a measure of both well-beings, is a key factor influencing economic development. One of the objectives of this Housing Strategy 2021 – 2031 is to contribute to the development of a Housing Plan that will aim to balance the supply of housing stock to meet the demand for both rental properties and privately-owned houses, accommodating the needs of the growing work force and population in the Rangitīkei.

Insufficient, too expensive or inappropriate housing stock to meet demand will serve as a brake on economic development growth, forcing the employees who work for local businesses to seek housing outside of the District, reducing rates revenue and local spending, thereby not capturing the economic multiplier effect that their residence would provide.

4.0   Engagement, Partners, Relationships and Roles

This Housing Strategy 2021 – 2031 has been developed based on meetings with and input supplied by local individuals, businesses, organisations and groups of associations throughout the District affected by housing shortages, needs and concerns, as well as drawing on information and advice from regional, national and Central Government organisations.

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

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[1] 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

Memorandum of Understanding between Te Runanga o Ngā Wairiki — Ngāti Apa and Rangitīkei District Council, which states, "… the Parties share

• the responsibility to influence and effect positive change towards an equitable and sustainable future for all people in our District.
• an active approach to facilitating and creating new growth and development opportunities across educational, economic, cultural, social and environmental domains within the Rangitīkei District."

Information gathering engagements and discussions took place with many partners and stakeholders, including local businesses, builders, property developers, investors, real estate agents, representatives of local and national social service agencies, national group home operators, national for-profit and not-for-profit rest home and retirement village continuum of care operators, local membership organisations representing seniors and the elderly in the District and those they participate in along with a younger age group, as well as fraternal organisations, local churches, Iwi and Hapū, a welfare society and many individuals throughout the Rangitīkei.

Meetings were also held with national organisations and Central Government agencies, chief among them the Ministry of Social Development (MSD), Kāinga Ora (Housing NZ), the Ministry of Pacific Peoples (MPP), Te Puni Kōkiri (TPK), Community Housing Aotearoa (CHA), the Community Housing Regulatory Agency (CHRA), Habitat for Humanity and for-profit and not-for-profit 'rent-to-buy' and shared housing ownership companies.

Information was developed through Key Informant Interviews and focus groups, as well as more informal group discussions, phone interviews and field visits.

All of the above groups and organisations are potential or actual housing stakeholders and partners with RDC that have contributed to the development of this strategy and will be directly or indirectly involved in the delivery of housing solutions in the District going forward.

5.0   Council Tools and Related Initiatives

The key tools that Council can utilise to effect change in the eight housing sectors discussed in this strategy include:
• information gathering and sharing;
• orientation and motivation of the for-profit and not-for-profit sectors;
• facilitation of the establishment of coalitions of partner organisations;
• rates remissions;
• investment incentives;
• District Plan changes or resource consents;
• development agreements with property developers;

- lobbying and fundraising with Central Government, partner organisations, Iwi and the public; and,
- Public/Private Partnership (PPP).

6.0　Mapping Housing Needs

The housing sector in the Rangitīkei is diverse and comprised of at least eight sectors that correspond to the different types of housing needed by distinct groups of people based on:
- age (e.g., pensioners' need for housing is very different from that required by a young family with children);
- family structure (singles; singles flatting together; childless couples; couples with children; extended and inter-generational families; multiple un-related families living together; seniors and the elderly);
- ownership status (renting; 'rent to buy'; shared ownership; privately owned; privately owned home/leased land);
- economic status (not working; low – moderate income; middle - high income; affluent);
- health status (independent and mobile; requiring limited living assistance; not independent or mobile and requiring full-time living assistance);
- social situation (homelessness of many types; alcohol or drug addiction; mental health issues; ex-offender; unemployed or not able to work; low income earner; struggling to pay living expenses, Work and Income recipient; need for assistance to live independently; employed; pensioner);
- location (residence in either a residential, rural living or rural zone; and, locality within the District);
- dwelling type (apartment; condominium; townhouse; detached home; multi-family home; pre-fabricated, modular, transportable home);
- cost; and,
- lifestyle (urban; urban periphery; lifestyle block; beach; rural).
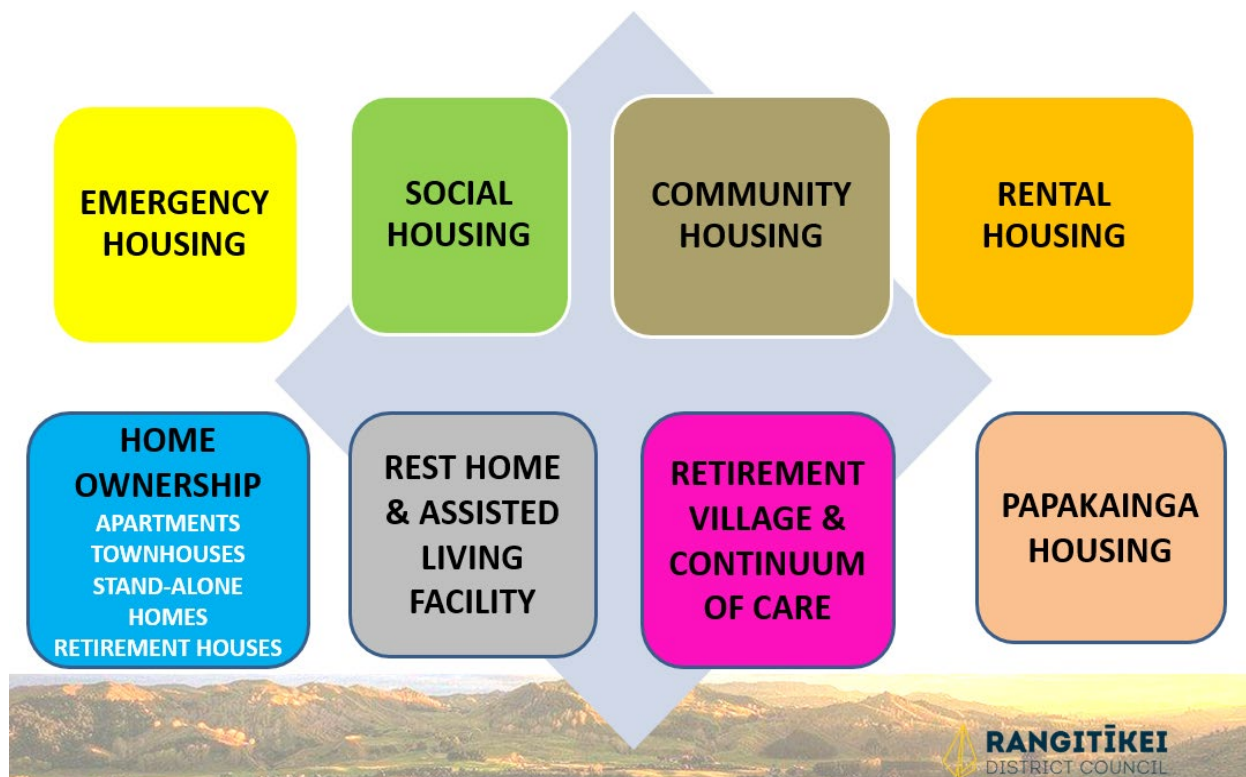
Because residents' needs (demand) for housing within the eight housing sectors and the supply of housing within each sector are inter-related, a change in the demand and supply of housing within one sector will often cause a change in one or more additional sector(s). For example, if the price of privately-owned homes in the District increases by 20+% annually (as it did in 2020) it will cause a short-term direct decrease in the amount of rental stock in the market as some investors will take advantage of rising prices to sell their rental properties.

7.0 Homelessness

The common MSD, Kāinga Ora and Statistics NZ definition of homelessness is, "living situations where people with no other options to acquire safe and secure housing are without shelter, in temporary accommodation, sharing accommodation with a household, or living in uninhabitable housing."[2]

Homelessness takes many forms, including couch-surfing, living in cars, trucks, caravans, sheds, garages, outbuildings and tents, camping out, sleeping rough or on the street, transitional supported accommodation for the homeless, safe houses or refuges, long-term stay in motor camps and boarding houses, as well as temporary accommodation for people sharing someone else's private dwelling (such as multiple families living in a single-family residence).

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[2] https://www.workandincome.govt.nz/documents/providers/housing-providers/emergency-housing-providers/transitional-housing-forums-2017-summary-notes.pdf

Homelessness has many causes and is often "hidden" and not visible or apparent, affecting residents of all ages and ethnic groups. Often it negatively impacts peoples' ability to look for work or hold a steady job, maintain their physical and mental health and hygiene, attend school, focus while in school or to be able to do homework, develop or maintain social networks, friendships and family ties and to live a happy, fulfilled life.

In 2014, the New Zealand Parliament published a research paper entitled Homelessness in New Zealand that stated, "Various issues can increase the likelihood of becoming and staying homeless. These include: lack of affordable accommodation…" It concluded that, "Affordable accommodation is a key measure to address homelessness."[3]

In order to have a shared terminology of the spectrum of homelessness this Strategy uses the following three main categories as described by Sam Tsemberis, Founder, Pathways to Housing.[4]
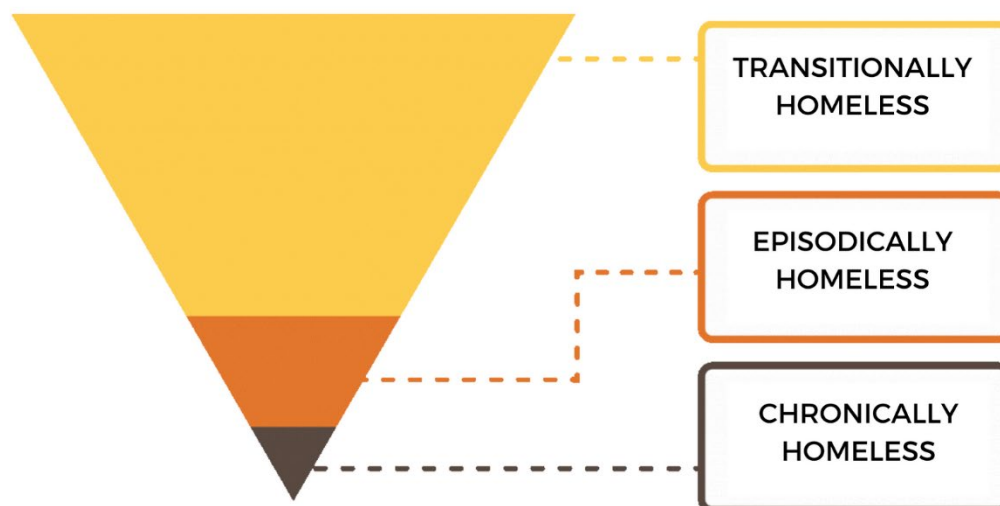
TRANSITIONALLY HOMELESS

The transitionally homeless population generally represents the largest category of homelessness and includes those affected by lack of housing and rental stock, redundancy, relationship or family breakdowns and health issues, among other reasons. Families dominate this group. For some, this could be their first encounter with social services and they may be

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[3] https://www.parliament.nz/en/pb/research-papers/document/00PLEcoRP14021/homelessness-in-new-zealand
[4] https://www.researchgate.net/publication/47669330_Housing_First_The_Pathways_Model_to_End_Homelessness_for_People_with_Mental_Illness_and_Addiction_Manual

affected over the short or long-term. People in this group may find themselves in situations such as sleeping in cars or temporary accommodation, in overcrowded houses or couch surfing.

