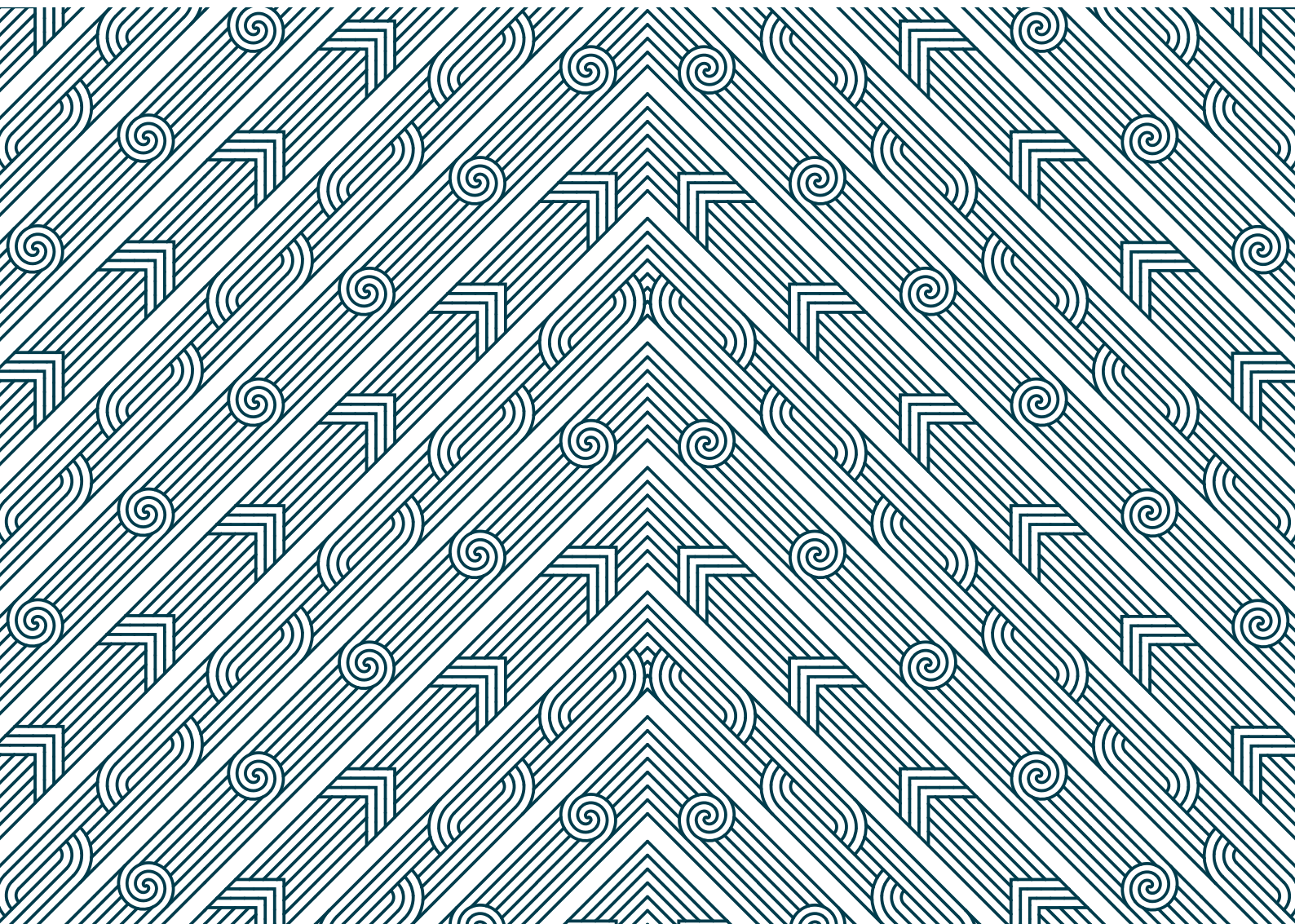




Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development

Housing investment plan: allocation of flexible fund

November 2025



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Introduction

This housing investment plan sets out the proposed allocation of the Budget 2025 flexible fund. It outlines the new approach to investment by Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (the Ministry) including outcomes the Government is seeking, the procurement approach, our assessment criteria for deciding which proposals are successful and key timeframes.

Budget 2025 funded delivery of additional social homes and affordable rentals from 1 July 2027. These two housing interventions respond primarily to housing access issues for people in high housing need.

This investment sits alongside the Government's other roles – particularly the Government's focus on freeing up land and increasing opportunities for housing and urban development.

We have identified where housing need is the highest and existing social housing is least capable of meeting that need. While there is need everywhere, increasing the number of social housing and affordable rentals where need is highest, is likely to provide the greatest long-term benefit.

To enable people in high housing need to have access to stable and secure housing, we want to partner with providers to deliver modest homes that reduce the long-term cost of housing to government, maximise the number of people able to be housed and are aligned with local housing needs and plans. This includes considering how we enable effective use of whenua Māori and work with iwi Māori.

Through a competitive procurement process, we will identify delivery partners and delivery programmes that best align with the purchasing intentions in each location. We are seeking proposals that will achieve positive outcomes for those who will be housed as well as the wider community and local economy, are costed competitively and can be tenanted by mid- to late-2029. Successful providers should be able to demonstrate a strong track record, capacity and capability in delivering social housing and affordable rentals or similar, can obtain finance for the proposed project and bring some of their own equity to co-invest with government.

A two-stage procurement process will begin in late February 2026 with contracting intended to be complete by the end of 2026.

Background

Role of government in housing

This investment plan is part of the Government's broader work on resolving the housing crisis. In many cases, direct government funding is not the answer, or only part of the answer. Government can also do things like improving land use planning settings to free up land for development.

Programmes like Going for Housing Growth and resource management reform are examples where government's role is not about spending dollars but fixing the overarching environment to increase market supply and enable more homes to be built.

In June 2025, Cabinet agreed to four roles for government in housing and urban development:

- Role 1: Enabling efficient land markets – ensuring more responsive supply of land and infrastructure to shift market expectations and behaviour, moderate the price of urban land and increase opportunities for housing and urban development.
- Role 2: Delivering better housing support to those who need it – supporting people into safe and stable housing (whether market or non-market) to improve the welfare of New Zealanders and minimise wider costs to society. The objective is 'right house, right place, right people' – ensuring that people in need have the type of housing they need, where it is needed.
- Role 3: Addressing residual barriers to urban development – co-ordinating development where required to ensure optimal market delivery and address key issues, such as ensuring housing and urban development in main centres maximises gains from transit-oriented development.
- Role 4: Protection of rights and obligations through efficient regulation – supporting investment certainty and protecting the interests of participants through efficient and effective regulation of tenure and building and construction quality.

This investment plan focuses on how government delivers better housing for those who need it (role 2 above).

Government investment in housing should complement (not crowd out) the market, supporting those in high housing need to access stable and secure housing.

This is driven by government's duty to safeguard the interests and welfare of New Zealanders and avoid the significant long-term costs of homelessness and housing deprivation to the wider social and health systems and its impact on society more broadly.

This document should also be read along the current Government Policy Statement on Housing and Urban Development.

Government Policy Statement on Housing and Urban Development

Current context

In the year to 30 June 2025 the annual spend on housing support was over \$5.2bn (figure 1). Funds and programmes include the accommodation supplement, income-related rent subsidy social housing, temporary additional support, transitional housing, housing support products, emergency housing grants and other support services (for example, housing first, rapid rehousing).

Despite significant government investment there remains high need for ongoing and new housing support. The housing register identifies applicants not currently in social housing who are eligible and ready for matching to a suitable property. There are currently over 19,000 applicants on the housing register, down from a peak of 27,000 applicants in 2022.

Estimates of severe housing deprivation from census data show homelessness rose between 2018 and 2023.¹ Those without shelter increased nearly 30 percent to 10 per 10,000 people, and those in temporary accommodation grew by 64 percent.²

¹ Data limitations mean these statistics likely underrepresent the level of housing need, particularly for groups such as Māori or young people.

² Improvements in data collection and analysis mean that caution is advised when comparing these estimates over time.

Annual government spend on housing

Figure 1: Annual government spend on housing (year to end of June 2025).

