

20-07-2021

DRAFT – Subject to Kāinga Ora Board Approval

Te Tai Tokerau Regional Plan Whangārei District Council workshop

Andrew McKenzie
Chief Executive



Te Tai Tokerau Regional Plan

Overview

This plan explains what we are doing and identifies our intentions for future years

We will engage with iwi, hapū, councils and the wider community on this plan and then update the plan in June 2022 reflecting input from iwi / hapū, councils and the wider community. After that the plan will be updated three yearly

We acknowledge that demand for social and affordable housing is growing faster than we are building. We will only build the number of new homes commissioned and funded by government

We will position Kāinga Ora in Northland to be able to build a larger number of homes, if we are commissioned and funded to build at greater scale

We need to do this in partnership with councils, iwi and others



A two-way regional planning and investment process that reflects, and balances iwi aspirations and community needs with Government priorities and targets

Te Tai Tokerau Regional Plan

The next twelve months

We will continue delivering our core customer services, home maintenance and renewals, work with schools, promote apprenticeships and employ local tradespeople.

We will continue to build new homes on land we own and buy land to make the current build programme easier to deliver.

We will scope new, large projects, such as re-investing in Otangarei.

We will work with iwi, councils and key stakeholders to develop a better strategic understanding of where / when we should be investing in Northland.



Delivering current commitments while establishing a more strategic forward programme



How we are structured

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Kāinga Ora: our new structure

Place-based delivery and decision making

Integrated with national teams

- 12 regions, formed under three groups; Auckland & Northland, Central, South Island
- Operations, community engagement and investment planning all decentralised to regions
- Support from centres of expertise with a nationwide span, including Te Kurutao, Construction, Urban Development and Strategy