EPISODICALLY HOMELESS

People who are episodically homeless are often suffering from family violence, addiction, mental health issues, trauma and debt, which contribute to their situation. Many in this category also require significant support from wrap-around services.

CHRONICALLY HOMELESS

People who are chronically homeless are considered as those who have spent more than a year on the streets.

7.1.2   Referrals and Council's Role

Council's principal roles to reduce or solve the various categories of homelessness in the District, as detailed throughout the strategy, include: a) information-gathering and sharing; b) facilitation of the formation of a consortium of interested and funded partners, including Iwi, MSD, HUD, Kāinga Ora, the Ministry of Pacific Peoples (MPP), WDHB, the Police, local social service agencies, churches and membership organisations; c) lobbying and fundraising with Central Government, partner organisations, Iwi and the public; and, d) referring episodically and chronically homeless, as appropriate, to funded service providers such as Te Kotuku Hauora, and other support agencies, including social service agencies, local churches, the Police, Iwi, and the Ministry of Social Development.

Council has established an informal Rangitīkei Homelessness Action Group consisting of Iwi, Central Government, WDHB, the Police and interested stakeholders that share anecdotal information on the changing levels of homelessness in the District. At present, the broad spectrum of homelessness in Rangitīkei and the need for transitional housing are considerable, and formal and informal homeless housing providers are not able to cope with increasing (and largely hidden) demand. This information is supported by data provided by MSD sources concerning emergency and social housing waitlists.

7.1.3   Monitoring

Council will continue to regularly monitor the level of homeless in consultation with its partner organisations and the Rangitikei Homelessness Action Group to assess whether a more active response is called for in the future.

8.0   Housing Plan

As mentioned above, the Housing Strategy 2021 – 2031 is a 10-year framework for Elected Members and the public to consider housing stock needs and potential solutions, discussing options concerning Council's role to affect the balance between supply and demand in the District and to inform Elected Members' decision-making. The strategy underpins the development of a 3-year Housing Plan, which will be updated annually. While the strategy talks about what could happen and why, the plan states what Council will do in the eight housing sectors and will be an operational document.

The Eight Housing Sectors

9.0   Emergency Housing

Emergency housing is "temporary accommodation for individuals and families who have an urgent need for accommodation because they have nowhere else to stay, or are unable to remain in their usual place of residence."[5] Amongst others, the need for emergency housing includes: a) refuges 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, d) people with mental health issues.

Of the four categories of emergency housing need mentioned above refuges or safe houses is the most acute, calling for a proactive response from the RDC and local partner social service agencies, churches, welfare societies, the Police and Iwi. Additionally, other agencies and providers need to do more to respond to the increasing scale of housing needs for the transitionally homeless.

In relation to the transitionally homeless, people affected by alcohol and drug addiction and those with mental health issues, Council's role is to gather and share information concerning need, lobby for Central Government funding and coordinate with District-based service providers to refer those who need emergency housing (and support services) to appropriate agencies, but not to directly provide housing itself.

9.1   Emergency Refuges and Safe Houses

9.1.1   What Is Family Violence?

The Ministry of Social Development states that, "Family violence is violence or abuse of any type, perpetrated by one family member against another. Anyone can be affected by family

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[5] https://www.communityhousing.org.nz/new-zealand/housing-continuum/terms-explained

violence, regardless of their age, gender, sexual identity, cultural background, ability, religion, wealth, status or location.

Family violence includes child abuse, partner abuse and elder abuse. Common forms of violence in families/whānau include:

• spouse/partner abuse (violence among adult partners);

• child abuse/neglect (abuse/neglect of children by an adult);

• elder abuse/neglect (abuse/neglect of older people aged approximately 65 years and over, by a person with whom they have a relationship of trust)."[6]

Family violence is not just physical, but can also include abuse or violence that is psychological, sexual, financial, neglect, etc., all of which may cause the victim(s) to need a refuge or safe house. A further listing of the sorts of abuse/violence that victims experience can be found at the MSD Family Violence It's Not OK website[7].

9.1.2 Who Is Affected?

Family violence affects married couples, people who are dating, in long-term relationships, couples in civil unions, gay and lesbian couples, ex-partners, boyfriends and girlfriends, children, elders (aunts, uncles, grandparents, etc.), flatmates and other people who share accommodation with those experiencing family violence.

In 2017, as per the National Performance & Insights Centre, New Zealand Police, "Police investigated 118,910 incidents of family violence in 2016 or about one every 5 minutes. This was an increase of more than 8,000 on 2015. There were more than 101,955 investigations in 2014 and 95,101 in 2013. It is not clear whether the increase is due to an increase in violence or an increase in people reporting family violence incidents."[8]

And this may just be the tip of the iceberg. According to the 2014 New Zealand Crime and Safety Survey (published in 2015), 76% of family violence incidents are not reported to the Police.[9]

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[6] http://www.areyouok.org.nz/family-violence/family-violence-2/
[7] http://www.areyouok.org.nz/family-violence/its-not-just-physical/
[8] New Zealand Family Violence Clearinghouse Data Summaries Snapshot, June 2017, quoting Data Scientist, National Performance & Insights Centre, New Zealand Police. (2017, May). [New Zealand Police Family Violence Investigation Data: Personal Communication].
[9] http://www.justice.govt.nz/publications/global-publications/n/new-zealand-crime-and-safety-survey-2014/publications/global-publications/n/new-zealand-crime-and-safety-survey-2014/documents/nzcass-main-findings-report

9.1.3 <u>Why are refuges or safe houses needed?</u>

- The need for a women's refuge in the Rangitīkei has been discussed by local social service providers as a potential solution to the problem since the abuse of and violence against women and children is widespread (reflecting nationwide trends), but there is a valid argument that the size of the towns within the District may be too small to guarantee victims' anonymity and safety.

  This issue needs more in-depth study and Council could very well conclude that for the present the safest and most secure option for victims would be to maintain or deepen its relationship with existing refuges in Whanganui and Palmerston North. This would preserve Council's ability to change its decision in the future should it become necessary to build a refuge and funding is identified. Although at present there is one person in the District who takes women who are the victims of violence and abuse into their personal home, there is no official women's refuge in the Rangitīkei;

- Local social service agencies have expressed the need for a men's refuge or safe house, and state that the need is not as obvious as that for women, as violence against men and their children is often under or un-reported due to shame, being misunderstood and interpreted as something else (e.g., random assault, drunken or aggressive behaviour, being in the wrong place at the wrong time, etc.) or feeling that it was somehow provoked by the victim.;

- Violence or abuse of children is generally linked to violence or abuse of a parent or care-giver, and happens simultaneously. "In 2010, 70% of child abuse cases attended by Police were family violence related."[10];

- The need for a safe house for the elderly who are victims of family violence is also serious, according to local social service agencies, since intra-family violence affecting the elderly and helpless (both due to physical and mental health conditions) is widespread and often not visible to outsiders due to a lack of independence or mobility and dependence on family for their most basic needs; and,

- Refuges within the District would enable women and men and their children, and the elderly, to maintain ties to their families and communities and would break the cycle of their continued victimisation by being removed from their home, contacts and communities through no fault of their own. Nevertheless, for the reasons discussed above, as well as the difficulty of raising the funding to cover the high cost of building, staffing, securing and maintaining refuges, a more prudent option for the present may be to continue to refer victims of abuse and violence to existing facilities in Whanganui and Palmerston North.

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[10] http://www.areyouok.org.nz/family-violence/who-is-impacted-by-family-violence/

9.1.4 Who has a role to play concerning refuges or safe houses for victims of abuse and violence?

Council could participate as a member of a support team concerned about emergency housing for District residents, comprised of agencies, churches, social service organisations, welfare societies, membership clubs, volunteer groups, the Police and Iwi.

9.1.5 What roles could Council play?

RDC could:
- facilitate the establishment of a coalition of partner and stakeholder organisations to collect information concerning the number of victims of abuse and violence within the District and to study the cost and practicality of different options to access or provide emergency housing for them;
- lobby and fundraise with Central Government, charitable trusts, foundations, partner organisations, Iwi and the public should a coalition of partner and stakeholder organisations decide to build refuges or safe houses within the District at some point in the future; and,
- continue to liaise with local service providers, the Police and health and service agencies who make referrals to appropriate out-of-District refuges, as needed. In the case of women and their children, referrals will continue to the Whanganui Women's Refuge and Women's Refuge Palmerston North.

9.2 Alcohol and Drug Addiction and Mental Health

Emergency housing for people who suffer from alcohol and drug addiction and mental health issues is mainly provided by the Whanganui District Health Board (on the Whanganui Hospital campus) as part of a package of support services provided in partnership with primary health, mental health and addiction non-governmental organisations (NGOs), Kaupapa Māori services and community agencies to ensure service users/tangata whaiora needs are met in all aspects of their lives.

In the Rangitīkei support services (other than housing) are provided by:

- Rangitīkei (Marton) and Taihape WDHB-affiliated health centres;

- Te Kotuku Hauora Health and Social Services, the health and social services provider (including mental health, addiction services, community health initiatives, health promotion referrals and physical activities) for all of the community living within the Southern Rangitīkei;

- Mōkai Pātea Services Whanau Ora Unit, based in Taihape, which provides services for mental health and drug and alcohol addictions for all of the community in the northern part of the District; and,

- Te Oranganui Trust, a health and social service provider based in Whanganui that offers a wide range of services to all people within Whanganui and neighbouring regions, including the Rangitikei. Their services include mental health and addiction support, quit smoking, health and nutrition programmes, disability support, whānau and community, suicide prevention and healthy families.

9.2.2 Monitoring of the Provision of Emergency Housing

Regular contact will be maintained with MSD, Whanganui District Health Board (WDHB), Te Kotuku Hauora Health and Social Services, and Mōkai Pātea Services Whanau Ora Unit, the Police and other local social service agencies concerning emergency housing provided or referrals made on behalf of District residents suffering from alcohol and drug addiction and mental health issues. Bi-annual reporting of the provision of emergency housing will occur as part of regularly scheduled Rangitīkei Emergency Housing Action Group meetings.

10.0 Social Housing

10.1 Introduction

Social housing is the general term for subsidised rental housing for people who need long-term accommodation, and is often called public housing if provided directly by central or local government (although Council's pensioner flats in Bulls, Marton, Ratana and Taihape, which are public housing, are referred to locally as community housing[11]).

