



HUD2023-002025

s 9(2)(a)

Dear s 9(2)(a)

Thank you for your email of 4 April 2023, requesting the following information under the Official Information Act 1982 (the Act):

“Please could you send me a copy of all relevant correspondence between Trust House in Masterton and MHud regarding the rent rises proposed by Trust House for its tenants [the rent hikes] during January, February and March this year.

- 1. Could you please send copies of all reports, and excel spreadsheets relating to the rent hikes.*
- 2. Could you also send copies of all emails between Trust House employees [including, but not limited to, Charles Kaka] and MHud regarding the rent hikes.”*

Trust House is a registered Community Housing Provider that is contracted by Te Tūāpapa Kura Kāinga- the Ministry of Housing and Urban Development (HUD) - to provide public housing in the Wairarapa region.

Seven documents including five emails and two email attachments have been found to be within the scope of your request. The five emails and one attachment are released to you with some information withheld under section 9(2)(a) of the Act, to protect the privacy of natural persons.

One attachment is withheld in full under section 9(2)(ba)(i) of the Act, to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information, would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.

The documents are detailed in the attached document schedule.

In terms of section 9 of the Act, I am satisfied that, in the circumstances, the decision to withhold information under section 9 of the Act is not outweighed by other considerations that render it desirable to make the information available in the public interest.

You have the right to seek an investigation and review of my response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website at: www.ombudsman.parliament.nz.

As part of our ongoing commitment to openness and transparency, the Ministry proactively releases information and documents that may be of interest to the public. As such, this response, with your personal details removed, may be published on our website.

Yours sincerely

A handwritten signature in black ink, appearing to be 'WB', followed by a horizontal line extending to the right. The signature is set against a light blue background.

Will Barris
General Manager, Partnerships and Performance

Annex 1: Document schedule

Documents released – HUD2023-002025			
	Date	Document	Section of the Act applied
1	20 December 2022	Emailed meeting invitation from James Lesslie (HUD) to Patrick Kay (Trust House): Meet to discuss clients moving to higher rents.	9(2)(a)
2	30 August 2022	Email from Patrick Kay (Trust House) to Evan Hargis (HUD): Trust House Properties.	9(2)(a)
3	25 August 2022	Email and attachment from Patrick Kay (Trust House) to Evan Hargis (HUD): Trust House Properties. <ul style="list-style-type: none"> Attached spreadsheet “Property Tenancy Details List August 2022.” 	9(2)(a) Withheld: 9(2)(ba)(i)
4	18 January 2023	Email and attachment from Patrick Kay (Trust House) to James Lesslie (HUD): Trust House- rent increase notice. <ul style="list-style-type: none"> Attached draft press release. 	9(2)(a)
5	19 March 2023	Email from Patrick Kay (Trust House) to James Lesslie (HUD): Trust House new acting CEO and rent rises.	9(2)(a)

From: s 9(2)(a)
Sent on: Wednesday, January 18, 2023 12:29:30 AM
To: James Lesslie <James.Lesslie@hud.govt.nz>
Subject: FW: Trust House - rent increase notice
Attachments: CHK.pdf (411.02 KB)

From: s 9(2)(a)
Sent: Monday, 16 January 2023 3:12 pm
To: Tracey.Collis@Taranuadc.govt.nz; Ron Mark <ron@cdc.govt.nz>; garyc@mstn.govt.nz; martin.connelly@swdc.govt.nz
Cc: Luther Toloa ; kieran.mcanulty@parliament.govt.nz; s 9(2)(a) s 9(2)
Subject: Trust House - rent increase notice

Tēnā koutou rau rangatira mā,

The purpose of this email is to provide you with a brief update on Trust House™s plans to raise rents in early April 2023.

We are required by legislation to provide no less than 60-days™ notice to tenants when increasing their rent. Rent increases are currently permitted once per annum.

Attached for your information is an article we plan to share with local media in anticipation that our decision will unfortunately create anxiousness in the community.

In summary:

- Notice to tenants will be in writing commencing with mail drops across Taranua and Wairarapa on Thursday/Friday this week.
- The proposed increases are in many cases significant. Average increase in Taranua is 90% - while in Wairarapa it is ~60%.
- Trust House would have preferred to work with government and converted those of our tenants eligible, onto IRR subsidy. Intuitively this would have reduced those affected (189) significantly. This option unfortunately is no longer available given current IRR policy.
- Trust House has been working closely with MSD for months. MSD have resourced up to deal with tenant inquiries and to detail what entitlements people receive pre introduction of the new rents i.e. accommodation supplement etc.
- MSD will call those tenants already clients of theirs next week to discuss entitlements while those tenants not currently clients of MSD - will be encouraged to get in touch with MSD asap.
- Once the MSD/tenant discussions have concluded “ tenants will fully understand what their actual increase is. Trust House will work with MSD and agree the final adjustments.