Kāinga Ora Northland region



Caroline Butterworth
DCE, Auckland and
Northland



Jeff Murray
Regional Director,
Northland

Area covered by the region

Whangārei District

Kaipara District

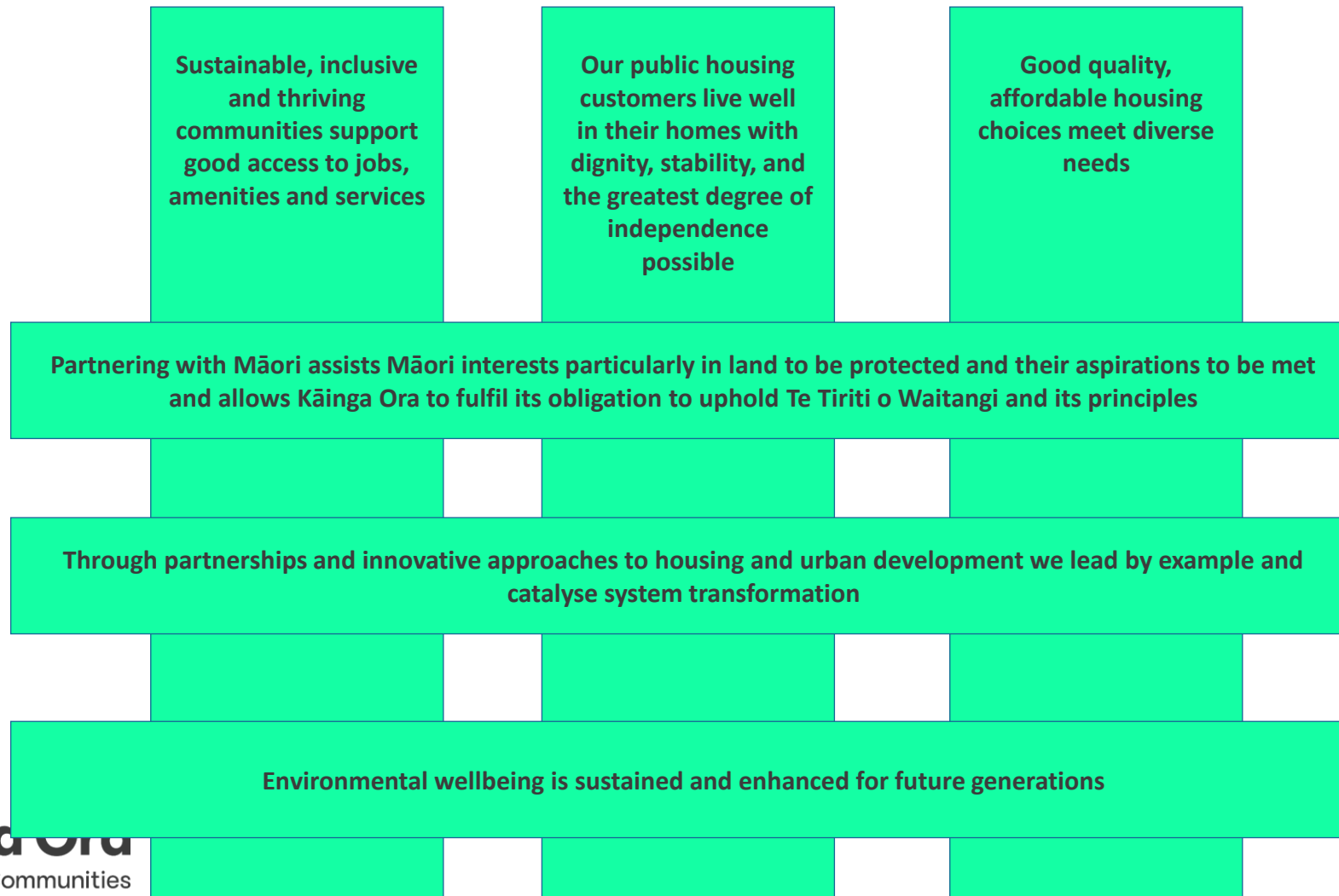
Far North District





What we do

Our Long-term Outcomes: what we contribute to



Our Priorities

What we are going to focus on changing to enable us to deliver on our outcomes

External

Building Māori and Community Relationships

Customer Support

Housing Supply

Construction productivity

Internal

Building and sustaining a safe, happy and healthy work community







Providing the leadership tools and support for our people

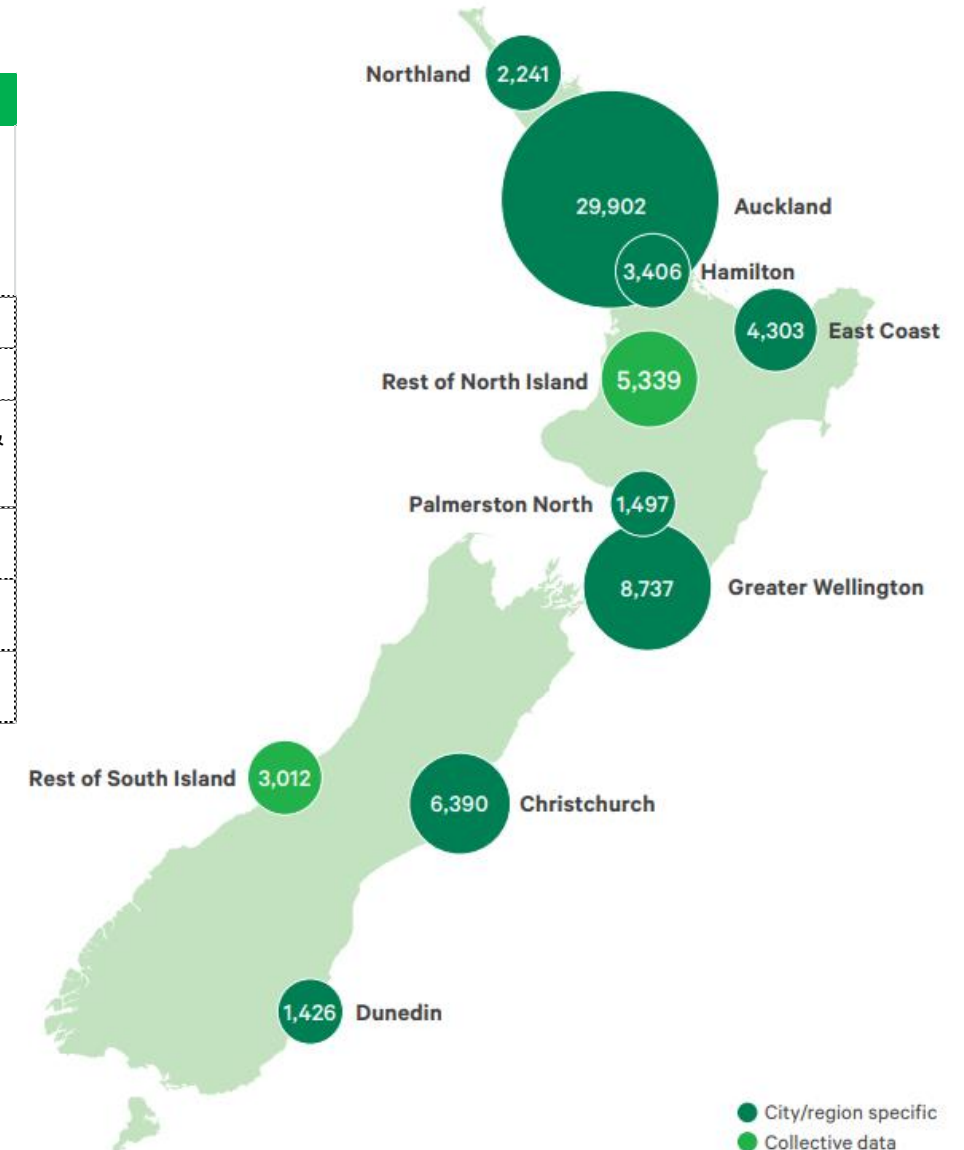
Improving our processes and systems

An efficient and effective governance and monitoring system