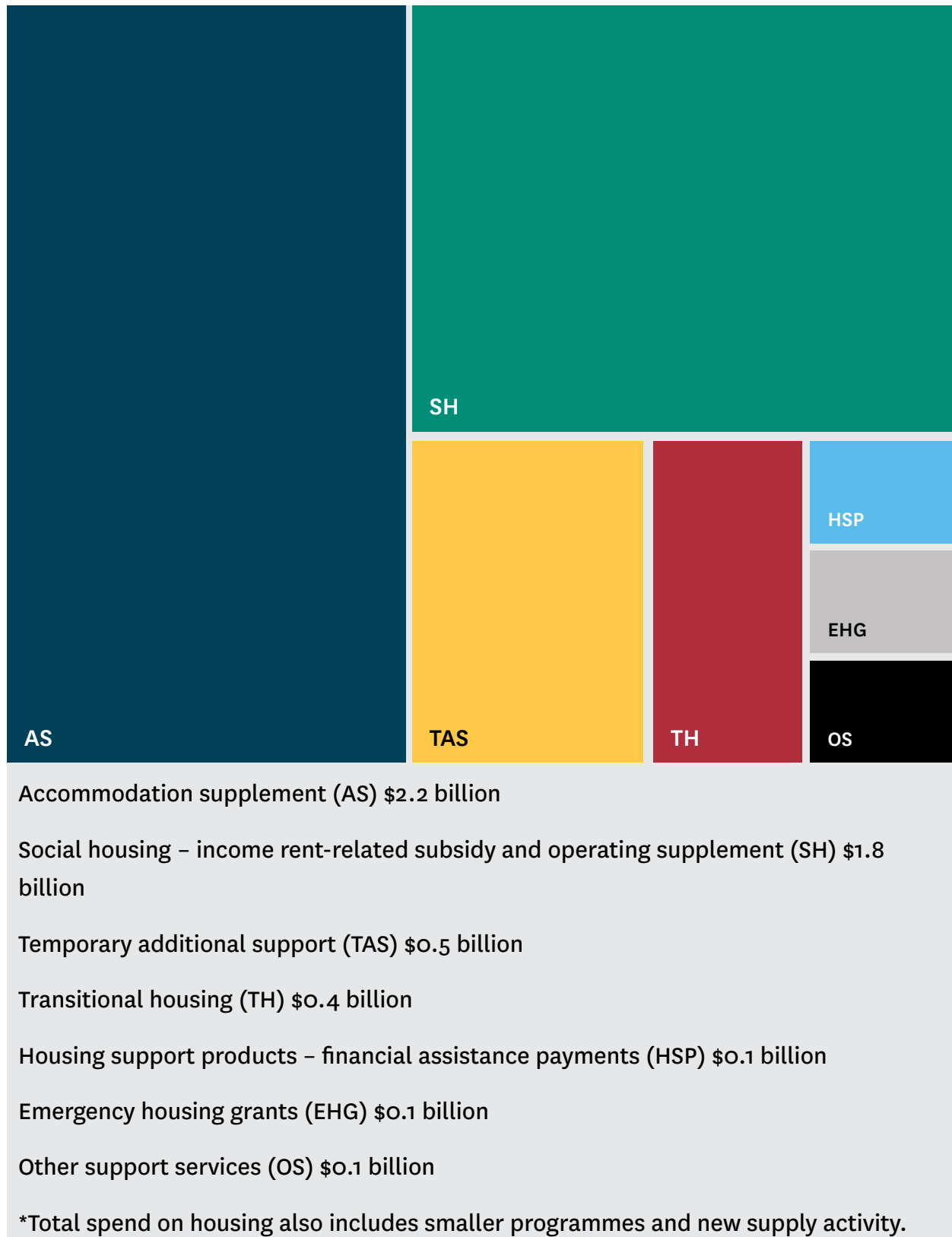
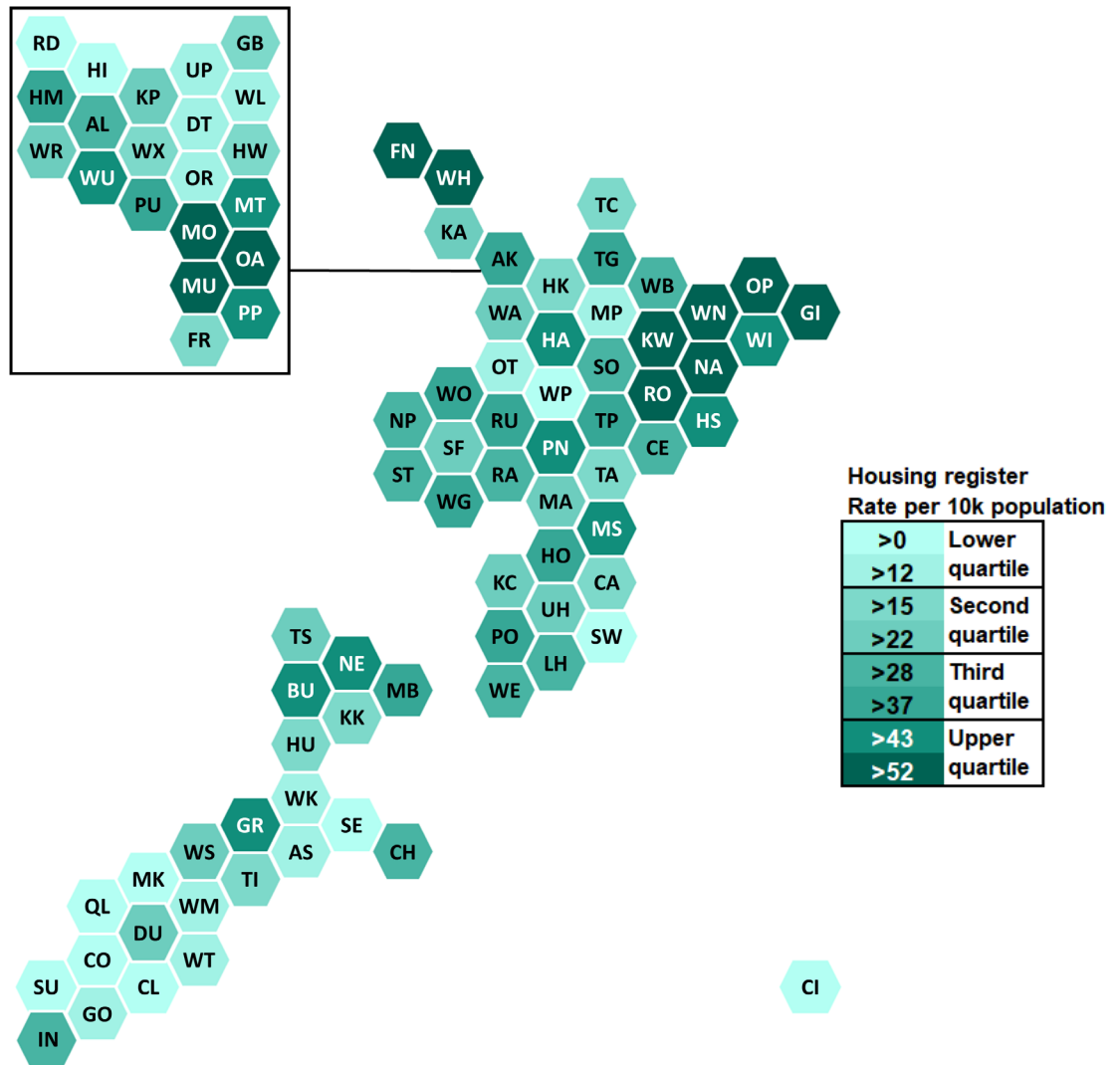


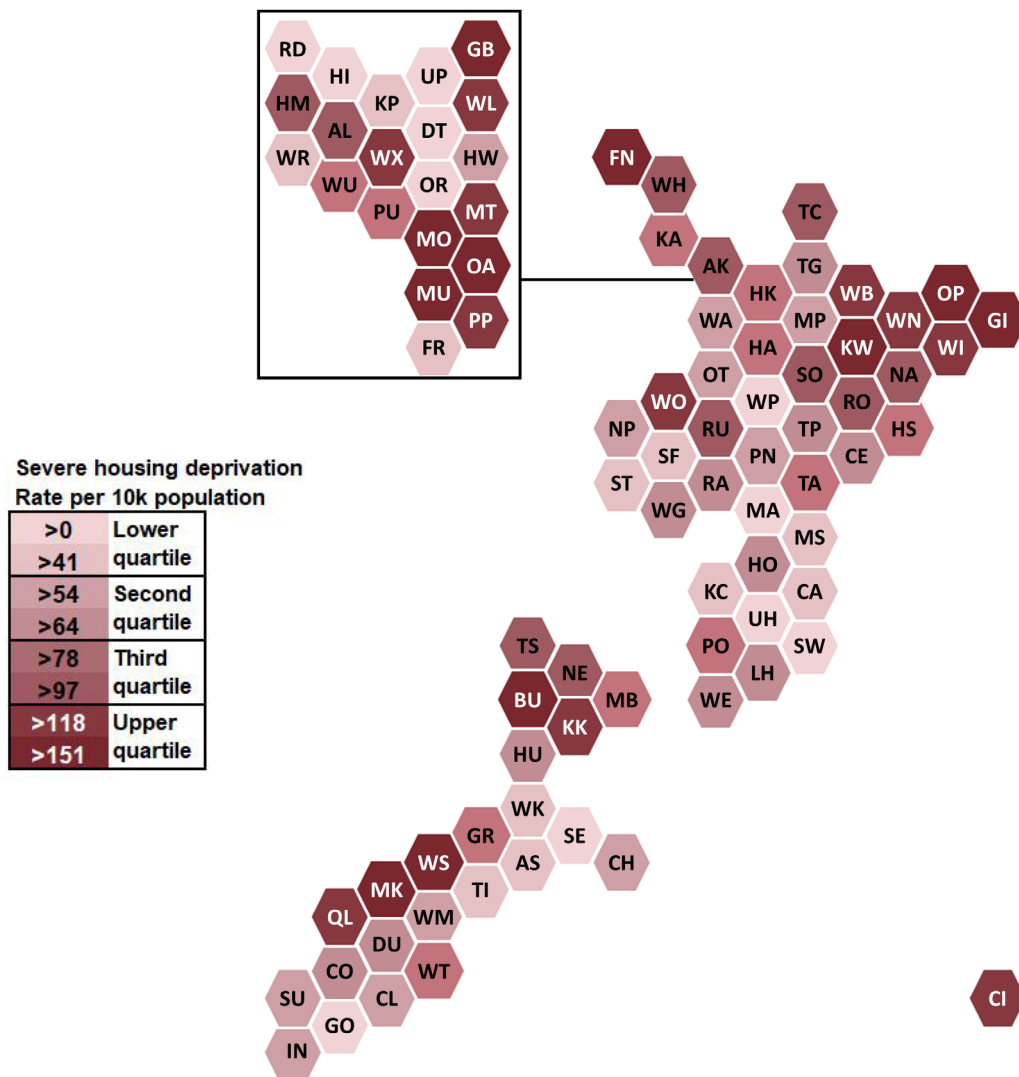
Figure 2: Hexmap³ showing housing register applicants per 10,000 population (June 2025). Data shown at territorial authority and Auckland local board level.



Location profiles, available in appendix A, provide a snapshot of housing need at the territorial authority level. This includes a summary of government investment, key data measures and a list of providers currently operating in the region.

³ The hexmaps resize New Zealand so that each territorial authority occupies equal space, making comparisons easier.

Figure 3: Hexmap³ showing estimates of severe housing deprivation (first three categories)⁴ per 10,000 population (Census 2023). Data shown at territorial authority and Auckland local board level.