- Trust House anticipates that there will be a small percentage of our tenants who are not eligible for any MSD benefits given their income is outside current income thresholds.

Naaku nei s 9(2)

Town	Tenants Impacted
Masterton	122
Carterton	1
Featherston	5
Martinborough	2
Tararua district	59
Non-IRR subsidy tenants	189

s 9(2)(a)

TRUST HOUSE LTD

Level 1, 4 Queen Street
Masterton

,
5810

PO Box 135

Mobile:

s 9(2)(a)

TRUST HOUSE

s 9(2)(a)

|
trusthouse.co.nz

OUR PURPOSE

**To enhance the
well-being of our
communities.**

OUR VISION

**To enrich and
improve peoples'
lifestyles.**



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16 January 2023

Draft media release

Title: RENT INCREASES FOR SOME TRUST HOUSE TENANTS

Trust House is to increase rents from the beginning of April. That said, fewer than half of its residential tenants will be impacted by the change.

Around 60 per cent of Trust House tenants currently qualify for the government's Income Related Rent subsidy (IRR), which essentially protects them from rent increases by limiting their contribution to 25% of their income. Disappointingly, under current government policy - IRR is no longer available to sitting tenants.

Trust House for months has been working with the Ministry of Housing and Urban Development (MHUD) and the Ministry of Social Development (MSD) around the best way for the company to bring rents into line with the local rental market.

Trust House is the largest provider in the Wairarapa of affordable rental homes to low-income individuals and whanau in the community who need them most. The community-owned organisation has a portfolio of 482 residential rental properties in Masterton, South Wairarapa, and the Tararua region.

Chief executive Charles Kaka says the rent increases will affect 189 tenants.

The increases are necessary to help cover growing costs and to correct historical under-charging, Mr Kaka says.

"All additional rental income will be allocated to our \$50 million improvement program to lift the properties to where I would like them to be," Mr Kaka says.

"We are also working hard to further grow our housing stock with several new builds underway or in the pipeline."

He says rent increases have not kept pace with the market. There was a slight rent increase in 2021, but little to no change in rents for the previous years.

Under the new schedule, rents will range from around \$400 per week for a 1-bedroom property to \$650 per week for a 5-bedroom property. The new rents are in line with current market rental prices.

Mr Kaka reiterates that the rent increases will only affect tenants who are not on the government's Income Related Rent (IRR) scheme. For those tenants who are currently MSD clients - MSD will contact them directly to ensure they are receiving full and correct entitlements from commencement of the increase.

Those tenants not currently clients of MSD are encouraged to make contact with them as soon as possible to check what support is available.

In 2014, Trust House became New Zealand's first registered social housing provider in the government's social housing scheme to make rents more affordable for people on low incomes.

ENDS

Hi Evan

Sorry for the slow response, been on leave and in catch up mode since my return to work – please see below my response in red text and attached which hopefully assists

Regards

s 9(2)

s 9(2)(a)

TRUST HOUSE LTD

Level 1 ,4 Queen Street

Masterton,5810

PO Box 135

s 9(2)(a)

TRUST HOUSE

s 9(2)(a) | trusthouse.co.nz



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From: Evan Hargis <Evan.Hargis@hud.govt.nz>

Sent: Thursday, 11 August 2022 5:55 pm

To: s 9(2)(a)

Subject: Trust House properties

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.


Kia ora Patrick,

Thanks for your time earlier last week, it was good to catch up. I just wanted to follow up on a few things in relation to our conversation and also clarify that I understood everything correctly.

[UNCLASSIFIED]

Trust House are looking to progress with a number of actions within the portfolio of properties – both the public housing places, as well as the privately rented places.

Out of Scope



Secondly, Trust House is seeking to increase the rents of the privately rented properties within the stock (approx. 220 places). You suspect that once these rents have increased, the existing tenants won't be able to afford the rent, leading them to requiring a public housing assessment with the outcome of moving the tenancies to IRRS. There are still some discussions and further work required to be had on our end around this point. Are you please able to help me with the following:

- Can you please send me a spreadsheet of the Trust House property portfolio – including both the public housing and privately rented properties. Please include the current property rents, future proposed rents and the dates the organisation is seeking to increase them from (an approx. date is fine). The number of bedrooms and number of occupants would also be helpful – and anything else you think might be informative. For privacy reasons, no need to include personal tenant details. **Please see attached**
- You mentioned that you have already engaged with MSD – can you please give me their details so I can loop in with them?

Have spoken with s 9(2)(a) **at Palmerston North MSD** s 9(2)(a)

Please let me know if I have interpreted everything from our conversation correctly, or if you have any questions let me know – happy for you to call me too.