10.1.1 Who needs social housing?

Low income families; the long-term unemployed; single parents; ex-offenders; refugees; beneficiaries; pensioners on fixed or limited income; and, "essential workers" (first responders, the Police, firefighters, ambulance drivers, paramedics, nurses, social workers, school bus drivers, community health workers, cleaners, rubbish removers, etc.).

10.1.2 What is needed?

To increase the provision of social housing and social housing providers throughout the District.

10.1.3 Why is more social housing needed?

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[11] Please see 11.0 Community Housing.

- The number of applicants on the MSD Public Housing Register is growing throughout the District, particularly due to the increase in transitionally homeless;

- Many singles, couples and families who are on low income 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 unless we find a way to assist them with their housing needs they may be forced to look for employment elsewhere; and,

- Many investment rental properties have been sold by their owners to take advantage of rapidly accelerating house values and some owners are moving back into their rental properties, displacing their tenants, without enough new, moderately-priced rental stock entering the market to provide alternative housing.

10.1.4 Where is social housing needed?

The need exists throughout the District, focused on larger population centres: Bulls, Marton and Taihape.

10.1.5 How can Council respond to the need?

Council's most productive roles related to the provision of social housing are the facilitation, lobbying and incentivisation of the key stakeholders who presently own and operate social housing in the District or will do so in the future, including potential Community Housing Providers. These key stakeholders include the Ministry of Housing and Urban Development (HUD), Ministry of Social Development (MSD), Kāinga Ora (Housing NZ), churches, social service agencies, large businesses who need to provide subsidised housing to their employees to attract/retain them, private investors and Iwi, or consortia of the same.

10.2 Facilitate the Expansion of Social Housing

Due to its relationship with and responsibilities to all residents, organisations and communities within the District, Council is a natural focal point for the collection and dissemination of information and ideally placed to facilitate the coordination of the development, provision and expansion of social housing to those in need. In order to do this Council undertakes a number of roles, including:

10.2.1 Information Gathering/Sharing and Lobbying

- Liaise with individual and organisational stakeholders to collect information and anecdotal evidence of social housing need, and to encourage people who need housing to register with the Ministry of Social Development;

- Liaise with and lobby the Ministry of Social Development to more accurately reflect the true level of social housing need in the District by improving its outreach to encourage more people to apply for inclusion on the Public Housing Register, particularly those who are "hidden", fall through the cracks or don't easily fit into the traditional categories of need. These include the transitionally homeless who may be couch-surfers, people living in cars and vans, sheds and garages, multiple family members or separate families living together and renters who may have recently lost their tenancy;

- Compare the data for the provision of social housing by Kāinga Ora (Housing NZ) for those on the MSD Public Housing Register with the backlog of applicants who are waiting to receive housing and document the additional number of people who are in need but are not registered to determine the real scale of the need for social housing in the District;

- Liaise with the Ministry of Housing and Urban Development to document the level of social housing need in the Rangitīkei and ensure that the New Zealand Public Housing Plan reflects current information about the District.

10.2.2 Facilitation and Coordination

- Facilitate the creation and coordination of stakeholder consortia to address social housing needs through the acquisition of land (or the use of already existing or vacant land, as well as promoting sub-divisions), building, relocation and purchase of houses and the creation of housing developments. These consortia include churches, community committees or boards, local social service and welfare agencies, clubs, membership and fraternal organisations (e.g., Rotary, Lions Club, Masonic Lodges, etc.), local businesses, investors, philanthropists, etc. Local stakeholder groups in Bulls/Marton and Taihape will be guided in their formation and assisted by Council staff on an as-needed basis until they are able to operate independently.

- Similarly, Council can support interested partners that want to create social housing developments (e.g., Iwi or churches) or build or relocate individual houses earmarked for social housing in properties they are sub-dividing (e.g., private investors). Council's role would be to link potential social housing developers to interested service providers (builders, funders, management companies or organisations that would like to develop the capacity to manage social housing, etc.) and groups that seek housing for their members.

  In particular, Council has an interest in facilitating the creation of an attractive, well-designed pilot social housing development (with strong development covenants to prevent the site becoming slum-like) in which tenants would rent a pre-fabricated, modular, relocatable home on a developed section. Council would like to explore

whether this sort of social housing development could provide quickly built, modern, good quality, warm and safe, affordable housing to address the increasing demand in the District that Government is not able to respond to as quickly as a for-profit or not-for-profit social enterprise developer.

- As needed, Council can participate in social housing consortia planning to facilitate:
    - applications for outside grant funding;
    - solicitation of donations from the public;
    - fund-raising events;
    - application for resource consents and building permits;
    - input to the design of housing developments;
    - coordination of the provision of inputs and services;
    - access to information, institutional support, training and Technical Assistance from regional and Central Government.

- Council will liaise with and align the District's social housing needs with existing initiatives offered by partner organisations. A good example of this is the Habitat for Humanity New Zealand Social Rental programme that provides rental accommodation to low income individuals and families, with the rent based on a tenant's income and subsidised by Habitat for Humanity.

10.2.3 <u>Direct Intervention</u>

- As a key element of large commercial and industrial business attraction discussions Council could insist that investors provide housing for a portion of its workforce (subject to negotiation) and potentially incentivise them to do so. Employer-provided housing could be offered as a form of social housing with employees charged less than a market-determined rent as an incentive to remain on the job and provide continuity since replacing trained staff is costly and time-consuming;

- Council owns land in Bulls/Marton and Taihape that could potentially be used for social housing developments. One option would be for Council to provide the infrastructure (roads, storm water drainage, potable water and electric connections, parking areas, etc.) and lease small sections (400 m^2) to the occupants. They would then purchase their own pre-fabricated, modular, relocatable home (with covenants to ensure the quality and standard of the development so that it does not become unsightly or deteriorate).

    This would ensure the Council of ongoing income streams in the form of the leased sections and the annual rates paid on the privately-owned homes. If homeowners decide to move they would pay to transport their house or sell it to a new buyer (after paying a transfer fee to Council as part of the development covenants).

Alternatively, Council could enter into an agreement with a commercial developer, group of investors or Iwi to jointly create a social housing development. Council could lease the sections (with or without infrastructure, depending on the agreement reached with the partner organisation) and the partner could build the houses and lease them to the renters at a subsidised market-related price.

This may be a way to provide social housing security, ensuring that "essential workers" and other financially vulnerable, low income earning groups that strongly contribute to the provision of critical services and the quality of life in the District are able to remain in the community. In this scenario it may be possible to interest Kāinga Ora to manage the housing stock as part of the national social housing portfolio or an emerging local Community Housing Provider, with a rental subsidy paid by MSD.

10.3   Support the Creation and Registry of Community Housing Providers

10.3.1 Definition

Community Housing Providers (CHPs) are not-for-profit organisations that provide long-term, affordable social housing at below market-determined rates for people who are unable to access housing in the private market and who earn very low – moderate incomes. Together, the moderate amount of housing provided by CHPs and the large amount built and managed by Kāinga Ora account for the great majority of social housing stock in the country.

10.3.2 How Are CHPs Registered and Regulated?

The Community Housing Regulatory Authority (CHRA) oversees the registration of CHPs by ensuring that:

- The organisation is a housing provider of social rental housing and/or affordable rental housing;

- The CHP board supports the registration application;

- The CHP is capable of meeting its Performance Standards[12] concerning governance, management, financial viability, tenancy management and property and asset management.

Once a Community Housing Provider is registered with the CHRA, it works with it to strengthen its systems, staff capacity and improve its performance.

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[12] As established in Schedule of the Public and Community Housing Matters (Community Housing Provider) Regulations 2014 (https://www.legislation.govt.nz/regulation/public/2014/0116/latest/DLM6013942.html).

10.3.3 Why Is Registration with the CHRA Important?

- Registration assures the Government that social housing tenants are appropriately housed and that their rights are protected;

- Once a CHP is registered with the CHRA it can enter into a contract with MSD for the tenancy services it provides and for which it will receive an Income Related Rent Subsidy (IRRS) for qualified tenants. The IRRS is a Government payment of the difference between the tenant's rent and the market-related rent for the housing provided by the Community Housing Provider; and,

- Registration with the CHRA strongly supports a CHP's financial sustainability.

10.3.4 Why Does Council Want to Support the Creation and Registration of Community Housing Providers?

- At present there are no registered CHPs in the Rangitīkei and the demand for social housing exceeds the supply (and it is increasing);

- Because it relies on the generation of rates to pay for the cost of the services it provides District residents, Council is financially constrained to expand the number of pensioner flats it owns and manages and cannot keep up with the growing demand for social housing;

- Similarly, despite Government's commitment in the current Public Housing Plan 2018–2022[13] to expand the number of social housing units built and managed nationally by Kāinga Ora by 4,480, the greater part of this housing is destined for major urban areas and will not significantly address the social housing need in more rural and less populated districts such as the Rangitīkei;

- Community Housing Providers could fill the gap in demand for social housing in the District between the provision of Council-owned pensioner flats in Bulls, Marton, Ratana and Taihape and the provision of social housing by Kāinga Ora to tenants on the MSD Public Housing Register.

10.3.5 What Can Council Do?

- Engage with Iwi, churches, , local social service and welfare agencies, clubs, membership and fraternal organisations and other local non-profits concerned with addressing the

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[13] https://www.hud.govt.nz/assets/Community-and-Public-Housing/Increasing-Public-Housing/Public-Housing-Plan/dd7ef6758d/Public-Housing-Plan-2018-2022.pdf

need for social housing in the District to determine their interest in creating or becoming Community Housing Providers, either individually or cooperatively;

- Facilitate access to trainers and technical assistance to support the establishment and capacity building of Community Housing Providers from such organisations as Community Housing Aotearoa, the peak body for New Zealand's community housing sector, and Te Matapihi he tirohanga mō te Iwi Trust, the peak sector body for Māori housing;

- Identify volunteers from within the District that can assist in the formation, strengthening and staffing of CHPs;

- Assist start-up CHPs raise funding through proposals (to Central Government agencies) and grant-writing (to charitable trusts and foundations), public fund-raising campaigns, solicitations to local philanthropists and endowments;

- Support CHPs to register with the Community Housing Regulatory Authority; and,

- Advocate on behalf of District CHPs with Government housing agencies.

11.0 Community Housing

11.1 Introduction

As per common usage within Council and by District residents, community housing refers to Council-owned flats provided at a subsidised rental cost to the elderly (65+ years of age)[14]. Community housing is public housing owned and managed by Council and is different from the social housing owned and operated by not-for-profit Community Housing Providers described in the previous chapter, although it is a form of social housing.