Effective targeting of housing need is required to ensure that government investment delivers the right homes, in the right locations to support the people who need them most.

⁴ For the purposes of this investment plan, we have used the first three categories of severe housing deprivation, which includes: those without shelter, in temporary accommodation and sharing someone else's private dwelling. The uninhabitable housing category was excluded because interventions to address these dwellings typically involve housing quality improvements rather than the provision of new housing supply.

Investment approach and objectives

Strategic direction for investment in housing

The Government established a new flexible fund to combine housing investment into a single contestable fund to better target needs in place and deliver the right type of homes. Through Budget 2025, the flexible fund received funding to enable delivery of additional social homes and affordable rentals from 1 July 2027. Any future government funding for housing supply (not necessarily limited to social housing and affordable rentals) will be included in the flexible fund.

The flexible fund is guided by a single investment objective:

Enable people in high housing need to have access to stable and secure housing

The flexible fund will initially provide new social housing and affordable rentals.

A key feature of the new housing investment system is improved understanding of where new housing investment is most needed. The approach in this investment plan is tailored to the investment of social housing and affordable rentals and supports data-informed investment decisions, including how to identify interventions and work with the right partners.

Government will increasingly work with partners and stakeholders in local communities, (including Māori and iwi, housing providers and councils) to better understand the nature of housing need and the unique conditions in locations, so we can continually improve our understanding of the level and type of investment needed. We expect the approach will further enable and strengthen the partnership approach to delivery by working closely with community housing providers and Māori housing providers and making the most effective use of whenua Māori.

We will continue to work across locations (including where no new investment is proposed) to support existing planned housing delivery and enable and facilitate local housing initiatives. This will also help inform future investment decisions.

Flexible fund objectives

To achieve the investment objective, we are seeking to partner with providers to deliver homes that reduce the long-term cost of housing to government, maximise the number of people able to be housed and align with local housing needs and plans.

We encourage proposals that support local housing strategies and community aspirations and reflect a collaborative approach in place. This could include proposals that can help to unlock additional housing supply (beyond that for which funding is sought). In areas where there is particularly high Māori housing need, we are interested in and expect proposals that are Māori led, with mana whenua involvement.

Delivery approach

The application process to identify a programme of delivery partners will start in February 2026. Through this process, we will fund selected delivery partners in each investment location to deliver a portfolio of housing solutions that align with the purchasing intentions and funding objectives.

We are looking to partner with providers who (either individually or collectively as a proposed partnership):

- have a strong track record, capacity and capability in delivering social housing or affordable rentals or similar (development and construction as well as ongoing tenancy and property management)
- have a sound commercial structure
- can obtain finance for their proposal and bring some level of their own equity to co-invest with government.

Kāinga Ora – Homes and Communities is not eligible to access this funding to grow its portfolio further unless requested by the Ministry.

We are looking for projects that:

- align with our purchasing intentions
- will achieve positive outcomes for those who will be housed, the wider community and local economy
- are competitively priced
- can be tenanted between July 2027 to late 2029.

Summary of proposed investment locations and allocations

Allocation strategy

Budget 2025 funding will be allocated as follows:

- Target locations – high need locations that will receive most of the funding.
- Main centres – locations that will receive an ongoing allocation (where additional funding is approved) to provide a steady pipeline for the areas with the largest populations.

This allocation strategy balances locations with high prevalence of housing need and those with the highest numbers of households needing support to access housing.

In May 2025 the Government announced funding via the flexible fund for between 650–900 social homes and affordable rentals. The range reflected the variability of funding options based on the level and type of housing need identified in the investment locations and the cost difference between social housing and affordable rentals.

We have identified investment locations, the level of high housing need identified in each location, the housing solution (social housing or affordable rentals) and preferred number of bedrooms that will best support that need. The Budget 2025 purchasing intentions are expected to support the delivery of between 675–770 social homes and affordable rentals.

The final number of homes funded will be based on the applications we receive. As social housing has a higher cost than affordable rentals, the range of homes we can fund is lower than the initial range of 650–900 announced in May 2025. However, the investment will more effectively target the housing need in investment locations.

Additional homes may be able to be delivered if there is remaining funding to allocate once we have completed stage one of our application process and indicative costs are received.

Purchasing intentions

Table 1: Budget 2025 – Purchasing intentions

Pathways to house

- social housing delivered by community housing providers
- affordable rentals delivered by community housing providers, iwi Māori providers and other organisations who provide housing.

Investment locations			
Location ¹	Range of homes ²	Preferred number of bedrooms ³	Available delivery modes ⁴
Target locations			
Far North	120 to 130	Majority small homes Some family homes Some large homes	New builds
South Auckland ⁵	170 to 190		New builds Purchase or lease from the market
Eastern Bay of Plenty ⁶	110 to 120		New builds
Gisborne Tairāwhiti	100 to 110		New builds
Hastings	15 to 20		New builds
Main centres			
Hamilton	40 to 50	Majority small homes	New builds Purchase or lease from the market
Tauranga	40 to 50		New builds
Wellington	40 to 50		New builds Purchase or lease from the market
Christchurch	40 to 50		New builds Purchase or lease from the market

Populations of interest

Particular populations of interest include:

- whānau Māori⁷
- sole parent households with dependent children
- older people – kuia and kaumātua
- disabled households
- Pacific peoples (in South Auckland).

Reference notes

1. We want to fund proposals located predominantly within the territorial authorities identified. Exact locations will be confirmed through the application process and include parts of surrounding areas where these are part of the same functional housing market.

2. Provisional range of homes. The number delivered in each location will depend on proposals received and the level of subsidy required.

3. Preferred number of bedrooms reflect the data and community insights. Proposals must demonstrate how the proposed number of bedrooms align with the needs of the people that will be housed. Small homes (1-2 bedrooms), family homes (3 bedrooms), large homes (4+ bedrooms).

4. Indicates the preferred housing delivery mode. We have signalled where we are open to the purchase or lease of existing supply in locations where housing supply is not a constraint.

5. South Auckland is a target location but also reflects an allocation to Auckland as a main centre. We are seeking to fund proposals predominantly located in Māngere-Ōtāhuhu, Ōtara-Papatoetoe and Manurewa local board areas.

6. We are seeking to fund proposals located in the districts of Whakatāne, Kawerau and Ōpōtiki.

7. Whānau Māori are a priority population due to disproportionately high housing need and systemic barriers.

Housing solutions available

The flexible fund received funding to enable delivery of social homes and affordable rentals from 1 July 2027. In future the flexible fund may include other housing solutions that will support improved housing access for people in high housing need.

Social housing is proposed in all locations as the current social housing pipeline will not meet the demand on the housing register. Affordable rentals are proposed in locations where access to appropriate lower cost housing is more difficult.

The tables below provide a summary of the housing solutions available for funding.

Social housing

There is no change to the current income-related rent subsidy social housing parameters.

Allocation framework

Social housing is proposed in all locations as the current social housing pipeline will not meet the demand on the housing register.

Objective

Supporting households that are most in need of housing, who cannot access or sustain a tenancy in the private rental market for a range of reasons.

Eligible providers

Registered community housing providers

Any other organisation wishing to deliver social housing is required to partner with a registered community housing provider. A list of all community housing providers is located here [The register | Community Housing Regulatory Authority](#).

Eligible households

Individuals that have been assessed as eligible for social housing and are on the Ministry of Social Development-administered housing register.

Contract term

Up to 25 years

Rent paid by tenant

Income-related rent – calculated by Ministry of Social Development based on the tenant's income and household circumstances. Currently set at 25 percent of household's income.

Management of tenancies

All tenancies must conform to legislated requirements. Government oversight of social housing tenancies is through a combination of contractual requirements and regulatory oversight of registered community housing providers by the Community Housing Regulatory Authority.

Affordable rentals

Affordable rentals are for households unable to access appropriate private rentals due to barriers or household circumstances beyond affordability, and unlikely to be able to access social housing. This is different to previous affordable rental pathways.

Allocation framework

Affordable rentals are recommended in locations where:

- there are rental constraints like few rentals available, increasing rental prices over time or low profitability and low construction, meaning there is less likelihood of market-delivered rental supply
- they will bridge the gap between the lower level of rent in social housing and the higher rents (and lower subsidies) available in the private market, helping households to transition towards housing independence.

Objective

Supporting households with housing need, where they are unlikely to be a high priority for social housing and cannot access appropriate market housing.

To provide a submarket rent that bridges the gap between the rent paid by households in social housing and the private market.

Eligible providers

Community housing providers, iwi Māori providers and other organisations who provide housing. Local councils will not be eligible to provide affordable rentals through the flexible fund.

Eligible households

Homes will be targeted to households who are unable to access private rentals due to barriers or household circumstances, beyond affordability, and have:

- housing need that is unlikely to be prioritised for social housing
- previously accessed a housing support (such as social housing, transitional housing, or emergency housing) or are currently transitioning from such support.

Contract term

Up to 25 years

Rent paid by tenant

50 to 70 percent of median market rent for the same sized home (based on number of bedrooms) for the area.

Management of tenancies

Providers will need to provide evidence of a plan to manage tenancies to ensure households meet eligibility criteria.

Available funding

Flexible fund allocation

Most funding will be through ongoing subsidy payments to ‘top-up’ the rent from the level of rent paid by the tenant to an amount agreed between the Government and the provider.

The allocated funding becomes available incrementally between 1 July 2027 to 1 July 2029.

Limited capital funding will enable the building of new homes. Capital funding is an upfront capitalised portion of the ongoing subsidy; this acts as capital to help the provider access finance. There is limited capital funding available, so we expect providers to contribute equity (for example, in the form of cash or land) and leverage their balance sheet to enable financing. Projects that require less capital funding from government are preferred.

Funding model

We are changing how we fund social housing and affordable rentals to reduce costs.

