



Aide-memoire

Update on new public housing supply activity in the Wairarapa			
Date:	3 March 2021	Security level:	In Confidence
Priority:	Medium	Report number:	AMI20/21020458

Information for Minister(s)	
Hon Dr Megan Woods Minister of Housing	

Contact for discussion			
Name	Position	Telephone	1 st contact
Anne Shaw	DCE, Housing Supply, Response and Partnerships		
Bronwyn Lauten	Manager, Issues Management	s 9(2)(a)	✓

Other agencies consulted
Kāinga Ora

Minister's office to complete

<input type="checkbox"/> Noted <input type="checkbox"/> Seen <input type="checkbox"/> See Minister's notes <input type="checkbox"/> Needs change <input type="checkbox"/> Overtaken by events <input type="checkbox"/> Declined <input type="checkbox"/> Referred to (specify) <hr/>	Comments
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Date returned to HUD:

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For: Hon Dr Megan Woods, Minister of Housing

Date: 3 March 2021

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Purpose of information

1. This information supports ongoing discussions between yourself and Kieran McNulty MP around the housing situation in the Wairarapa, in particular the presence of Kāinga Ora in the region.
2. We last briefed you on these topics on 11 February 2021 [AMI20/21020449 refers].
3. A letter to Mr McNulty outlining the next steps Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) and Kāinga Ora will take to increase the supply of public housing in the Wairarapa is attached as Annex A.

Existing public housing supply

4. There are three community housing providers currently operating in the Wairarapa:
5. Kāinga Ora does not currently have a public housing presence in the Wairarapa, but owns several Community Group Housing¹ properties in the region.

Trust House

6. Trust House is the main provider of public housing in the region. In March 1999 the Wairarapa state housing portfolio of 541 properties was sold to Trust House Limited for \$11.5 million – an average of about \$21,000 per place. The properties were located in Masterton, Carterton, Greytown, Featherston, Martinborough, Eketahuna, Pahiatua, Woodville, and Dannevirke. The sale agreement included a covenant preventing the sale of more than 10 properties a year for a 5-year period, excluding sales to tenants.
7. The agreement also recorded Trust House's intention to honour existing tenancy agreements, provide rental accommodation for those in need, provide ownership opportunities to tenants, and honour tenure protection in place for over-55s and those living in modified properties.
8. HUD understands Trust House was planning to undertake a portfolio review at the end of 2020. A lot of Trust House's existing stock is in need of regeneration. Current funding settings make it difficult to regenerate their supply (operating supplement is only available for "net new" units).

¹ Community Group Housing is a service provided by Kāinga Ora – Homes and Communities to provide residential and non-residential community housing for people who experience mental or psychiatric illness, women, men and children seeking refuge, and others.

9. The table below sets out the number of housing units owned by Trust House over recent years.

Year	Number of housing units owned	Number of housing units leased or managed
2013	514	0
2014	487	0
2015	481	0
2016-17	479	0
2017-18	477	0
2018-19	485	0
2019-20	483	6
2020-21	482	18

Emerge Aotearoa (Emerge)

10. EmERGE has a portfolio of 115 properties concentrated in Auckland, Wellington, and Christchurch, placing them as a medium sized CHP. EmERGE is a new entrant to the Wairarapa public housing market and has partnered up with Jennian Homes and Dave Borman to deliver a development on Makora Road/Iorns Street.

11. s 9(2)(ba)(i)

LinkPeople

13. LinkPeople is a registered CHP as part of the Wise Group, one of the biggest providers of mental health and wellbeing services in New Zealand. LinkPeople have 10 places in Masterton, nine of which were first tenanted in February 2018, and the tenth was tenanted April 2019. LinkPeople have signalled that they are open to other projects but have no immediate new supply intentions.

Update on Kāinga Ora activities in the Wairarapa

14. Kāinga Ora – Homes and Communities is investigating ways in which it can support a robust public housing sector in the Wairarapa. One option is to re-introduce government owned housing in the region.
15. Currently, the nearest Kāinga Ora office to the Wairarapa is located in Lower Hutt, which is at least an hour away from the region. This would impede staff's ability to respond to clients' immediate needs when they arise. To mitigate this, Kāinga Ora would need to base staff in the region. However, further analysis is required to determine the quantity of public houses required to justify this business decision.
16. Kāinga Ora is meeting with the Mayor of Masterton and Trust House in mid-March 2021. This will be a valuable opportunity to gain further information about what housing is needed to support people living in the Wairarapa.
17. Kāinga Ora is currently developing its regional investment plan and they are looking for partnership opportunities with CHPs.
18. Kieran McNulty MP indicated that there is a former school site in Pahiatua that is for disposal. Kāinga Ora is currently looking into this land as an option for future development.

s 9(2)(ba)(i), s 9(2)(j)

20.

[Redacted text block]

Annex A: Letter to Kieran McAnulty MP

Kieran McAnulty
Member of Parliament for Wairarapa
Parliament House

Dear Kieran,

Thank you for taking the time to meet with myself, and officials from Kāinga Ora and Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development on Wednesday 17 February 2021 to discuss the housing situation in the Wairarapa and Tararua. It was valuable to discuss our approach to bringing on new public housing supply in those regions.

I am very aware that there is significant housing demand in the Wairarapa region which is only rising, coupled with a lack of housing supply. Working towards alleviating the housing pressure in the region will require a focused, joined-up approach from community housing providers, government, councils and Kāinga Ora.

As part of developing their greater Wellington regional investment plan, Kāinga Ora have signalled that they are considering options for re-establishing their presence in the Wairarapa, including partnering with community housing providers, councils and local land owners and developers.

There are also two other public housing developments which you may already be aware of, one of which is very much in the early discussion stages and the other is close to being contracted. The second development is the 22 units on Iorns Street/Makora Road that is to be built in partnership with Jennian Homes and Dave Borman, with Emerge Aotearoa as the provider. This development is currently in the contracting stage, with officials hoping to provide an update in the very near future.

There is a developer's forum taking place on 18 March 2021 in Masterton, hosted by Masterton District Council, which I understand you have been invited to attend. This forum is designed to bring community housing providers, developers, iwi and Māori organisations, and local and central government together to explore opportunities to increase housing supply in the Wairarapa.

The additional supply of public housing, while an important part of our Government's response, will not on its own address our housing crisis. That is why we have a comprehensive housing work programme which includes:

- reforming the Resource Management Act,
- providing \$350m through the Residential Development Response Fund to give developers options to finance developments if and when needed
- working with the building industry on a Construction Sector Accord to increase productivity and capability, improve resilience in the sector and restore confidence
- investing \$3 billion in projects through the shovel ready process that will stimulate urban and provincial economies
- supporting people to buy their own affordable homes through first home loans and grants and progressive home ownership schemes
- implementing the Aotearoa / New Zealand Homelessness Action Plan; and
- working with iwi and Māori to deliver housing solutions to better meet Māori housing needs.

Yours sincerely,

Hon Dr Megan Woods
Minister of Housing