Ngā mihi

Evan Hargis

Team Leader | Contract Management
System Delivery and Performance

evan.hargis@hud.govt.nz | Mobile: s 9(2)(a)
www.hud.govt.nz | Level 7, Building 45 Queen Street, Auckland 1010

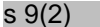


[UNCLASSIFIED]

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[UNCLASSIFIED]

From: s 9(2) 
To: [James Lesslie](#)
Subject: FW: Trust House - rent increase notice
Date: Wednesday, 18 January 2023 1:30:15 pm
Attachments: [image003.png](#)
[image403712.png](#)
[image140395.jpg](#)
[image066875.png](#)
[image249110.png](#)
[CHK.pdf](#)

Out of Scope

Subject: Meet to discuss clients moving to higher rents
Location: Microsoft Teams Meeting

Start: Thu 22/12/2022 11:00 am
End: Thu 22/12/2022 11:45 am
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: James Lesslie
Required Attendee s 9(2)(a)
Optional Attendees: Evan Hargis

Kia ora s
9(2)

I hope this time works for a hui over teams as discussed in our hui with MSD

Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 452 216 059 726

Passcode: DpNC3j

[Download Teams](#) | [Join on the web](#)

Join with a video conferencing device

[847795097@t.plcm.vc](tel:847795097@t.plcm.vc)

Video Conference ID: 135 352 960 3

[Alternate VTC instructions](#)

Or call in (audio only)


[+64 4-280 7338, 798588237#](tel:+6442807338798588237) New Zealand, Wellington

Phone Conference ID: 798 588 237#

[Find a local number](#) | [Reset PIN](#)

[Learn More](#) | [Meeting options](#)

s 9(2)(ba)(i)



[UNCLASSIFIED]

From: s 9(2)
To: s 9(2)(a) ; [James Lesslie](#)
Subject: Trust House new acting CEO and rent rises
Date: Monday, 20 March 2023 8:56:41 am
Attachments: [image905104.png](#)
[image327037.jpg](#)
[image102355.png](#)
[image543095.png](#)

Good morning, s 9(and James

Just a quick update, we currently have a new acting CEO s 9(2)(a) (previously chair of Emerge) for next 3 to 4 months whilst a new permanent CEO is found.

Also, we will be implementing rent rises for our 185 **NON IRRS** tenants of between 5 and 7% as from 1 July 2023 with notices going to tenants w/c 27 March

As the rent rise is actually lower than inflation, we do not expect there will be a great deal of noise as a result and whilst it may result in a few enquires to MSD the volume is expected to be quite low and the start date of the increase has been pushed out an extra 30 days to mitigate any surge in demand for benefit entitlement reviews

Regards

TRUST HOUSE LTD
Level 1 ,4 Queen Street

Out of Scope

From: s 9(2)(a)
Sent: Thursday, 25 August 2022 2:47 pm
To: Evan Hargis
Subject: RE: Trust House properties
Attachments: Property Tenancy Details List August 2022.xlsx

Hi Evan

Sorry for the slow response, been on leave and in catch up mode since my return to work – please see below my response in red text and attached which hopefully assists

Regards

Patrick

s 9(2)(a)

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Sent: Thursday, 11 August 2022 5:55 pm
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Have spoken with s 9(2)(a) at Palmerston North MSD s 9(2)(a)

Please let me know if I have interpreted everything from our conversation correctly, or if you have any questions let me-know – happy for you to call me too.

Ngā mihi

Evan Hargis

Team Leader | Contract Management
System Delivery and Performance



Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development



He kāinga ora, he hāpori ora - our purpose is thriving communities where everyone has a place to call home.

[UNCLASSIFIED]

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Out of Scope

From: s 9(2)(a)
Sent: Wednesday, 31 August 2022 8:12 am
To: Evan Hargis
Subject: RE: Trust House properties

Thanks Evan

s 9(2)(a)

TRUST HOUSE LTD

From: Evan Hargis <Evan.Hargis@hud.govt.nz>
Sent: Tuesday, 30 August 2022 5:00 pm
To: s 9(2)(a)
Subject: RE: Trust House properties

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Kia ora s 9(2)(a),

Thanks for providing this –I'll go through everything and be in touch soon.

Evan Hargis

Team Leader | Contract Management

System Delivery and Performance

evan.hargis@hud.govt.nz | Mobile: s 9(2)(a)

www.hud.govt.nz | Level 7, Building 45 Queen Street, Auckland 1010



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From: s 9(2)(a)
Sent: 25 August 2022 14:47
To: Evan Hargis <Evan.Hargis@hud.govt.nz>
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[UNCLASSIFIED]