Social housing is funded using a subsidy-based funding model previously expressed as “market rent plus an operating supplement”. Funding for affordable rentals has been largely grant-based. The flexible fund applies the subsidy-based funding model to social housing and affordable rentals. Within the subsidy-based approach, one of the below funding models will be applied in contracts between the Government and providers for both social housing and affordable rental proposals (or proposals that are a mix of both).

Cost-based funding model

This model will be transparent about the actual costs of delivering housing, rather than expressed as market rent.

This model will be used when market rent is not enough for a project to be financially viable. In this model, payments are no longer expressed in terms of market rent but are sized to enable financial viability.

Key components:

- Fixed payment to cover any servicing and repayment of capital required by providers. This payment will be fixed for an agreed length of time and then reviewed.
- An indexed payment for other ongoing costs including property management, rates, insurance and maintenance will be set and adjusted each year to reflect market related changes in costs.
- More in-depth and ongoing due diligence of the financial model is required for this funding model.

Market rent funding model

This model will cover the cost of market rent to the provider and will be used when market rent is sufficient for the project to be financially viable, for example, to lease existing homes.

Rent is ‘topped up’ to market rent only – no additional operating supplement is provided.

There is limited review of costs or financial model required as payments are based on market rent valuation not capital cost.

There is no change to how income-related rent is calculated or charged to social housing tenants; it only affects how government funding is calculated and detailed in contracts with providers.

Providers will enter into a new but standard contract template. Contracting terms will depend on the delivery mode of the housing. New builds or existing homes purchased from the market will have longer contract terms available, for instance up to 25 years. Homes leased from the market may have shorter contracting terms to balance tenant tenure and flexibility for property owners.

Application process and funding

Through our application process we will identify partners to deliver a programme of housing that aligns with our purchasing intentions and achieves the funding objectives.

Process and timing

We will undertake a two-stage process to confirm our housing delivery programme.

Stage one will identify preferred delivery partners in each investment location and their proposed programme of delivery.

Stage two will assess and approve the projects within a delivery partner's identified programme.

An application process information document will be released on our website which provides further information about the application process.

Applications for stage one will open by the end of February 2026 for four to six weeks.

We are open to providing feedback on proposals ahead of applications formally opening, to ensure proposals align with expectations.

Stage one

We are seeking sufficient information of what is proposed to be delivered to enable us to identify who is best placed to deliver in each investment location. The proposed delivery programme will be refined with delivery partners through stage two of the process.

Where appropriate, to minimise information required, we will utilise information we hold on track record and capability and capacity to deliver.

Providers will be asked to submit:

- a summary overview of the intended project or programme (of multiple projects) including locations and sites if known, number of homes (including any split between social housing and affordable rentals), type of homes proposed (for example, number of bedrooms, accessible enabled), alignment with community and local housing plans and strategies, delivery timeframes, initial cost estimates and evidence of ability to finance projects

- a short overview of the organisation and their track record of delivering social housing and affordable rentals or similar (including ongoing tenancy and property management)
- evidence the provider entity has the required capability and capacity to deliver the housing solutions within the proposal.

Stage two

Delivery partners will submit detailed information on projects covering the cost (including upfront cost of development or purchase, finance costs and all ongoing costs), suitability, deliverability and other social, community and government outcomes, which we will assess against our assessment criteria and financial benchmarks.

Where delivery partners cannot meet our assessment criteria or financial benchmarks, projects will not proceed.

More information about the application process

We will provide more information about the application process in an information briefing that will be available on our website.

The information briefing will cover:

- Budget 2025 purchasing intentions
- funding model
- application process and key timeframes.

We will also engage with stakeholders in investment locations.

Assessment criteria

The table below outlines the key criteria. Detailed eligibility and assessment criteria will be published in the application process information document, which will be available in February 2026.

Alignment with purchasing intentions

Delivery in investment locations: We have identified locations based on territorial authority boundaries. We will look for proposals in these locations or within the same functional housing and labour markets.

Proposed number of social housing and affordable rentals: We have given ranges of how many homes we are seeking in each location. The final number of homes funded will be based on the applications we receive. Upon completion of stage one of our application process for target locations and main centres we will review if there is residual funding to be allocated.

Preferred number of bedrooms: Proposals will be sought that can evidence how the proposed number of bedrooms will meet the needs of those in high housing need, including those on the housing register and others who may otherwise be or are in high need.

Delivery mode: While our purchasing intentions state our available delivery modes in each investment location, we do not want to negatively impact upon the market (for instance, people will not be displaced where the purchase or lease of homes is proposed). We expect proposals to outline the impact their project will have on the market, and how they have sought or will seek to mitigate this.

Supporting populations of interest: Proposals will be sought that respond to the needs of populations identified in the purchasing intentions as being in the highest housing need, including the provision of accessible features where required.

In addition to the above, for affordable rental proposals we will also consider the following:

Delivery within affordable rental parameters: To ensure all proposals for affordable rentals meet the criteria established (see page 15), providers will need to detail and evidence what allocation policies and processes they have in place, and how these will be used to identify prospective tenants in line with the eligibility criteria and provide ongoing tenancy management.

Social and community impact and outcomes

We want to fund proposals that will achieve positive outcomes not only for the people who will be housed but also the wider community, including local economic benefits. We will prioritise proposals that align with local housing plans

and strategies, including council and iwi housing strategies and mana whenua engagement, with supporting evidence of how it will meet the aspirations of communities and whānau.

Commercial and financial viability

Cost of proposal to government

We will prioritise proposals that provide homes for a lower cost to government while supporting good outcomes for people and place. Costs include the upfront cost of development cost or purchase price, ongoing costs of delivery and finance costs.

Entity and risk allocation

We wish to be informed of key components of the intended entity structures such as the commercial structure and risk allocation between participating parties. We will then understand where risks will be carried (for example, which party will be carrying development and construction risk and how this risk will be managed and mitigated).

Financing structure and strength

We will require evidence that providers will have the required capital and finance to undertake the projects, to ensure the financing structure proposed is deliverable and appropriate.

Capital contribution

We expect providers to utilise their balance sheets and existing assets as equity in the first instance. Some capital funding may be available, for example, where a provider has exhausted all other options.

Project delivery and methodology

Previous experience and track record

We want to work with providers individually, or collectively as part of a proposed partnership, who have a good track record in delivering social housing and affordable rentals or similar (development and construction as well as ongoing tenancy and property management).

For example, a developer who can deliver suitable homes at low cost working with a provider who excels at tenancy management.

Capability and capacity

We want to work with providers who have the appropriate capability, specifically staff with the appropriate skills and experience, as well as commercial management and governance structures and associated policies in place. Providers should also have the necessary capacity to deliver projects alongside their other project commitments.

Project delivery and methodology

We want to fund proposals that can deliver on time, on budget and to the specifications agreed (for example, accessibility features and any necessary regulatory compliance standards, including the newly released New Zealand Government Procurement Rules). We will review the proposals development and construction programme to assess and determine the confidence in the deliverability and timeframes for delivery.

Other government investment

The Government has invested in social and affordable housing across a range of programmes which are currently underway. The below section highlights key programmes focused on supporting those in high housing need to access stable and secure housing. It does not represent a complete list of all investment in housing.

2025 response to homelessness

In addition to the homelessness support services already provided by government agencies, the Government has invested an additional \$17 million in the 2025/26 financial year towards immediate actions to support those living without shelter.

This includes:

- \$7 million for up to an additional 300 social homes specifically for people in the housing first programme but who are currently still living without shelter
- \$10 million to support those living without shelter or at imminent risk of living without shelter (irrespective of whether they are engaged with housing first).

For more information, [please visit our website](#).

Budget 2024 social housing

Budget 2024 allocated \$140 million for 1,500 new social homes, to be delivered over two financial years (2025/26 and 2026/27) to be operated by community housing providers.

Budget 2025 social housing

In addition to the flexible fund (the focus of this investment plan), Budget 2025 also committed new funds to deliver around 550 to 600 new social homes in Auckland in the 2025/26 financial year. The homes are to be operated by community housing providers and be ready for tenanting by November 2026.

Māori housing

Since December 2023, \$426 million has been approved (in three tranches) for Māori-led delivery of around 1,000 homes. The new homes are a range of papakāinga housing, affordable rentals and owner-occupied housing.

More information

For more information including a regional breakdown of delivery, see the location profiles (appendix A) and the latest [Budget 2024 and Budget 2025 housing delivery dashboard on our website](#).

Kāinga Ora renewal programme

Through the previous public housing plan and the Kāinga Ora reset plan, Kāinga Ora will deliver a portfolio of approximately 78,000 social housing and supported housing places by June 2026.⁵ The regional breakdown of this portfolio is shown in figure 4.

Kāinga Ora intends to maintain these stock numbers at a regional level (unless otherwise requested by the Ministry); the exact numbers will fluctuate at any point in time as existing older and unsuitable housing stock is refreshed.

Kāinga Ora is undertaking a renewal programme to improve the condition and use of its social housing homes. As outlined in its turnaround plan, Kāinga Ora will be involved in around 1,900–2,000 constructions per year, made up of approximately 1,500 new build homes and 400 retrofits of existing homes. This will be offset by demolitions associated with redevelopment activities and sales.