Pensioners receive preference in determining occupancy in Council flats and generally constitute close to 100% of tenancy. Provision is also made to accommodate people who have not reached retirement age. However, with only 72 units 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 spilt between two complexes), there is a growing pensioner applicant waiting list[15] and non-retirees are not able to be housed at present.

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[14] "Community housing is operated by the Council for the purpose of providing affordable housing for the elderly with low incomes in the District." 3.0 Principles, Community Housing Policy, Rangitikei District Council; 9 August 2018. https://www.rangitikei.govt.nz/files/forms/Community-Housing-Policy-2018.pdf
[15] Waiting list numbers increased from 3 in 2019 to 18 in 2020.

Subsidised rental rates apply to superannuant tenants only and Council reserves the right to charge younger tenants a market-related rent for housing units, but this distinction will remain academic until the supply increases.

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

11.2 Who Needs Community Housing?

The clientele for community housing is the same for social housing; however, with slight differences related to age and family status. In addition to personal circumstances, the need for community housing reflects changes occurring in the local economy. Over the last few years, in addition to the ongoing demand from pensioners, a trend has emerged of middle-aged singles, 40 – 50 years of age, who need housing, as well as more couples and young families seeking accommodation.

11.3 Level of Demand for Occupancy

Understandably, with its larger population, Marton has the greatest demand in the District for community housing, followed by Taihape and Bulls.

11.4 Council Plans Concerning Existing Community Housing

During the past triennium, Council advertised several times for expressions of interest from local organisations to manage the Council-owned flats, with a few proposals received but no agreement reached due to applicants' wish to receive a donation of the assets.

Council has stated clearly that it will maintain ownership of community housing.

Nevertheless, it has signalled its willingness to discuss:
- re-purposing some of the properties to make them fit-for-purpose (an example is flats with concrete steps and/or no place to park a mobility scooter that are occupied by pensioners who may be frail, at risk of a fall or disabled to either rebuild them if possible or, preferably, rent them to younger tenants);

- selling older properties and replacing them with new units on alternative Council-owned land, incorporating more modern materials and designs;

- more efficient use of land by demolishing existing community housing to fit a larger number of replacement units onto the same site; and,

- expanding the number of flats by building more units on other Council-owned land.

11.5   Investigation of Options to Expand Community Housing

Over the last several years, Council has recognised the dual trends of increasing community housing applications and the changing profile of applicants. In response it is exploring options to potentially:

- expand the supply of Council-owned housing through facilitation, coordination and partnership with Iwi and appropriate not-for-profit and social welfare/development organisations;

- utilise Council-owned land to build more community housing units or acquire other strategic pieces of land to do so;

- incentivise the building of community housing by local partners by offering rates remissions and improving the resource consent process to provide advice and improved customer service.

12.0   Rental Housing

12.1   Introduction

Rental housing refers to both short and long-term, unsubsidised rental property (the price is determined by the market), which includes homes, apartments[16] and town houses[17].

From 2018/2019, an extreme shortage of rental properties developed throughout the District, despite a significant portion of the population living in rented accommodation (by 2020 the percent of the population renting was: Marton 28.23%[18]; Bulls 35.11%[19]; Taihape 31.36%[20]). At the end of 2020 the median rental price in Marton was $355/week[21], $330/week in Bulls[22] and $320/week[23] in Taihape.

12.2   Who Needs Rental Accommodation?

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[16] Very few apartments exist in the District relative to the need.
[17] "A townhouse is a property that shares its walls with its neighbours, but does not have other properties below or above it like apartments do." https://homelegal.co.nz/blog/apartment-townhouse-house/
[18] https://www.realestateinvestar.co.nz/Invest/marton
[19] https://www.realestateinvestar.co.nz/invest/bulls
[20] https://www.realestateinvestar.co.nz/Invest/taihape
[21] https://www.realestateinvestar.co.nz/Invest/marton
[22] https://www.realestateinvestar.co.nz/Invest/bulls
[23] https://www.realestateinvestar.co.nz/Invest/taihape

Renters reflect the District's full demography and either can't afford or choose not to purchase a home, including singles on their own, singles who live together (flat mates), couples, families with children, inter-generational families, retirees and the transitionally homeless They include all ages and by number are concentrated in the larger towns in the Rangitīkei (Marton, Taihape and Bulls[24]), but constitute a sizeable percentage of small settlements, as well (e.g., Hunterville: 30.57%[25]; Mangaweka: 22.67%[26]; Turakina: 26.16%[27]).

12.3   Why Is There A Shortage of Rental Accommodation in the District?

- In two trends that started in 2017 when house prices started to rapidly accelerate, many rental properties are sold by their owners to lock-in the profit they've realised and some owners move back into their rental properties, converting them to their primary residence. In both cases this displaces long-time rental tenants, forcing them to look for new accommodation in a shrinking market, while often having to pay a higher price, or forces them into transitional homelessness;

- Not enough new, moderately-priced rental stock is being built to satisfy the increasing demand from new renters and inhabitants in the District. Similarly, not enough new rental stock is entering the market in the short-term to provide alternative housing for long-term renters who have been displaced when the property they have rented is sold or reoccupied by its owner;

- New District housing developments are creating many serviced sections and homes destined for owner-occupiers due to higher demand, rather than for the few investors who want to acquire rental properties. Land developers and builders can make more money responding to the higher demand for owner-occupied housing as the sections (and the houses built on them) sell much faster than for rental units, and it enables them to keep working steadily and to earn a quicker return on their investment.

- Property investors, who in the past may have held onto their rental properties for a long period to generate a small but steady income stream, can now increasingly earn substantial returns in the short-term through the sale of their properties, decreasing their incentive to continue to rent.

   Looking at the costs versus the benefits, on the one hand, investors only generate a moderate return on rental investments (measured as per cent median rental yield, and currently averaging 4.91% in Marton[28]) and have to comply with increasingly tough and

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[24] The high percentage of renters in Bulls relative to its population is likely due to its proximity to Ohakea Air Force Base.
[25] https://www.realestateinvestar.co.nz/invest/hunterville
[26] https://www.realestateinvestar.co.nz/Invest/mangaweka
[27] https://www.realestateinvestar.co.nz/Invest/turakina
[28] https://www.realestateinvestar.co.nz/Invest/marton

expense Government tenancy requirements[29]. On the other hand, rapidly increasing house prices offer substantially greater profit in a short time period, with much less effort than renting.

This is converting traditional rental property investors into property speculators since keeping houses rented is becoming a way to cover their carrying costs (mortgage, insurance, annual rates and maintenance) while they appreciate and not primarily a way to generate profit over the long-term. With the rapid appreciation in house prices in the current market, profit is achieved when the property is sold.

- Although rapidly increasing in price, rentals in the southern part of the Rangitīkei are still on average less expensive than in larger neighbouring cities, including Whanganui, Feilding and Palmerston North. As a result, the Rangitīkei is increasingly attracting renters who work in those cities and are willing to commute longer distances in exchange for cheaper rental prices.

- There is a mismatch between rental need and availability as the majority of rental properties have 3 or 4 bedrooms, and are too big and expensive for singles, couples without children and retirees (unless splitting the rent with flat mates). Further, there is a very limited number of apartments or townhouses for rent in the District.

12.4   What Is the Link Between the Rental Shortage, Social Housing and Homelessness?

As more people compete for fewer and fewer properties in the open (unsubsidised) rental market it will create increasing financial stress for pensioners, those on fixed income and low – moderate income earners whose superannuation or salary will not keep pace with rising rental prices. If the process continues without sufficient rental stock entering the market to satisfy pent-up rental housing demand (and slow down price rises) the following will happen:

- For those who remain in the District more and more pensioners, people on fixed income and low income families will be forced out of the market-determined (unsubsidised) rental market and will end up adding to the number of people who need (subsidised) social housing or who, in extreme cases, are forced into transitional homelessness; and,

- Some pensioners, people on fixed income and low income families will opt to leave the District, moving to areas where market-determined rents are still low enough that they can afford to pay them. Unfortunately, this comes at a high social and economic cost because:
    - people are often forced to loosen ties to family, friends and their community;

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[29] https://www.tenancy.govt.nz/law-changes/

- key skills 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.

12.5 What Is the Link Between the Rental Shortage and Provision of Essential Services in the District?

Similar to the scenario described above in 12.4, the provision of essential services in the Rangitīkei is negatively impacted by a shrinking supply of rental properties and rapidly increasing prices. "Essential workers" (first responders, the Police, firefighters, ambulance drivers, paramedics, nurses, social workers, school bus drivers, community health workers, cleaners, rubbish removers, etc.) with low – moderate incomes, who do not own their own home and must compete in the open market for rental accommodation, are being squeezed between rapidly increasing rents and slowly increasing salaries.

Eventually, if the same or alternative jobs are available in other areas with cheaper rents, some "essential workers" will choose to relocate or they will be forced to seek social housing to remain within the District. Of course, not all "essential workers" will find themselves in this situation, but some will, and that number is too many for a geographically dispersed region with a small population that has a limited ability to quickly replace key workers who provide much-needed essential services that benefit all residents.

12.6 What Is Council's Role to Address Rental Shortages?

Council has various tools it could use to stimulate a not-for-profit or private sector response to rental shortages, including:

12.6.1 Direct Intervention

- 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, enabling qualified tenants to access the MSD Income Related Rent Subsidy (IRRS). Council could contribute land (which tenants would lease as part of their rental contract) and CHPs could raise the money required to build warm, safe, low cost housing;

- Enter into similar partnerships with commercial property developers, investors or Iwi to build unsubsidised, market-related rental housing;

- Explore including a requirement in development agreements negotiated with property developers who seek resource consents that a percentage of housing in the development must be devoted to market-related rentals;

- As a trade-off in the incentive package offered in negotiations to stimulate new large-scale commercial and industrial investment in the District, require companies to provide new rental housing to a percentage of their employees. This should be accomplished through new builds rather than competing for already existing scarce rental property, driving the price in the market higher than it already is and further disadvantaging low (and increasingly medium) income earners who are struggling with rapidly increasing rental prices; 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 (that could lessen the burden on existing infrastructure), for example, with pre-fabricated, modular, relocatable homes, on leased sections.

13.0 Privately-owned Housing

13.1 Introduction

Privately-owned housing in the Rangitīkei includes:
- Apartments (there are very few, most of which are located on the first floor over town centre businesses);
- Town-houses (very few exist, many of which are Community Housing stock in the form of Council-owned and managed flats, although there are some ex-Housing New Zealand two-family townhouses that have been privatised); and,
- Detached houses on privately-owned sections (the great majority of housing stock in the District).

There is an increasing shortage of privately-owned housing stock for sale in the southern part of the District, with asking prices increasing rapidly and multiple offers frequently made over the pricing "guideline" within a few days. In Taihape a similar scarcity of housing reaching the market 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.

