



**MINISTRY OF HOUSING
AND URBAN DEVELOPMENT**



Transitional Housing – progress and next steps

BRF20/21010851

Progress towards 3,000 transitional housing places

1,005 transitional housing places were made available by 9 February 2021 as part of the Aotearoa/New Zealand Homelessness Action Plan (HAP). Budget 2020 delivered funding for an additional 2,000 transitional housing places with a focus on new builds, Kainga Ora-led delivery, and assistance from transitional housing providers in areas where required.

1. Progress as at 25/03/2021



1,135 (1,005)

places have been made available so far



130

places have been made available since 10 February 2021.

NB. Figures marked in brackets () represent the figures as at the last published report

Workstream breakdown of the 1,000 places delivered under the Homelessness Action Plan

Delivery streams	Commitments	Delivery
HUD (through Transitional Housing Providers)	400	607
Kāinga Ora purchasing new or existing housing	350-450	346
Kāinga Ora building Temporary Housing Villages (THV)	150	28
Kāinga Ora delivering Converted Facilities	30-50	24
Total	930-1,050	1,005

2. Progress towards 30 June 2021



s 9(2)(f)(iv)

As at 25/03/2021, it is expected that between s 9(2)(f)(iv) places will be made available by the end of June 2021

Key facts:

- 90 percent of our future delivery will be new build (up from 43% new builds delivered under the HAP)
- Delivery teams are securing on average over 100 places in the pipeline each month
- We're currently investigating more than 400 additional places at pace to reinforce our pipeline

s 9(2)(f)(iv)



Key challenges:

New Zealand's housing supply and demand environment has shifted significantly in recent months. Our settings were designed for a different context which has resulted in existing challenges being exacerbated and new challenges presenting themselves:

- **Availability of suitable land** remains our biggest challenge. This has been exacerbated by increased competition, a lack of infrastructure in regions, and restrictive zoning
- **Significant increase in demand following COVID-19.** More people are seeking support and intensity of need has increased, impacting provider capacity to develop housing and support additional places
- **Highly competitive buy-in markets and a constrained developer market for new builds, particularly in regions.** High competition for purchasing homes has resulted in more unconditional offers from buyers, making our proposals less attractive
- **Community resistance to transitional housing** can result in lengthy stakeholder engagement causing delays (E.g. THV sites in Ruakaka and Wainuiomata). The main concerns are with the density of social housing in their area, resulting in a perceived risk of increased crime and concerns about pressure on schooling, emergency services.

Changes we've made to build pace and scale:

- **We're changing our approach to identifying land** by working with Land Information New Zealand to identify short-term, temporarily vacant, or underutilised Crown-owned land
- **We're progressing innovative new construction products,** s 9(2)(f)(iv)
- **We're directing our resources into in regions to align with the PHP,** supported by Kāinga Ora's shift to place based approach with regional directors in place to drive supply and address regional constraints
- **We're progressing work to enable more efficient and flexible use of Kāinga Ora's construction pipeline** s 9(2)(f)(iv)
- **We're working closely with our providers** to understand their capacity to ensure we are taking steps to support them manage additional supply
- **We're assessing all options to accelerate delivery, including refining use of existing pipeline projects.**
- **Government's investment to boost supply and changes to dampen demand** will accelerate pace and scale in the short-medium term. E.g. the Housing Acceleration Fund will enable strategic land purchases and provides investment into infrastructure to support build activity. Extending the bright-line test, may reduce the competition we are experiencing.



Changes and initiatives we already have underway will build momentum. s 9(2)(f)(iv)

- You received advice in late 2019 which indicated HUD and Kainga Ora did not consider legislation necessary to facilitate the establishment of temporary housing villages [BRF19/20110511 refers].
- s 9(2)(f)(iv)
- Taking a systems approach to reform and addressing challenges will improve the system’s resilience and will enable it to adapt positively to changes in the long run. Solutions are already underway to address the majority of our constraints, such as implementation of the \$3.8 billion fund to develop build-ready land for housing projects, the implementation of the Urban Development Act 2020, Infrastructure Funding and Financing Act 2020 and reform of the Resource Management Act 1991.
- Recent changes, such as shorter consenting processes through the COVID-19 Recovery (Fast-track Consenting) Act 2020, will further accelerate our ability to deliver in the short-medium term.
- A critical next step in increasing pace and scale is supporting local councils to play their part by opening up land and enabling intensification. s 9(2)(f)(iv)
- s 9(2)(f)(iv)