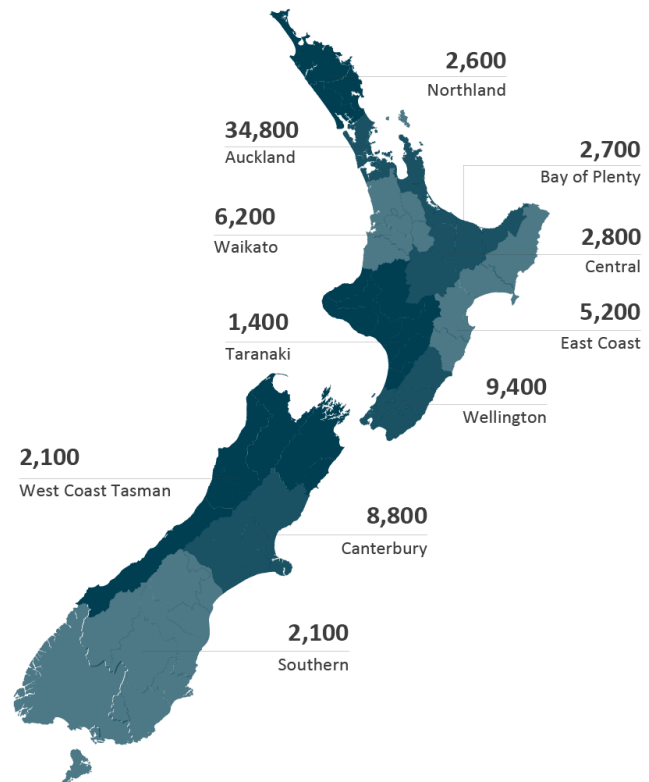


Figure 4: Regional forecast of Kāinga Ora portfolio (social housing and supported housing by June 2026).

Kāinga Ora has identified that approximately 40,000 renewals are needed across the country over the next 30 years, about half of its total social housing stock (renewal requirements). Nationally, it will undertake 4–7 percent of its renewal requirements per annum.

As Kāinga Ora undertakes its renewal programme, it will consider the needs of existing tenants and people on the housing register to inform the location and number

⁵ This includes approximately 74,000 social homes and 4,000 supported homes. Supported homes include publicly funded homes provided in partnership with specialist providers, combined with support services for people in high need.

of bedrooms of renewed homes. The Government expects Kāinga Ora to align its stock to better reflect these needs through renewal programme activity, noting that the housing needs of people change over time.

Table 2: Comparison of current Kāinga Ora stock with the number of bedrooms required by existing tenants and housing register applicants (as at 30 June 2025)

Number of bedrooms	Current Kāinga Ora stock breakdown	Current Kāinga Ora tenant bedroom requirements	Housing register applicant bedroom requirements
1 bed	12%	36%	56%
2 bed	40%	26%	26%
3 bed	35%	20%	11%
4 bed	11%	10%	5%
5 bed	3%	8%	2%

For further information, [see the Kāinga Ora Strategy 2025-2035 on its website](#).

Monitoring and reporting

Purpose

We have developed a monitoring framework to monitor and report on:

- how we are achieving our investment and funding objectives
- performance of contracted housing providers according to the investment plan and contractual requirements
- achievement against intended outcomes for people in high housing need.

Indicators

The monitoring framework, which will be confirmed in the application information document, sets out indicators for social housing and affordable rentals to measure investment.

Table 3: Monitoring framework indicators and measures for social housing

Indicator	Measures
Investment delivery outcomes: extent to which progress is being made towards improved outcomes for people in high housing need	Housing register priority category ratings of applicants (including breakdown by population and ethnicity, specifically Māori) placed into social homes in investment locations Prevalence of people on the housing register (including breakdown by population and ethnicity, specifically Māori) in investment locations
Investment delivery outputs: extent to which investment (including development and construction of homes, where applicable, as well as ongoing tenancy management and property and asset management services) is being delivered in accordance with the investment plan and contracted requirements	Development and construction phase (where applicable) Delivery within contracted budget, schedule and scope parameters Ongoing management phase (once home is tenanted) Reporting toward <u>Community Housing Regulatory Authority key performance measures</u>: • rent arrears • tenancy turnover • turnaround time • occupancy rates • complaint resolution • repair timeframes • tenant satisfaction.

Appendix A: Location profiles

These location profiles provide an overview of relevant government investment, the key data that informed investment decisions and a list of providers currently operating in the region.

The location profile information is grouped by territorial authority in regions used by us for planning and reporting. The regions align with the information viewer [on the housing dashboard](#).

- Northland
- Auckland
- Waikato
- Bay of Plenty
- East Coast
- Taranaki
- Central
- Wellington
- West Coast, Tasman and Marlborough
- Canterbury
- Southern

[View locations profiles on our website](#).

Appendix B: Approach to identifying investment locations and allocations

Budget 2025 – defining housing need

Everywhere in Aotearoa New Zealand has housing need, to a greater or lesser degree. Prevalence and drivers of housing need vary by location.

For Budget 2025, we have defined housing need in terms of people's or households' ability to access suitable housing through the market. This approach reflects the housing solutions (social housing and affordable rentals) being funded through Budget 2025. These options provide housing for those who are unable to secure a suitable market home.

The allocation process used to identify investment locations compares housing need between locations and reflects the planned investment already underway.

We used a comprehensive approach that considered and combined data analysis, local insight and market understanding to:

- identify locations with the highest housing need using both data and local knowledge
- assess the capability and capacity in locations with the highest need to meet the delivery requirements
- identify the locations most in need of additional homes after anticipated new social housing supply from investment committed which is yet to be delivered had been considered.

Locations with the highest levels of housing need

We identified locations with the highest levels of housing need using national data and local insights, giving us a potential long list of locations for investment.

Data was analysed at the territorial authority level⁶ (and local board level⁷ in Auckland) to identify locations with the highest prevalence of housing need.

The primary datasets used were:

- the housing register (rate per 10,000 population) – a core measure of housing need as it records people who have presented in housing need and been assessed as eligible for government support
- severe housing deprivation (first three categories) Census 2023 (rate per 10,000 population) – to help build a picture of broader housing need in a location, including people not included on the housing register.

While there are limitations to these datasets, they provide a foundation for understanding relative housing need across the country. Figures A1 and A2 show the prevalence of these two measures in each location.

By examining the housing register and data derived from Census, the analysis captures those actively seeking assistance and individuals experiencing severe deprivation who may not be registered for formal support.

This dual approach ensures a more comprehensive assessment of housing challenges, enabling targeted interventions that address both visible and hidden housing need within communities.

⁶ Territorial authority level data was used as it aligns with the geographic units for which housing-related datasets are routinely collected and published by Stats NZ and the Ministry of Social Development.

⁷ Local area board data was used in Auckland to ensure consistency of scale and to enable a more coherent picture of housing need across the country.

Figure A1: Housing register (June 2025) rate per 10,000 population for territorial authorities and Auckland local boards. Based on this dataset the locations highlighted in yellow were identified as highest need locations and considered for investment (long list).