Reflecting the increasing housing demand and short supply over the past few years and more recently the historically low mortgage rates, according to Core Logic, house prices in the District have increased 125% over the four year period from 2016 – 2020, with an increase in 2020 of 28%, and 31.4% from January 2020 – January 2021.[30]

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[30] Latest CoreLogic House Price Index, released 3rd February 2021.

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 would like to purchase.

At the higher end of the price scale, as more Kiwis return home from overseas in response to Covid-19, particularly those who have lived and worked in Europe and are cashed-up, the price of bigger, more upscale properties and lifestyle blocks is also rising rapidly and they don't last long in the market.

The KiwiSaver eligibility for home buyers accessing KiwiSaver First Home Buyer Scheme savings includes maximum house price caps based on the Territorial Local Authority boundaries. There are two separate house price caps in Rangitikei that equate to a maximum for existing/older properties of $400,000 and for new properties of $500,000. [31] These price caps need to be adjusted upwards since there are now fewer and fewer properties reaching the market in these price ranges.

13.2 What is Needed?

To increase the provision and diversity of affordable privately-owned housing of all kinds throughout the District to create a market-determined balance between supply and demand.

13.3 Who Needs Privately-owned Housing?

The demand for privately-owned housing exists strongly within all demographic, age, cultural and economic groups in the District, as well as new residents, with the diversity of need including:
- Singles and couples, with and without children;
- Extended and multi-generational families;
- Retirees, seniors and the elderly who would like to downsize from their current home to housing on a smaller section with an easier-to-maintain garden, if it has one at all, and is configured to be more age-appropriate. Generally, this means upgraded, modern or new, easily maintained housing that is on one level, has no external steps or internal staircases, may have hand rails or a ramp, is on a flat section, with a walk-in shower and grab rails installed at the front and back doors and in the shower and toilet;
- First home buyers;
- People who have previously rented and can afford to buy their own home;
- Home-owners who wish to change their residence;

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[31] https://kaingaora.govt.nz/assets/Home-ownership/Brochures-and-forms/KO111-KiwiSaver-First-Home-Grant-JUL2020-v24.pdf

- People who are newly arrived in the District, particularly:
  - New residents who are moving to the Rangitīkei to take advantage of less expensive housing prices or to be close to where they work;
  - Staff who are transferring from RNZAF Base Auckland Whenuapai to Ohakea Air Force Base;
  - Employees of new commercial and industrial firms that are establishing or expanding their operations and factories in the Marton industrial zone;
  - Employees of well-established District businesses that are growing and expanding;
- Ethnic groups that wish to live in community developments, with some form of privately-owned housing such as papakāinga housing for Māori whanau who share whanaungatanga through a common Marae, the Ratana community, with shared adherence to the Ratana church, or Samoan families who occupy their private home within a "village" modelled on a tulaga fale.

13.4   Why is More Privately-owned Housing Needed?

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

The reasons for this include:
- Since 2014, the previous long-term negative population growth trend has reversed itself in the Rangitīkei, with the average estimated resident population increasing more than 1% per year[32], but housing stock has only increased marginally from that date until the present.[33]

- The number of occupied private dwellings (apartments, townhouses and detached houses) in the Rangitīkei in recent years has not increased as rapidly as the increase in population. This disparity indicates a long-standing increase in demand for housing. In the 2013 Census the number of occupied private dwellings was 5,706[34] and only increased by 38 to 5,742[35] in the 2018 Census. According to Statistics NZ[36], during the

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[32] https://ecoprofile.infometrics.co.nz/Rangitītkei%2BDistrict/Population/Growth

[33] As this strategy was written, new builds were just starting on the housing developments that are currently in the pipeline such as Hereford Heights, and will reach the market in increasing numbers over the next few years. Nevertheless, there is scope for a lot more development beyond this amount to align housing stock supply with pent-up demand.

[34] https://www.stats.govt.nz/reports/2013-census-quickstats-about-housing

[35] https://www.stats.govt.nz/tools/2018-census-place-summaries/Rangitītkei-district#dwelling-counts

[36] https://www.stats.govt.nz/
https://www.stats.govt.nz/tools/2018-census-place-summaries/Rangitītkei-district#dwelling-counts

same time period the District's population grew from 14,019 to 15,027, an increase of 1,008 people[37];

- Over the past generation demographic patterns in the District have shifted, with more singles and childless couples who need smaller housing units than has been the norm in the past, in addition to the ongoing trend of seniors living longer. This has led to a mismatch between housing demand and supply as there are not enough 1 – 2 bedroom properties for sale in the market at any time to satisfy the need for the same by the large number of singles, couples without children and retirees wishing to down-size who want to buy;

- There is an influx of new residents seeking cheaper housing in the District from some of our neighbouring cities (Whanganui, Feilding and Palmerston North) and adjoining districts where housing prices are higher than in the Rangitīkei. Often, these new residents are willing to trade off a longer commute to work against a cheaper house price (which is also the same with rental costs);

- Similarly, the District's economy is developing very rapidly, putting great pressure on existing housing and driving up demand for it, as well as the construction of new housing stock. This is particularly notable in the southern part of the District, 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. An indication of the degree of disequilibrium between supply and demand is that at present practically all properties that are offered for sale in Marton and Bulls attract multiple offers over the asking price within a few days of listing[38].

13.5   Who Has a Role to Play in Addressing the Shortage of Privately-owned Housing?

Together a coalition of interested parties, partners and stakeholders need to work together to address the housing shortage. They include Council, property developers, land and house package developers, local builders, real estate agents, social service agencies and groups representing retirees, seniors and the elderly, and not-for-profit and profit-making organisations that offer alternative routes to home ownership.

13.6   Why Should Council Intervene and What Is Its Role?

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[37] This figure is probably understated as the 2018 Census is widely acknowledged to have missed a large number of people as it was the first attempt to collect census data exclusively online.
[38] The average premium over the asking price is presently at least 6% and increasing (as per the consensus of the Council-facilitated real estate agents working group meeting held on 2nd December 2021).

Government has a responsibility to intervene in the housing market, within its ability and statutory authority, when the relationship between housing supply and demand becomes so distorted that it negatively affects residents' well-being. This stems directly from the 2018 Local Government (Community Well-being) Amendment Act[39] that changed the statutory purpose of local government to promote community well-being (measured as social, economic, environmental and cultural well-beings).

Council's principal role is to stimulate the supply of privately-owned housing stock to satisfy market demand by:
- information gathering and sharing to quantify the diversity and location of housing needs;
- exploration of alternative and best-practice housing models, technologies and developments, bearing in mind the experiences and lessons learned by other Districts and locations;
- identification of, engagement with and coordination of interested parties, partners and stakeholders; and,
- facilitation of working groups, advisory bodies, coalitions and solutions.

13.6.1 Direct Intervention

Council could directly intervene to affect housing supply by:

- Incentivising property developers through rates remissions, reduced or waived resource consent fees, etc. to invest in targeted developments based on such factors as location, scale, type and cost of housing, development contribution, impact on infrastructure, etc.;

- Purchasing strategic pieces of land that it earmarks for housing development, which are then on-sold to property developers or investors, with the proviso that a targeted housing development (as described in the above point) is initiated within an agreed period. This achieves three objectives: a) designation of specific pieces of land for housing development, contributing to the orderly and planned design and growth of residential areas; b) determination of the kind of housing developments that will occur and the homeowners they will be aimed at; and, c) generation of revenue in the form of the profit that can be achieved on the purchase and sale of the land;

- Providing land it already owns or purchases as its contribution to a partnership with Iwi, a for-profit housing developer or not-for-profit group (a church, social service agency, or a consortium of interested parties) to develop privately-owned homes. Council could continue to maintain ownership of the land, with home owners leasing their section.

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[39] https://www.solgm.org.nz/CommunityWellbeing

This 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 value of sections, and would lead to more property developments and land/build packages, better aligning housing supply with demand;

- Creating more land for privately-owned and rental housing development as part of a spatial planning exercise[40] to re-design the future physical layout, utilisation of land and allocation of infrastructure within the District, leading to better managed alignment, growth and development; and,

- Collaborating politically with other Local Authorities to collectively lobby to increase the maximum price threshold for home buyers accessing the KiwiSaver First Home Buyers Scheme.

13.6.2 Facilitation of Solutions

Council can play an organisational and facilitation role to bring together the large number of potential partners and stakeholders interested in creating solutions to the shortage of privately-owned housing in the District. It has widespread relationships at all levels and the ability to gather and share information that other parties can benefit from, as well as an over-arching responsibility to work in benefit of residents to improve their welfare.

A non-traditional example of how Council can facilitate positive housing solutions is to help seniors and the elderly who want to move from their 3 – 4 bedroom (or larger) house on a big section that they can't keep up to a smaller, 1 – 2 bedroom more age-appropriate home closer to the centre of town, improving their mobility, social interactions and access to the goods and services they need. Council could accomplish this by coordinating with real estate agents, property developers, planners and builders to provide the smaller homes close in to the centre of town that seniors and the elderly need, while promoting the sale of their larger home to a young family with children, and the sub-division of the large property to build more housing on smaller sections.

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[40] Spatial planning is, "A 20–30 year strategy that sets the strategic direction for a community to form the basis for the co-ordination of decision-making, infrastructure, services and investment. It is a means of aligning other council plans, as well as providing a visual illustration of the intended future location, form and mix of residential, rural and business areas, along with the critical transport and infrastructure required to service those areas and any relevant environmental constraints (for example, natural hazards)." Adapted from MfE (2010), Building Competitive Cities: Reform of the Urban and Infrastructure Planning System - A Discussion Document, p.72.

Facilitation is needed in all towns within the District to recycle and re-purpose property to satisfy the housing needs of different age groups. At present this process is taking place on an ad hoc, case-by-case basis, but could be coordinated by Council to increase the scale and rapidity of solutions until such time as the private sector, recognising the opportunity, intervenes more actively on a sustainable basis.