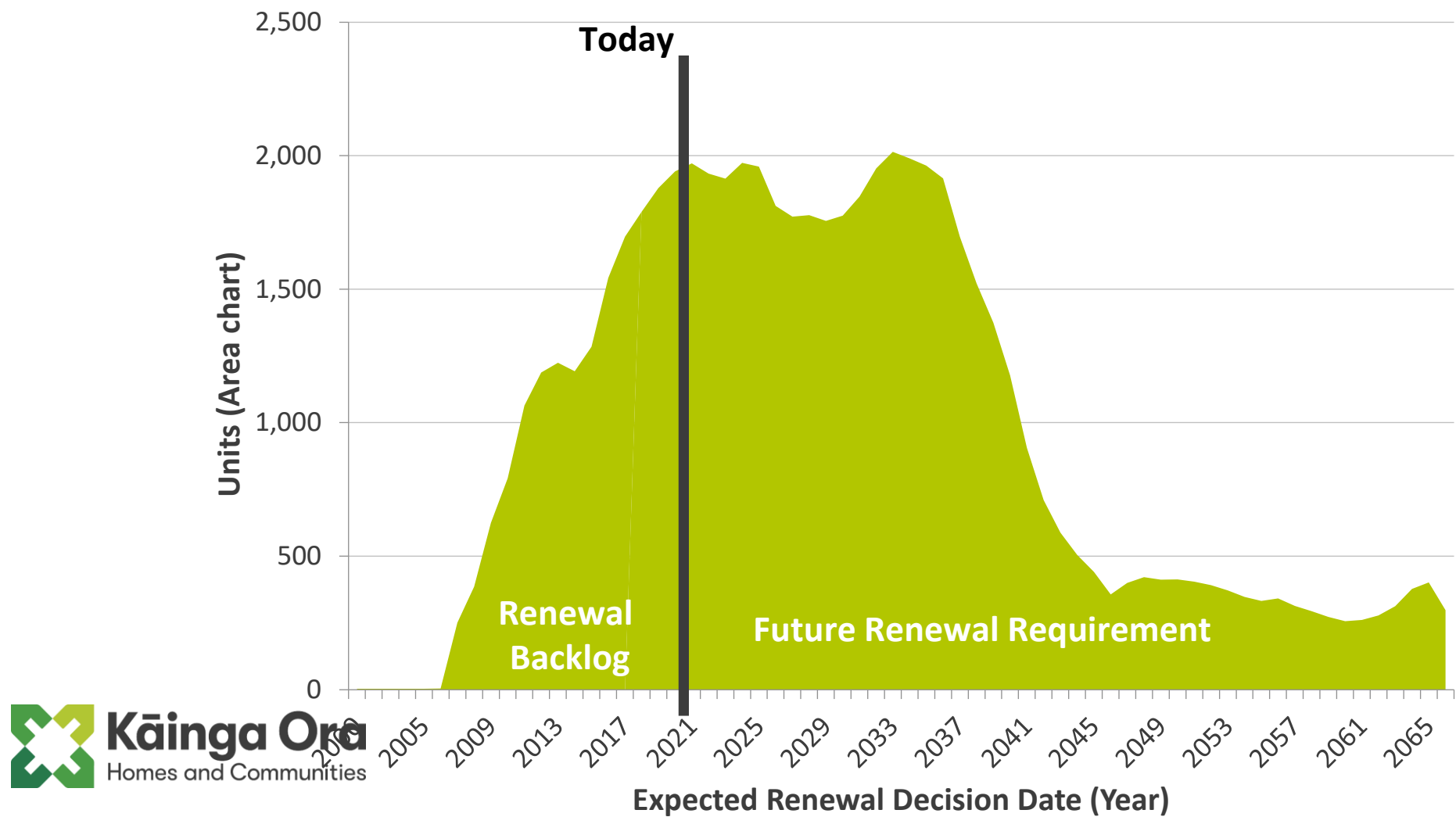
Translating our vision and strategic direction

Our Public Housing Portfolio

	Pre 1936	1937-49	1950-65	1966-85	1986-1999	2000+
						
Owned Homes	309	8,932	14,419	18,197	9,638	9,179
	0.5%	14.7%	23.8%	30.0%	15.9%	15.1%
Description	Villa & Californian Bungalow	Brick Weatherboard. Native timber	Brick Weatherboard. Native timber	Innovative lightweight, low cost materials	Pre-modern	Modern code & specifications
Expected Life (years)	80-100	70-90	70-90	40-50	50	50
Tenant concerns	Cold & drafty	Cold & drafty	Cold & drafty	Cold, damp	Damp	Few
Operating costs	High	High	High	Moderate	Moderate	Low



Forecast of dwellings in need of renewal



Recent budget announcements will enable us to deliver on our outcomes



Our **public housing customers** live well in their homes with dignity, stability, and the greatest degree of independence possible.

From 2018 – 2020 government Budgets focused on enabling our public housing customers to live well in their homes



Sustainable, inclusive and thriving **communities** support good access to jobs, amenities and services.



Environmental wellbeing is enhanced and preserved for future generations.



Partnering with Māori ensures **Māori interests** are protected and their needs and aspirations are met and allows Kāinga Ora to support the Crown to fulfil its obligations in respect of Te Tiriti o Waitangi (Treaty of Waitangi). A disproportionate number of people

The 2021 Budget focuses on enabling us to deliver on Māori aspirations, provide housing access for all New Zealanders, preserve environmental wellbeing and ensure that the system is transformed