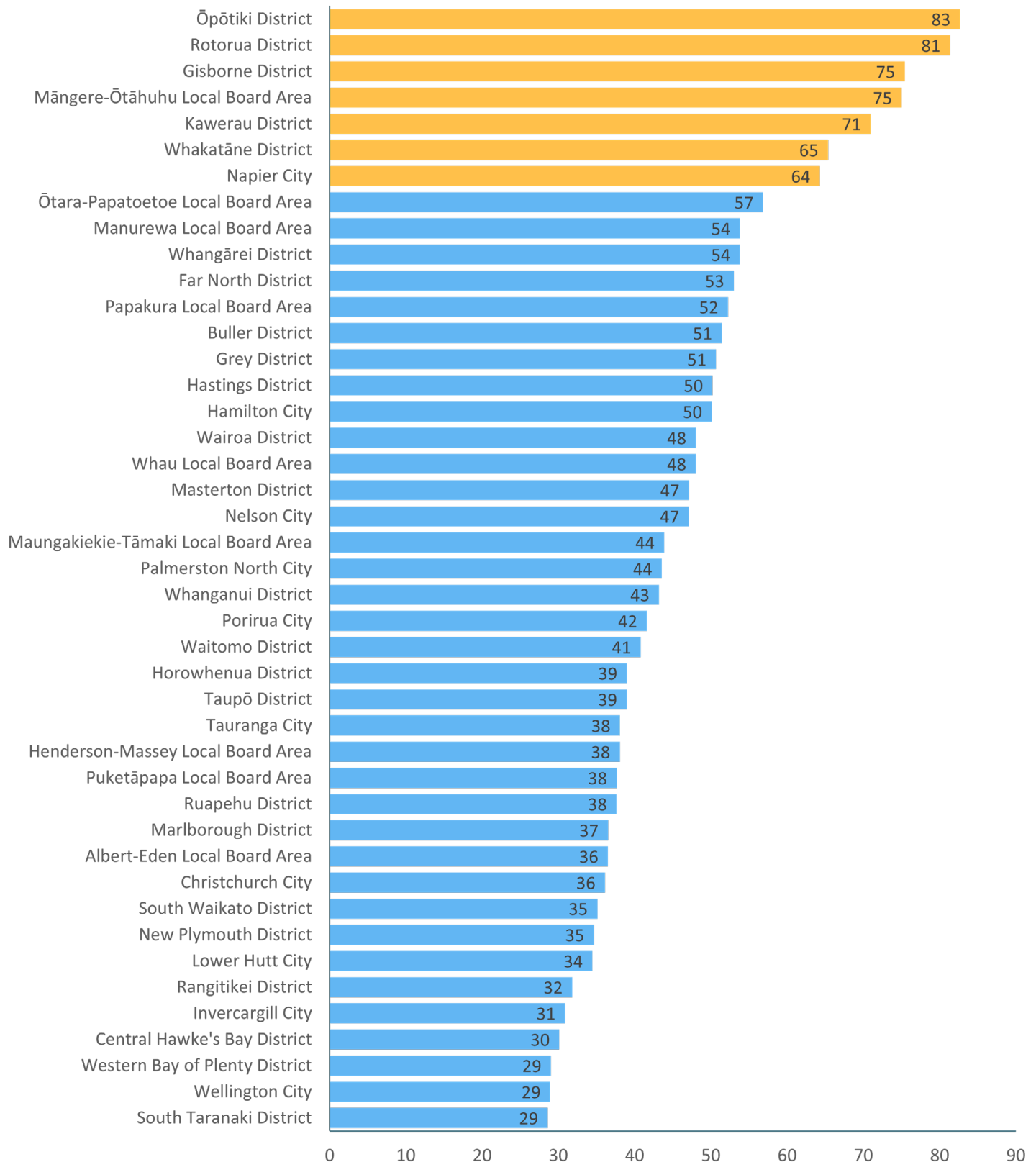


Figure A1 continued

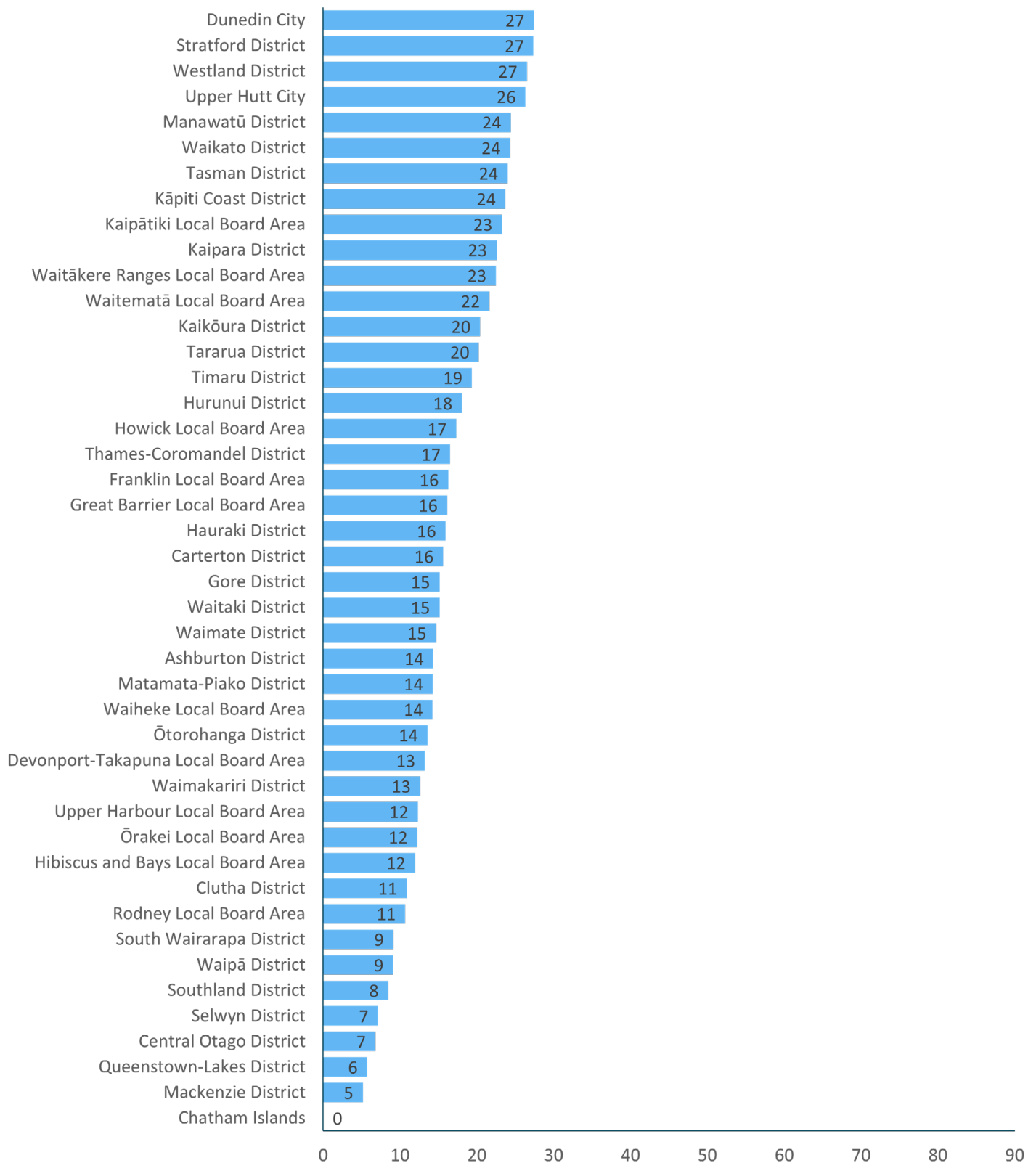


Figure A2: Severe housing deprivation (first three categories, Census 2023) rate per 10,000 population for territorial authorities and Auckland local boards. Based on this dataset the locations highlighted in yellow were identified as highest need locations and considered for investment (long list).

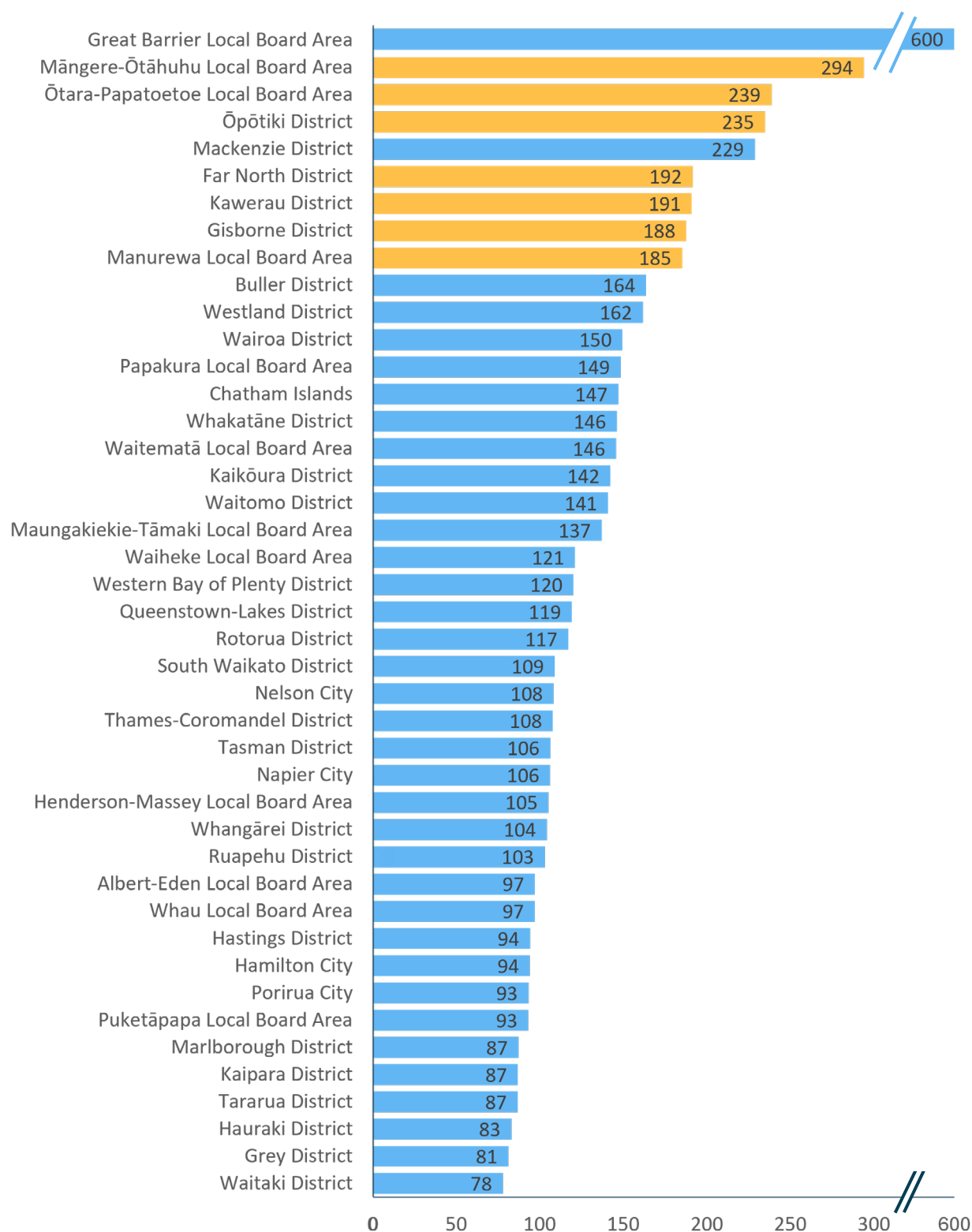
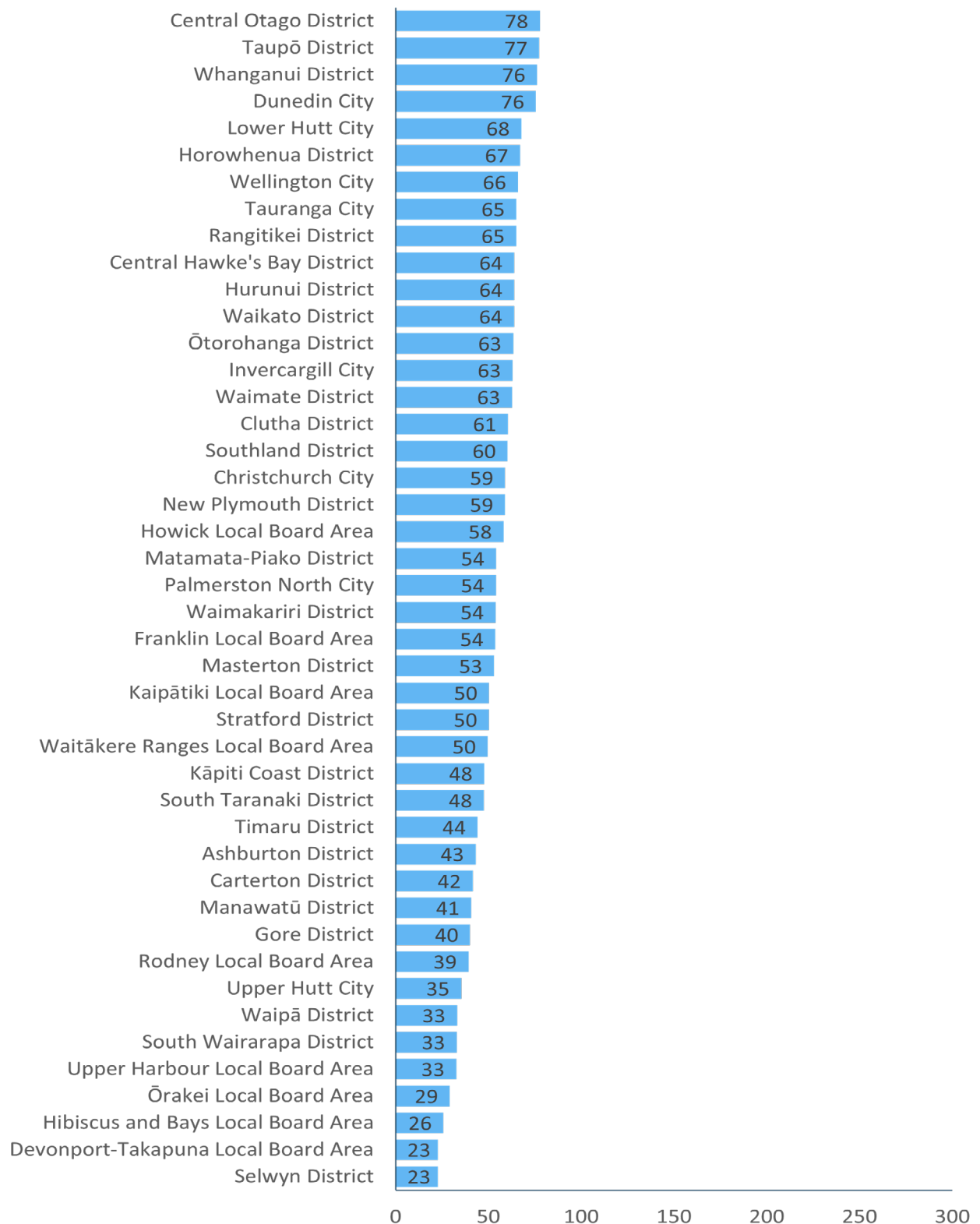