13.6.3 <u>Liaise With Partner Organisations to Promote Alternative Routes to Home Ownership</u>

There are a number of not-for-profit and for-profit partners with whom Council can liaise to support their initiatives offering alternative paths to home ownership, particularly to residents who are struggling to raise the down-payment required to get on the home ownership ladder. These solutions include:

- **"Rent-to-Buy" Programmes** are aimed at people who are working and can afford to regularly pay a market-related or subsidised rent, but have difficulty being approved for a mortgage to buy their first home (because they don't have the money for a down payment). After paying rent for a minimum period (usually five years) buyers are rebated a portion of the increased equity in the house they occupy (generally 25%), which they can then apply toward the down payment to raise a mortgage. Examples include:
  - The Housing Foundation Rent to Own (HomeSaver) Programme
  - Homes for People Affordable Rental Programme
  - Habitat for Humanity Assisted Home Ownership programme
  - Tindall Foundation Rent to Buy Scheme

- **Shared Ownership Programmes** target people who have stable employment and some portion of the down payment required to qualify for a mortgage (usually at least 5%). They partner with a not-for-profit or for-profit investment firm that provides the remaining portion of the down payment to purchase a home (as an equity investor) and then pay an interest charge on the investor's portion for five years. During that period the buyer is responsible for all costs, including rates, maintenance and insurance, and the property is owned as tenants in common with the investor (shared ownership). After five years the buyer can buy out any or all of the investor's equity, generally by refinancing the mortgage. Examples of organisations that offer shared ownership programmes include:

  - YouOwn
  - Tindall Foundation Shared Equity Scheme
  - Habitat for Humanity's KiwiBuy (which combines elements of shared ownership and progressive home ownership)
  - The Housing Foundation's Shared Ownership Programme

13.6.4 <u>Stimulate Pilot Projects to Promote Less Expensive Home Ownership</u>

The disequilibrium between housing supply and demand and record low mortgage rates has driven a dramatic rise in privately-owned house prices in the Rangitīkei in the period from 2017 – 2020. According to the CoreLogic House Price Index, the average house price increase in the Rangitīkei was static for many years (2000 – 2016) and only began to show a sustained upward trend in late 2016.

This rapid increase in house prices has placed home ownership beyond the reach of a growing number of people and has substantially increased the amount of debt others have incurred and the length of time they will require to pay it off. In light of this situation, Council could potentially contribute to the provision of less expensive and increased home ownership, as follows:

- **Leased Sections**: Council could work with partners (Iwi, developers and investors) in a facilitation role to develop a home ownership model that removes land, the most expensive part of the land/house package, from the purchase price. In this model the section that a house is located on is leased, rather than purchased, dramatically reducing the mortgage amount and repayments required compared to the purchase of a traditional house and section.

  Depending on the covenants placed on the development, homeowners would have several options related to their need to move house at some point in the future. They could either sell the house to a new homeowner (or to the developer if the covenant stipulates that) or relocate it and put it on a new section they lease or purchase in another location.

  In order to motivate a property developer to experiment with a leased section business model, Council could incentivise them to invest in a pilot development project using its normal investment incentive tools, including rates remissions, a reduction or waiver for the cost of resource consents and lowering the cost of a development agreement, should one be necessary.

- **Pre-fabricated, Modular, Relocatable Housing:** Council could work with partners (Iwi, developers, investors and builders) to facilitate the development of a pilot pre-fabricated, modular housing development that provides modern, eco-friendly, comfortable, relocatable housing on small, leased sections that is less expensive and quicker to build than traditional custom-built or kit-built homes. Individual sections would have services at their boundary, be well-landscaped and laid-out attractively.

  As above, the covenants placed on the development would determine the options related to homeowners' need to move at some point in the future, and resource consents will maintain the quality of the housing development, with private driveways, parking areas, lawns and plantings, preventing it from turning into a caravan park or becoming slum-like.

The pilot modular home development would be built to provide proof-of-concept that leased land and prefabricated build packages can accommodate the desire for private home ownership at a substantially lower cost than conventional land and house packages. Potentially, the homes could cater to a specific buyer demographic (singles, childless couples and seniors/retirees) that need 1 – 2 bedrooms, rather than a traditional housing development aimed at families that require 3 – 4 bedrooms.

- **Apartments, Condominiums and Townhouses:** Not everyone wants to live in a detached house or maintain a large section or garden. Some are motivated by proximity to town centres, retail shops and services, sports facilities, reserves and transport. As towns and downtown retail centres in the Rangitīkei are redeveloped through spatial planning and District Plan changes, more opportunities will emerge for alternative housing in the form of apartments, condominiums and townhouse developments.

  Some existing buildings can be rehabilitated (if they are fit-for-purpose and earthquake resistant) and others built to accommodate the demand for apartments, condominiums and townhouses with small gardens by people who would like to own their own housing but do not want the maintenance and expense of a detached house on its own section.

  Council could agree District Plan changes and offer investment incentives to motivate developers and investors to build attractive apartments, condominiums and townhouses to diversify housing stock, accommodating potential home owners who are not presently catered for, and revitalise town centres throughout the District.

  At the same time Council could conduct a study to determine why first floor apartments over ground floor retail space in town centres, particularly Taihape, have been allowed to deteriorate by their owners over the past few years and in many cases are unoccupied. The study could recommend regulatory actions that Council can take and/or incentives it can offer to motivate owners to rehabilitate and rent their unoccupied apartments.

14.0 Group Homes, Assisted Living Facilities and Rest Homes

14.1 Introduction

Group homes are large, affordable, family-style, shared houses occupied by seniors over 65 years of age with ties to their local community who are independent, normally mobile and in acceptable physical health, able to take care of themselves and can live flexibly with others. Residents have their own bedroom and, generally, an ensuite bathroom. They share common living areas such as the kitchen, dining room, living room and games/entertainment space. Group homes offer companionship and security to seniors who may be lonely, on their own or

without family support nearby. Abbeyfield House is a well-known example of a group home, with 14 homes distributed throughout the North and South Islands.

The Cambridge Dictionary defines an assisted living facility as "a home for older people or people with disabilities who can live fairly independently but need some help with everyday tasks such as preparing meals, bathing, and dressing."[41] Often the help required is provided by trained caregivers.

Both for-profit companies and not-for-profit organisations offer residential care by trained caregivers and registered nurses to residents in rest homes who are no longer able to live independently that provide a higher level of care than assisted living facilities. Often rest homes exist as part of a larger complex offering continuum of care, including dementia, hospital and respite care.

At present in the District there are no group homes or assisted living facilities, and there is one rest home, Edale Masonic Village and Rest Home, located in Marton.

14.2   What is Needed?

To increase and diversify 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 (either rented or owned) or with their families, and who want to remain close to family and friends and to maintain links to their communities.

Shared group housing for seniors and the elderly in Taihape who seek companionship and may not have or be supported by family would address a portion of their housing need in town. In particular, a group home could be of interest to seniors in the "missing middle" between pensioners with very limited assets (who will occupy Council, kaumātua and modest rental flats) on one end of the scale, and affluent private home owners on the other end of the scale who want to downsize but can't find age-appropriate housing on the flat in the centre of town or, alternatively, will leave town to occupy a flat or villa in a retirement village outside of the District.

The options to provide housing and care options for seniors and the elderly who would like to enter a rest home within the Rangitīkei have become more limited over the past ten years, with the closure of the Ruanui Rest Home in Taihape in 2010 and the Lancewood Rest Home in Bulls in 2015. At present, the only remaining rest home in the District is Edale Masonic Village and Rest Home in Marton, which has twenty-three rest home beds and will be adding nine more in 2021. Edale has a waiting list for occupancy and elderly from the District who are not able to be accommodated there generally re-locate to rest homes in Whanganui, Feilding or Palmerston North.

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[41] https://dictionary.cambridge.org/dictionary/english/assisted-living-facility

As much as a rest home in addition to Edale is needed to provide occupancy for more elderly patients in the District, the amount of demand doesn't presently exist to make it viable, without being part of a retirement village complex (please see the explanation below in 14.3 as to the number of patients required presently under Central Government's funding rules to support the viability of a rest home).

14.3   Why Have Rest Homes Closed in the District?

Rest homes throughout the country are funded by their District Health Boards, which in turn are funded by Central Government. Rest home funding is based on the number of beds in the facility that are occupied by elderly patients. Depending on the scale of the operation, funding does not cover the full cost of providing the services offered (they operate at a loss) and to remain solvent they need to supplement their income with profit from alternative sources. Generally, most of the income needed to offset the loss generated by the rest home comes from the sale of 'licence to occupy'[42] housing (flats or villas) to seniors who become residents of a retirement village owned by the same business.

Unfortunately, not all rest homes have a retirement village to generate profit or operate at a large enough scale to remain viable. In 2010, during the discussions to keep Ruanui Rest Home in Taihape from closing its doors, the Whanganui District Health Board estimated that for Ruanui to cover its expenses without supplementing its income, it needed at least thirty patients. Both Ruanui and Lancewood Rest Homes had fourteen residents by the time they ceased operations in 2010 and 2015, respectively.

According to Presbyterian Support Central's Enliven Positive Aging Services, at the end of 2020, "the minimum viable size of a (rest) home is now between 60 and 100 beds and then only if there are additional fees coming in in the form of premium (larger) room fees or purchasing the right to live in a larger room much like they do in a retirement village."[43]

Further, the average age of the elderly who enter rest homes is increasing[44] since, in general, people are living longer. Despite seniors over the age of 65 making up 19.17% of the Stats NZ estimated population of the District in 2020 (3,020 people)[45], with the population of seniors

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[42] "A licence to occupy, which is often referred to as an occupation right agreement (or ORA), confers on a person the right to occupy a unit within a retirement village in New Zealand. With a licence to occupy you purchase the contractual right to occupy a property, but you have no legal ownership of the property itself or the land." https://www.villageguide.co.nz/resource-centre/what-is-a-licence-to-occupy
[43] Personal communication on 25th November 2020, from Nicola Turner, General Manager, Enliven, Presbyterian Support Central.
[44] Ibid.
[45] http://nzdotstat.stats.govt.nz/OECDStat_Metadata/ShowMetadata.ashx?Dataset=TABLECODE7506&ShowOnWeb=true&Lang=en

projected to reach 24.05% by 2028 (3,800 people)[46], the total number of potential aged residential care (rest home) residents throughout the Rangitīkei 85+ years of age at present is only a small fraction of this figure (300 people or 1.9% of the population[47]). Most of Edale's rest home residents are eighty – ninety years of age[48] and the average age of Enliven's care home residents is close to eighty-five[49]. This means that it is becoming much harder for a rest home to reach scale and sustainability in patient numbers in a district with a low population like the Rangitīkei without a significant profit centre such as 'licence to occupy' housing.

14.4   Who Would Benefit From Living in a Group Home, Assisted Living Facility or Rest Home?

In general, the elderly move along a sliding scale based on independence, mobility, the ability to handle their daily tasks on their own and their health status. Those who are able to live independently and who are mobile and in good health may be attracted to living in a group home amongst a number of options, particularly if they seek companionship and are on their own. As their mobility and independence lessens they may need to receive some help with daily tasks that are provided in the group home, their own residence (either rented or owned) or in an assisted living facility. Once they are no longer mobile, able to manage their daily needs, even with assistance, and/or their health deteriorates, many people choose to enter a rest home.

Despite a lack of interest at the time to a proposal in 2017 to set up an Abbeyfield Home in Taihape to cater for some of the independent and mobile seniors who might want to become occupants of a group home, in a meeting in December 2020 a group of twenty-four Taihape seniors felt that Abbeyfield would offer one of several acceptable solutions to the unlikely prospect of reviving a rest home in town. Older Bolder Taihape, the meeting organiser, estimated that the attendees represented approximately 25% of the elderly who are 85+ years of age in Taihape. If this number is extrapolated, it gives an indication of the size of the independent and reasonably mobile elderly population in Taihape, and potentially throughout the District that could benefit from living in a group home or assisted living facility.

As per Stats NZ, in 2020 the elderly population (85+ years of age) throughout the District from which patients would be drawn who may have need of a rest home numbers 300 people. Some of these people are already residents of Edale Rest Home, others live in their own home or rented flat, still others occupy Council and kaumātua flats, and finally some live with their family.

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[46]http://nzdotstat.stats.govt.nz/OECDStat_Metadata/ShowMetadata.ashx?Dataset=TABLECODE7545&ShowOnWeb=true&Lang=en
[47]http://nzdotstat.stats.govt.nz/OECDStat_Metadata/ShowMetadata.ashx?Dataset=TABLECODE7506&ShowOnWeb=true&Lang=en
[48] Data supplied in a personal communication with Edale Masonic Village and Rest Home on 3rd February 2021.
[49] Personal communication on 25th November 2020, from Nicola Turner, General Manager, Enliven, Presbyterian Support Central.

14.5   What Is Council's Role?

As in the other housing sectors, Council's principal roles are:

a) Information gathering and sharing;

b) Facilitation and incentivisation of key partners and stakeholders who presently have a role to play or will in the future in the development and operation of group homes, assisted living facilities and rest homes in the District. This includes the Whanganui District Health Board, the Ministry of Housing and Urban Development (HUD), the Ministry of Social Development (MSD), Kāinga Ora (Housing NZ), churches, social service organisations, for-profit and not-for-profit organisations that manage homes and facilities, retirement villages, and Iwi, or consortia of the same;

c) Lobbying with and assisting to raise funding from Central Government ministries and agencies.

14.6   What Are Council's Work Priorities in This Sector?

Over the next three years, Council will focus its facilitation work on accomplishing the following:

a) More accurately quantify the demand for senior and elderly occupancy of group homes, assisted living facilities and rest homes;

b) Communicate District needs to for-profit and not-for-profit provider organisations to:

   ▪ support their existing operation or to motivate and facilitate their new business;

   ▪ promote the formation of a consortium of interested organisations to work together;

   ▪ assist where possible with Council regulatory procedures (District Plan changes, resource consents and building permits) and investment incentives (rates remissions, development agreements or other measures, as determined by the Elected Members); and,

   ▪ promote investment in the District;

c) Assist, where possible, to support and strengthen Edale Masonic Village and Rest Home in its efforts to reach financial viability and sustainability, particularly in the provision of

customer service in the resource consents and building permits that will be required to expand its physical facilities;

d) Identify an assisted living service provider (providing home care staff, but not a physical residence) that may be interested in providing services in Taihape, enabling the elderly who require assistance with their daily needs to remain for a longer period of time in their rental and privately-owned housing or living with their family than they would otherwise without care;

e) Support the establishment of a local committee of interested organisations and parties to fund and build an Abbeyfield Home in Taihape;

f) Lobby Central Government ministries and agencies, and, in particular, HUD, MSD, Kāinga Ora and the Ministry of Pacific Peoples, to provide funding to support the establishment of group homes, assisted living facilities and rest homes in the Rangitīkei; and,

g) Promote and publicise the commercial opportunity for a retirement village/rest home operator to establish a facility in Marton or Bulls.

15.0 Retirement Villages

15.1 Introduction

According to the Retirement Villages Act 2003, a "retirement village means the part of any property, building, or other premises that contains 2 or more residential units that provide, or are intended to provide, residential accommodation together with services or facilities, or both, predominantly for persons in their retirement, or persons in their retirement and their spouses or partners, or both, and for which the residents pay, or agree to pay, a capital sum as consideration…"[50]

Most retirement village operators are for-profit companies, with the larger ones being national chains listed on the New Zealand Stock Exchange (NZX). Examples include Ryman Healthcare, Summerset Group, Oceania Health Care, BUPA New Zealand, Metlifecare Limited, Radius Care, etc. Several not-for-profit organisations also operate national retirement village chains, including Presbyterian Support Central's Enliven Positive Aging Services, the Selwyn Foundation, the Masonic Villages Trust, etc.

15.2 What Services Do Retirement Villages Offer?

Most retirement village operators in New Zealand provide a 'continuum of care', which, "refers to the increasing intensity of healthcare services that a person may need as they age."[51] Retirement village residents frequently cite the provision of continuum of care as one of the main reasons they move to a retirement community.

On one side of the scale is, "independent living – a person who is more or less self-sufficient and able to safely live on their own. The spectrum then progresses to the right to include personal care, assisted living, and/or memory care–this includes people who need help with activities of daily living (ADLs) like dressing or bathing, and/or have memory issues as the result of age-related cognitive decline or conditions like dementia or Alzheimer's disease; depending on the individual's needs, it may or may not be safe for them to live alone." On the other side of the scale, "would be skilled care and skilled nursing care – for people who have major health issues or cognitive decline and are no longer able to care for themselves."[52]

Most retirement villages in the country offer:

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[50] https://legislation.govt.nz/act/public/2003/0112/28.0/DLM220831.html
[51] https://www.mylifesite.net/blog/post/what-is-a-continuum-of-care/
[52] Ibid.

- Independent 'licence to occupy'[53] housing (villas, townhouses or flats);
- Assisted living support in the resident's housing (non-medical care services for bathing, continence, dressing, eating, toileting, and/or transferring {walking}, as well as cleaning and food purchase/preparation/delivery);
- Rest home care;
- Dementia care (for seniors who have been diagnosed with dementia and Alzheimer's disease);
- Hospital care;
- Respite care (defined by the Ministry of Health as "any support or service that helps you to have a break from caring for a person with a disability."[54]); and,
- Palliative (pain relief for terminal patients) and end-of-life (hospice) care.

15.3   What Is the Difference Between a Retirement Village and a Rest Home?

"Retirement villages are designed to offer independent living facilities, by way of a townhouse, villa or apartment. Some properties offer additional facilities, such as serviced apartments, care suites, rest homes, hospitals and dementia care units. The benefit of a continuum of care retirement village is that it will offer a range of facilities which can be used as needs increase. This provides far less disruption to residents who can transfer between facilities within the property as needed, either for the short term (i.e. when recovering from an illness) or long term (if the individual develops dementia or needs assisted living).

Rest homes, often confused with retirement villages, are specific facilities where assisted living (meals, nursing care, etc.) is provided. They often have dementia and non-dementia wards and are far smaller in resident numbers. Unlike retirement villages, residents do not enjoy independent living."[55]

15.4   Who Lives in a Retirement Village?

Retirement villages are designed for retirees, as well as their spouses or partners, who no longer want to or are able to maintain their own privately-owned property and who are independent and mobile but wish to live in a community with people of similar age and interests. Although there is some willingness to accommodate younger residents, the norm is

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[53] A 'licence to occupy' provides, "the right to live in a (*housing*) unit and have access to the village facilities and services, without giving you ownership of the unit. The offer of these rights must be made in an occupation right agreement (ORA). The ORA is your contract and it covers your payment obligations, the village manager's duties, procedures relating to meetings and consultation, termination rights and the complaints and disputes resolution process. The Retirement Villages Act 2003 sets out in very specific terms what must be included in the ORA." https://www.eldernet.co.nz/gazette/rights-to-occupy-some-questions-answered/

[54] https://www.health.govt.nz/your-health/services-and-support/disability-services/types-disability-support/respite

[55] https://www.moneyhub.co.nz/retirement-villages.html

that for-profit retirement villages are targeted at seniors who are 70+ years of age, whereas not-for-profit retirement villages are aimed at occupants who are 65+ years old.

Residents vary from middle-income to affluent retirees, who often cover the capital cost of occupancy by selling their privately-owned home to realise their equity, and frequently family members and friends decide to live in units at the same retirement village to maintain their close relationships.

Living in a retirement village is not cheap as, "…you make an initial lump sum payment covering the capital cost of the unit, and pay an on-going resident levy to cover the operating costs of the village."[56] Nevertheless, occupancy costs depend on residents' lifestyle and the range of housing and services offered by different facility operators.

15.5   Where in the District Would a Retirement Village Locate?

It's very likely that a retirement village operator would want to locate a facility in the southern rather than the northern part of the District (due to the larger population and number of potential senior residents) and close to the town centre of Bulls or Marton to provide for residents' mobility and easy access to food, retail shops and services.

15.6   Why Is Council Interested in Attracting a Retirement Village Operator to the District?

- As part of its responsibility to promote appropriate solutions to the housing needs of all Rangitīkei residents, Council recognises that a retirement village that offers a continuum of care could provide secure and attractive housing and the provision of services and care to a meaningful number of retirees within the District;

- Occupancy in a village would enable retirees to maintain their ties with family and friends and to continue their linkage to their communities, thereby satisfying Council's duty to promote the social well-being of residents;

- A village with a continuum of care will expand local opportunities for residents to access rest home care, dementia care, hospital care, respite care and hospice care, without having to leave the District;

- A retirement village will require a large investment that will provide a major stimulus to the local economy in the form of the goods and services it needs during construction, start-up and ongoing operation; and,

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[56] https://www.eldernet.co.nz/gazette/rights-to-occupy-some-questions-answered/

- The employment of local residents and staff from outside the District will create an ongoing economic development multiplier effect as:

  - Many retirement village staff will settle locally, renting or purchasing a home, because of the cheaper housing prices compared with adjoining districts, the healthy lifestyle, good schooling and the short commute to work. This will provide a large stimulus to the construction industry and the trades that support it, with a widespread positive impact on the District's economy;

  - Staff will send their children to local schools, which, in turn, will need to hire more teachers and spend money on expanding 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.

15.7   What Are Council's Roles to Attract a Retirement Village Investment in the District?

Council's roles include:

- **Identifying and contacting investors** to determine their interest in establishing a facility in the Rangitīkei**;**

- **Information-gathering and sharing** with potential retirement village investors to assist them to develop a business case supported by verifiable data and to conduct due diligence;

- **Facilitation** of 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, contact with local groups, clubs and social service organisations whose members are seniors and the elderly or who work with them, local builders, tradesmen, suppliers, employment agencies, and etc.

- **Provision of investment incentives**, as necessary. These might include rates remissions, fast-tracking of resource consents, a development agreement (concerning such areas as signage, roads, parking, potable water, waste water and storm water infrastructure, plantings, creation of green spaces, amenities, etc.), and assistance in recruiting and upskilling staff, etc.

- **Lobbying Central Government** for funding on behalf of an investor (for such things as grants to pay for staff salaries, internships or technical training) through qualifying programmes that align with government initiatives (to provide upskilling, increase employment, etc.);

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

16.0 Papakāinga Housing

16.1 Introduction

Papakāinga housing is housing for Māori residents and families occupying multiple dwellings around or associated with a marae and connected to each other and their ancestral land through common whakapapa.