Figure A2 continued



To identify locations with the highest need, the approach considered natural patterns in the data for both measures instead of using a fixed numerical threshold. Locations identified on this basis as highest need locations with potential for investment are highlighted in yellow in figures A1 and A2.⁸

Other locations with persistent high numbers of applicants in the housing register priority categories (A19 and A20) were also identified as high need locations⁹, reflecting the volume of people requiring housing support. Reviewing changes in each dataset overtime confirmed that the locations identified using this approach consistently emerge as areas of high housing need.

Local insights from providers and external stakeholders helped to build up a bottom-up view of housing need. In some locations, official data underrepresents the scale or nature of housing need or only captures part of the story. For example, in parts of Te Tai Tokerau, local agencies and providers described informal and unsuitable living arrangements in communities where relatively few people appear on the housing register. In South Auckland, local insight highlights the growing but often hidden issue of youth homelessness. While in Tauranga, stakeholders highlighted the increasing incidence of homelessness and housing challenges faced by older people. Through this part of the process, no new locations were added, as the areas identified through local insights aligned with those already highlighted by the data. The local insights corroborated the data view and provided a more granular understanding of the nature of the need.

⁸ Although Great Barrier local board area and Mackenzie District have a high prevalence of severe housing deprivation (first three categories), they were not identified as high need locations and considered for investment (long list). This is because given their small general population size the actual number of people affected by severe housing deprivation is small. The prevalence of applicants on the housing register in these two locations is also low, and the actual number of applicants is even smaller (fewer than five). Further work is needed in these locations to understand the local housing system and identify the best response to address this need.

⁹ This included the districts of Whangārei, Hamilton, Tauranga, Rotorua, Gisborne, Napier, Hastings, Palmerston North, Lower Hutt, Wellington and Christchurch.

List of high housing need locations considered for investment (long list)

- Far North District
- Whangārei District
- Māngere-Ōtāhuhu Local Board area
- Ōtara-Papatoetoe Local Board area
- Manurewa Local Board area
- Hamilton City
- Tauranga City
- Rotorua District
- Whakatāne District
- Kawerau District
- Ōpōtiki District
- Gisborne District
- Hastings District
- Napier City
- Palmerston North
- Lower Hutt
- Wellington City
- Christchurch City

The capability and capacity in the high housing need locations were assessed to determine investment readiness. This included evaluating market conditions and partner delivery track records. All locations were confirmed as investment ready, with strong potential for timely delivery and value for money.

Target locations - highest need locations

These are highest need locations that will receive most of the funding from the Budget 2025 flexible fund.

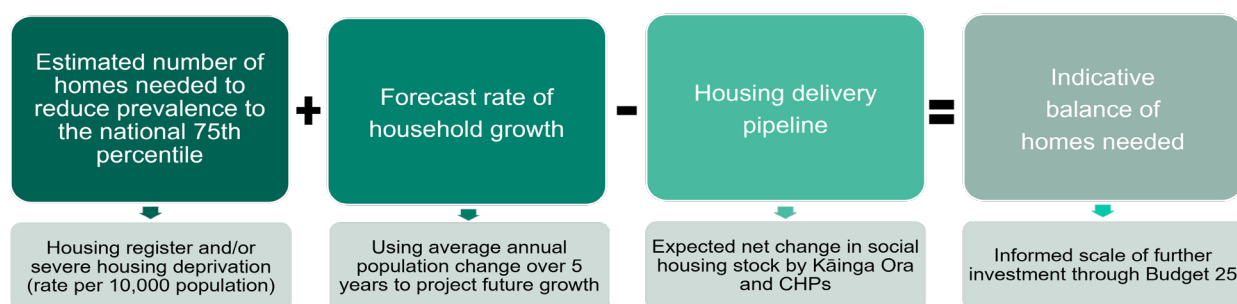
Target locations (shortlist)

- Far North District
- Māngere-Ōtāhuhu Local Board area
- Ōtara-Papatoetoe Local Board Area
- Manurewa Local Board Area
- Whakatāne District
- Kawerau District
- Ōpōtiki District
- Gisborne District
- Hastings District

These locations were prioritised from the long list of locations with highest housing need, after taking account of existing planned government investment in housing which is underway (but not yet delivered) and other local factors.

The approach used to confirm the target locations and estimate the levels of proposed housing investment is set out below.

Figure A3: approach to confirming target locations and relative scale of investment



The national 75th percentile of prevalence for the housing register¹⁰ and severe housing deprivation¹¹ measures was used as a practical way to guide how the funding should be distributed across the high need locations. This reflects what is achievable with the current level of funding.

Investing to reduce need to the national 75th percentile benchmark will not resolve housing need in these locations. The goal remains to reduce prevalence of housing need more significantly nationwide. If more funding was available, then a different allocation metric would have been used.

The approach to estimate the number of homes to invest in was only undertaken in those locations identified as having high housing need (long list). The estimated number of additional homes required to reduce prevalence across the two measures to the national 75th percentile benchmark was calculated.

This was compared to the pipeline of planned but not yet delivered social housing (for instance, committed through previous budget processes), with adjustments made for potential population change over the next five years.

The resulting shortlist of locations are those with the highest levels of unmet housing need, which either have no planned social housing or show significant shortfalls despite current investment.

¹⁰ Housing register number of applicants per 10,000 population, 30 June 2025, the national 75th percentile was calculated based on all territorial authorities and Auckland local boards (87 in total).

¹¹ Severe housing deprivation (first three categories, Census 2023), the national 75th percentile was calculated based on all territorial authorities and Auckland local boards (87 in total).

Case study | Far North – Te Hiku o te Ika

We have worked closely with iwi and partners in the Far North – Te Hiku o te Ika to address significant housing challenges, particularly among Māori.

Over five years from June 2020 to June 2025, there has been a net increase of 161 social homes in the Far North, with a further 59 social homes funded yet to be delivered by community housing providers. Although the social housing register remains elevated, it stabilised to around 400 applicants in June 2025.

The 2023 Census also identified 1,368 people in severe housing deprivation (first three categories). However, engagement at the community level highlighted what we already know – that census and housing register data undercount the true extent of housing need.

While there has been investment in recent years, it has not reduced the prevalence of housing need sufficiently. Modelling indicates that once the remaining homes are delivered, housing need will remain above the national 75th percentile for housing register and severe housing deprivation measures.

This, combined with the under representation of housing need in the data, provides a strong case for further investment in the Far North – Te Hiku o te Ika.

Locations with high housing need that will be improved by the existing pipeline

Some locations with high housing need already have a strong pipeline of social housing underway. Whangārei, Rotorua, Napier and Lower Hutt were identified as high housing need locations, but modelling indicates that planned social housing that is yet to be delivered will reduce the prevalence of both measures to below the national 75th percentile.

Case study | Napier

In Napier, over five years from June 2020 to June 2025, 159 new social homes have been delivered, with a further 164 funded but yet to be delivered by community housing providers.

The social housing register has fallen significantly, from a high of 801 applicants in March 2022 to 426 in September 2025. While the number of applicants remains high by prevalence, modelling indicates that once the remaining homes are delivered, this will drop to below the national 75th percentile for the housing register measures. The 2023 Census identified 687 people in severe housing deprivation (first three categories) which is below the national 75th percentile benchmark.

No further investment is currently therefore recommended.

Main centres

Our main centres of Auckland, Hamilton, Tauranga, Wellington and Christchurch continue to have high numbers of people in housing need. While they do not always rank highest on a per capita basis, they have large absolute numbers of housing register applicants, particularly in the highest categories.

Auckland's housing market varies significantly across the city. To reflect this, analysis used data at the local board area level wherever possible. For example, while Papakura shows signs of high housing need, it is not as severe as Manurewa, Ōtara-Papatoetoe and Māngere-Ōtāhuhu board areas (which were identified in the long list of locations). As shown in figures A1 and A2, these three board areas have a high level of unmet housing need and have therefore been included as target locations.

Main centres of Hamilton, Tauranga, Wellington and Christchurch are recommended for ongoing investment (where additional funding is approved) to maintain a steady pipeline and support long-term planning by providers. Auckland is covered by the funding for target locations in South Auckland.