The form that papakāinga housing takes is very diverse, reflecting each Hapū vision, and may be determined by many factors, including aesthetic design, geographic features, land size, functionality, family size and need, permanence, form of ownership, cost, etc.

16.2 Who Determines the Need for Papakāinga Housing?

In the Rangitīkei each Hapū determines the level of need for papakāinga housing within their community and how it fits within their overall housing plan.

16.3 What Is Council's Role in This Process?

After each Hapū 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.

The timing of all discussions concerning Council's engagement and assistance should be jointly determined by each Hapū and the Council and will form an integral part of Council's Housing Plan, which will be updated on a rolling basis to reflect new information and mutual agreements and plans.

16.4 Why Is Council Interested in Supporting Papakāinga Housing?

Council is committed to supporting the development of papakāinga housing for a number of reasons, including:

- **The Memorandum of Understanding – Tūtohinga – signed between Council and Te Rōpū Ahi Kā** in December 2019 on behalf of Te Tangata Whenua o Rangitīkei (encompassing Kauangaroa / Ngā Wairiki Ki Uta, Ngā Ariki Turakina, Ngāi Te Ohuake, Ngāti Hauiti, Ngāti Hinemanu / Ngāti Paki, Ngāti Kauae / Ngāti Tauira, Ngāti Parewahawaha, Ngāti Tamakōpiri, Ngāti Whitikaupeka, Rangituhia and Rātana Pā Community, Whangaehu / Rangiwhakaturia / Taitapu) establishes that Council will, "support opportunities for hapū and iwi members to live on tupuna lands (ie. Papakāinga)."[57]

- **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." [58] 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 currently live outside of the District, which aligns with Council's need to attract residents and grow the population, stimulating economic and social growth and expanding the skill base; and,

- **Papakāinga housing offers a partial solution for marae-affiliated Maori for their housing needs** within the District in a number of housing sectors, including social housing, community housing, rental housing and privately-owned housing; and,

- **Papakāinga housing offers a local, community solution to address housing need,** which could serve as an example to other community groups to organise similar shared responses to their own housing needs.

16.5 What Potential Assistance Could Council Offer?

For example, Council could assist with:

- **Information gathering and sharing** to enable communities to understand the approaches and designs taken by other Hapū in the development of their papakāinga housing, as well as the challenges in the process and how they were successfully

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[57] https://www.Rangitītkei.govt.nz/council/policies-bylaws/policies/memorandum-of-understanding-tutohinga
[58] 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.

navigated, and to identify what planning assistance may be available from Central Government[59];

- **Identification of funding opportunities** from Central Government ministries and agencies such as Te Puni Kōkiri, Kāinga Ora[60], etc.; and,

- **Offering regulatory and resource consent advice and rates remissions** to encourage building or relocating papakāinga housing within the District.

17.0 Next Steps

17.1 Housing Plan

The Housing Strategy 2021 – 2031 provides a framework and a series of options for Council (and partners and stakeholders) to improve housing solutions in the eight housing sectors in the District. Elected members will consider the strategy and consult with residents as to their wishes and priorities through the Long Term Plan consultation process. That consultation will inform the development of a 3-year Rangitikei District Council Housing Plan operational document that will be updated annually as conditions change and progress is achieved.

17.2 Emergency and Social Housing

Over the next few years local social service agencies, churches, welfare societies and Iwi, both individually and as consortium members, could establish emergency and social housing programmes, and several may register with the CHRA as Community Housing Providers supported in part by MSD funding. Council's role would be to bring interested parties together and assist in promoting and lobbying on their behalf with Central Government.

Social housing developments fall within the strategic scope of the Public Housing Plan 2021 – 2024 and some homes may be leased by Kāinga Ora to house District residents on the MSD Social Housing Register. A common challenge for all agencies committed to resolving the need for social housing in the Rangitikei in the future will be to improve the identification of cases of "hidden" homelessness (couch-surfing, overcrowding, living in cars, caravans, garages and

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[59] Several good examples are Te Puni Kokiri's *A Guide to Papakāinga Housing* which, "sets out a step-by-step process to assist whānau to plan for and complete papakāinga housing on Māori Freehold and in some cases General Land, with checklists, tips, advice and case studies to progress… papakāinga housing development as a six step approach," (https://www.tematapihi.org.nz/resources/2018/1/7/a-guide-to-papakinga-housing) and Te Matipihi's *Te Tai Tokerau Papakāinga Toolkit* (https://www.tematapihi.org.nz/resources/2018/1/7/te-tai-tokerau-papakinga-toolkit).

[60] Kāinga Ora and Kiwibank are working together to help Māori to achieve home ownership on their multiple-owned land through the Kāinga Whenua loan scheme. This encompasses papakāinga housing and can be used to build, buy, renovate, repair or relocate a house on to whenua Māori (https://www.kiwibank.co.nz/personal-banking/home-loans/getting-a-home-loan/first-home-buyer/deposit/low-deposit-options/).

sheds, etc.), increasing the number of people who register on the MSD Social Housing Register for the provision of public housing.

17.3   Supply and Demand of Privately-owned Homes

For-profit businesses (run by property developers, builders and investors) will react to the large demand and limited supply in the market of privately-owned homes for sale at the middle – expensive-priced end of the market in the southern part of the District (Bulls and Marton) by potentially creating more housing developments and selling serviced sections and land and build packages. Unfortunately, there will be a several year delay before these homes reach the market due to the process required to receive consents, sub-divide, install infrastructure and then build houses.

Given the projected growth of business investment and employment over the next few years in Marton, as well as the staff expansion at Ohakea Air Force Base, it's probable that, despite the increased rate of new home building, a shortage of privately-owned homes for sale relative to the demand will continue for some years in the Bulls/Marton area.

At the lower-priced end of the market for home ownership in Bulls and Marton the lack of housing stock versus the high demand is expected to also attract property developers, builders and investors who will create property developments. However, it is likely that they will lease the sections to keep the cost down and will sell less expensive, alternative homes such as modular, pre-fabricated relocatables. This alternative housing has the potential to reach the market much faster than traditional brick and tile homes, at half or less of the price of land and build packages in which the purchaser buys the land and the house.

In Taihape, housing development will very likely be on a smaller scale, with limited numbers of houses built on sub-divided sections, particularly on the flat close to the centre of town, to satisfy the demand for age-appropriate housing for independent and mobile seniors and the elderly who wish to downsize from their larger family home (often located in the hills surrounding town).

17.4   Alternative Paths to Home Ownership

Both not-for-profit organisations and for-profit businesses will possibly launch "rent-to-buy" and shared (equity) ownership schemes in the Rangitikei to enable first time home buyers, with low – moderate income who cannot afford a down payment on a home but can regularly pay a mortgage, to follow alternative pathways to purchase their own home. Council could assist in the identification and attraction to the Rangitikei of alternative housing pathway providers, making the case to them of the pent-up demand for their products within the District.

17.5   Group Homes

Community volunteers, local social service agencies, churches and Iwi could establish an organising committee to design, organise, fund and build at least one group home located in Taihape, offering shared accommodation for independent and mobile seniors and the elderly in the northern part of the District. The volunteer committee would most likely work with Abbeyfield New Zealand Inc. to become a recognised Abbeyfield Home that benefits from its guidance, training and systems, its wide network and years of experience in the provision of shared accommodation to seniors and the elderly. Council could make the case to Abbeyfield that demand for its shared group home model has potentially developed to the point in Taihape that the community would support an Abbeyfield Home, and could facilitate a meeting in which Abbeyfield can discuss the possibility with local organisations and interested seniors and the elderly.

17.6   Rest Homes

Edale Masonic Village and Rest Home will continue to build additional 'licence to occupy' villas and add rest home beds as it expands to reach financial sustainability. Council should support Edale's growth, providing customer service in its resource consent and building permit applications, and more generally facilitating support, as appropriate.

Separately, as part of Council's effort to promote the Rangitikei as an attractive growth market to a retirement village operator it could engage with firms that offer continuum of care, including a rest home, as part of their housing options and core to their business model.

17.7   Retirement Villages

Over the next several years Council could identify and promote the Rangitikei to national retirement village operators who wish to diversify their business model by operating facilities in underserved provincial regions with an affluent segment to the population that is interested in 'licence to occupy' retirement housing. The RDC is optimistic that these initial discussions may lead to at least one retirement village operator deciding to invest in the Rangitikei. Council could support the investigation and due diligence process by assisting to gather information and data concerning WDHB funding, potential resident demand and the location of strategic pieces of land to build a facility. It could also discuss investment incentives such as rates remissions, fast-tracked resource consents and development agreements with potential facility operators, as appropriate.

17.8   Papakāinga Housing

As the ownership of the process to discuss and make decisions concerning papakāinga housing rests with each Hapū in the District, they will determine the next steps in this area.

The Memorandum of Understanding – Tūtohinga – between Council and Te Roopu Ahi Kaa states that under the value of Rangatiratanga (Māori self-determination), "Council acknowledges its role in building capability and capacity within whānau/hapū/iwi focusing on self-determination, increasing access to economic opportunities and sustainability," and specifically refers to papakāinga housing by stating, "Council *(will)* support opportunities for hapū and iwi members to live on tupuna lands (i.e. Papakāinga)."[61]

Specifically, Council's roles concerning papakāinga housing are suggested to it by each Hapū in the District. Council will respond to suggestions within its statutory authority, as defined by the Local Government Act 2002 and the Local Government (Community Well-being) Amendment Act 2019, and through consultation, guided by Te Rōpū Ahi Kā.

17.9   Council Facilitation

Should the free market not regulate the supply and demand of housing stock in any of the eight housing sectors or if it does so inadequately or too slowly to address residents' needs, Council could facilitate the identification of appropriate partners and stakeholders who can be brought together to form a consortium of interest or PPP to develop a solution. Council would not manage the newly-formed organisation or consortium, but rather would assist it to develop capacity until it is capable of moving forward on its own.

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[61] https://www.rangitikei.govt.nz/council/policies-bylaws/policies/memorandum-of-understanding-tutohinga

Appendix 1: Acronyms

ADLs	Activities of Daily Living
CHA	Community Housing Aotearoa
CHP	Community Housing Provider
CHRA	Community Housing Regulatory Authority
HUD	Ministry of Housing and Urban Development
IRRS	Income Related Rent Subsidy
KPIs	Key Performance Indicators
LTP	Long Term Plan
M&E	Monitoring and Evaluation
MEL	Monitoring, Evaluation and Learning
MSD	Ministry of Social Development
MOU	Memorandum of Understanding
NGOs	Non-Governmental Organisations
NZ	New Zealand
NZX	New Zealand Stock Exchange
ORA	Occupation Right Agreement
PPP	Public/Private Partnership
RDC	Rangitīkei District Council
RNZAF	Royal New Zealand Air Force
TPK	Te Puni Kōkiri
WDHB	Whanganui District Health Board