Proposed allocation and specifications for investment locations

Approximate number of homes

For target locations, the estimated number of additional homes needed to bring the level of prevalence down to the national 75th percentile was adjusted to fit available funding.

For the main centres, a consistent allocation of between 40 to 50 homes each is applied. The smaller allocation in these centres reflects the need to focus most of the investment in target locations that have higher housing need.

Housing solution assessment

For the purposes of the Budget 2025 flexible fund, housing solutions are limited to social housing and affordable rentals. The allocation strategy aims to increase housing access to people in high housing need.

Data and insights (such as rental availability, changes to rental prices over time and the proportion of social housing in a location) help to better understand the characteristics of the local housing system and determine whether each location should receive social housing, affordable rentals or a mix of both.

Social housing is proposed in all locations as the current social housing pipeline will not meet the demand on the housing register.

Affordable rentals are recommended in locations where:

- there are rental constraints like low volume of rentals available, increasing rental prices over time or low profitability and low construction, meaning there is less likelihood of market delivered rental supply
- affordable rentals will enable households to transition towards housing independence by bridging the gap between the lower level of rent in social housing and the higher rents (and lower subsidies) available in the private market.

Delivery mode assessment

Homes can be delivered through building new homes, buying existing homes or leasing rentals.

New builds are proposed as the available delivery mode in locations that have less available housing supply due to low development profitability and low construction volumes (for example, Far North District). New builds are preferred in these locations to increase the available housing supply.

Buying or leasing homes are proposed in areas where the development market is profitable as measured by the location's price-cost ratio (for example, South Auckland, Wellington and Christchurch). New builds are also available in these areas.

Populations of interest and number of bedrooms needed

We identified the populations unable to access suitable housing and in high need using data and local insights, along with the number of bedrooms needed to house those people.

Māori face disproportionately high housing need and systemic barriers to secure, suitable housing.

Community view

Community engagement in the target locations highlighted widespread and persistent unmet housing needs. Many communities are experiencing substandard living. This includes poor housing quality (for example, dampness and homes in need of critical repair) and makeshift dwellings (for example, tents, garages, shipping containers), housing insecurity and limited access to suitable and affordable housing. These housing needs are often 'hidden' because they are not captured on the housing register or are underrepresented in severe housing deprivation estimates.

For example, in Far North, Eastern Bay of Plenty and Tairāwhiti, whānau Māori (including young families and multi-generational households), youth, kuia and kaumātua were identified as populations in high housing need.

A range of different sized homes are needed to accommodate different whānau structures, life stages and caregiving roles, for example, options for disabled or older people needing space for carers, or older adults caring for grandchildren or expanding families.

Data view

Many of the people identified above are not reflected in the available data, which means the housing register and severe housing deprivation data both underestimate true housing need. In particular, the housing register only records households who actively apply for social housing and meet eligibility criteria.

At the time of the 2023 Census, more than 112,000 people were estimated to be severely housing deprived (all four categories). Of these, just over 60 percent were those living in uninhabitable housing. As with the housing register, it is accepted that under counting is likely to affect all four categories.

Table A1: Summary of key findings from the Census 2023 estimates of severe housing deprivation (all four categories)

Key findings	
Location specific (where available)	
Kawerau	Highest rates of people sharing someone else's private dwelling and living in uninhabitable housing.
Gisborne	Highest rates of people sharing someone else's private dwelling and living in uninhabitable housing, with 84 percent of these people identified as Māori.
Northland	61 percent of people experiencing severe housing deprivation identified as Māori.
Nationally (applies across all investment locations)	
Pacific peoples	Highest rate of severe housing deprivation relative to their population size. Nearly three times more likely to experience severe housing deprivation than the national average. Highest rates of sharing someone else's private dwelling and uninhabitable housing.
Māori	Highest number of people affected by severe housing deprivation. Over half were living in uninhabitable housing, and over one-quarter were sharing someone else's private dwelling.
Disabled people	Over twice as likely to experience severe housing deprivation compared to the general population.
Children (under 15 years)	Made up the highest proportion of people living in uninhabitable housing.

As shown below, the register contains detailed information about applicants' characteristics and housing preferences. Social housing proposals need to reflect the characteristics of people on the register and demonstrate how those in the highest categories of need will be housed.

Table A2: Household characteristics and bedroom preferences of housing register applicants in the investment locations (as at September 2025)

Housing investment location	Far North	South Auckland	Hamilton	Tauranga	Eastern Bay of Plenty	Gisborne	Hastings	Wellington	Christchurch
Housing register applicants (Sept 2025)	390	1,872	981	660	375	387	456	621	1,494
Number of bedrooms									
1 bed	52%	43%	52%	65%	43%	47%	42%	76%	72%
2 bed	30%	32%	29%	23%	37%	35%	34%	13%	17%
3 bed	12%	15%	12%	8%	15%	12%	17%	6%	7%
4 bed	5%	8%	6%	3%	3%	5%	6%	3%	3%
5 bed +	2%	3%	2%	0%	2%	2%	1%	1%	1%

Table A2: Household characteristics and bedroom preferences of housing register applicants in the investment locations (as at September 2025) continued

Housing investment location	Far North	South Auckland	Hamilton	Tauranga	Eastern Bay of Plenty	Gisborne	Hastings	Wellington	Christchurch
Ethnicity									
Māori	79%	33%	62%	55%	80%	81%	66%	27%	35%
NZ European	13%	6%	17%	31%	11%	10%	16%	26%	41%
Other	3%	11%	12%	9%	3%	2%	8%	31%	13%
Pacific peoples	2%	40%	4%	2%	2%	4%	8%	8%	5%
Unspecified	3%	11%	5%	3%	3%	3%	2%	8%	5%
Age group									
24 and under	8%	12%	13%	7%	10%	12%	12%	7%	12%
25 to 39	39%	39%	39%	35%	38%	39%	40%	26%	37%
40 to 54	24%	24%	27%	26%	26%	22%	26%	31%	26%
55 to 64	18%	13%	12%	18%	14%	16%	12%	19%	15%
65 and over	11%	12%	9%	14%	12%	10%	11%	17%	10%

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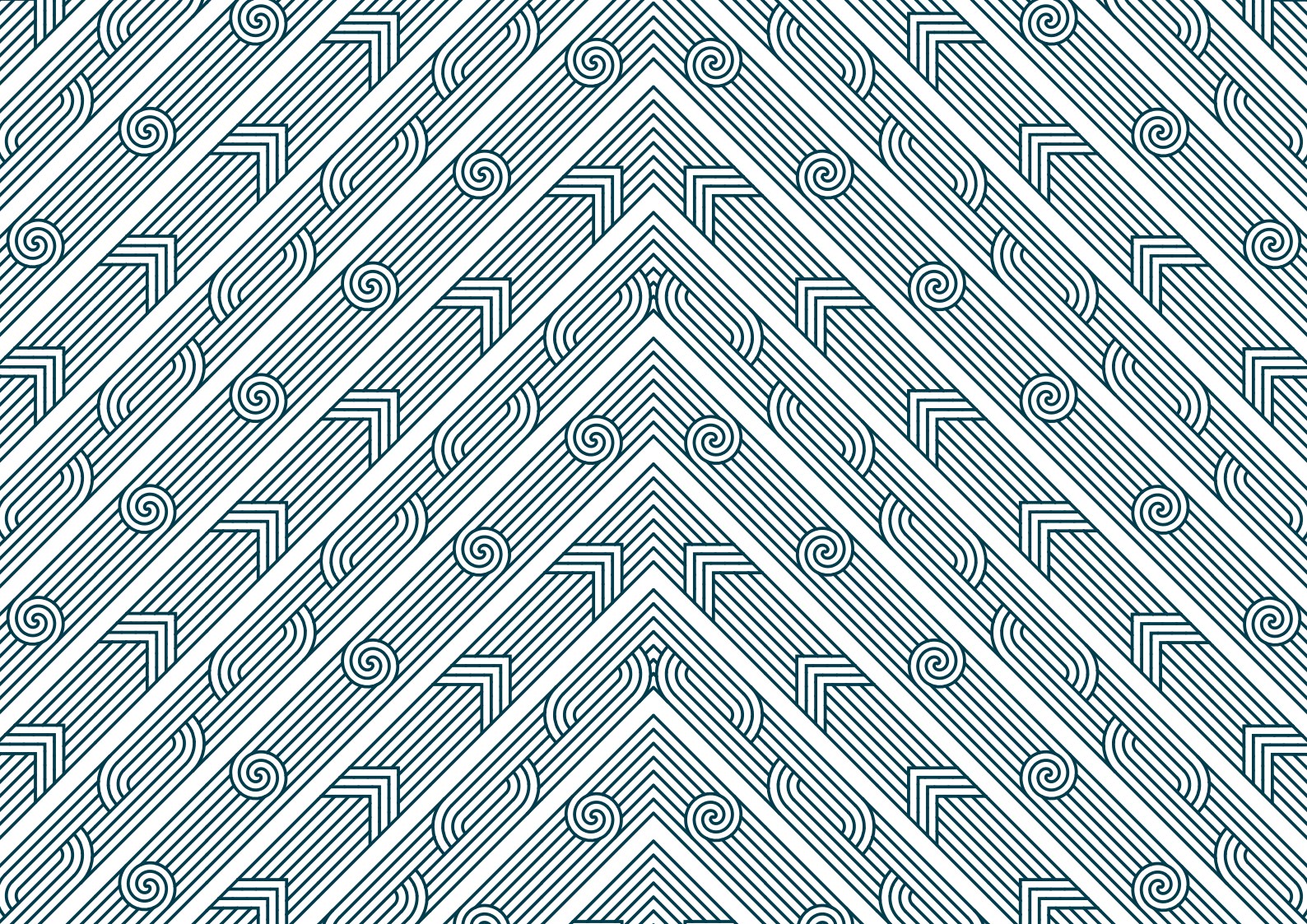
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