Housing access - Good quality, affordable housing choices meet diverse needs



Kāinga Ora
Homes and Communities

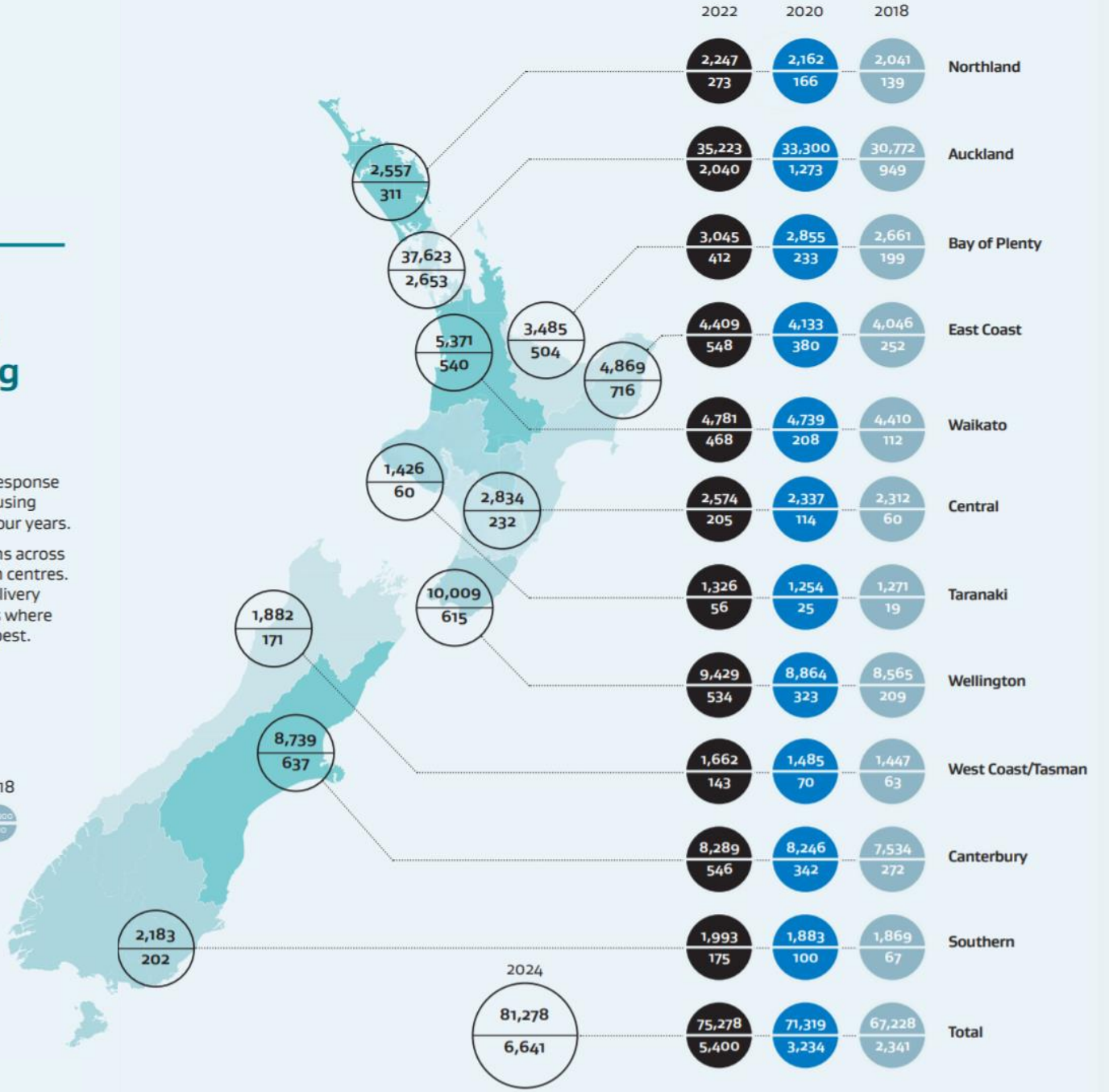
System transformation is catalysed and delivered.

Public housing plan 2021 -2024

Overview of the current and planned housing supply

This plan is the Government’s key response to increasing demand for public housing across New Zealand over the next four years.

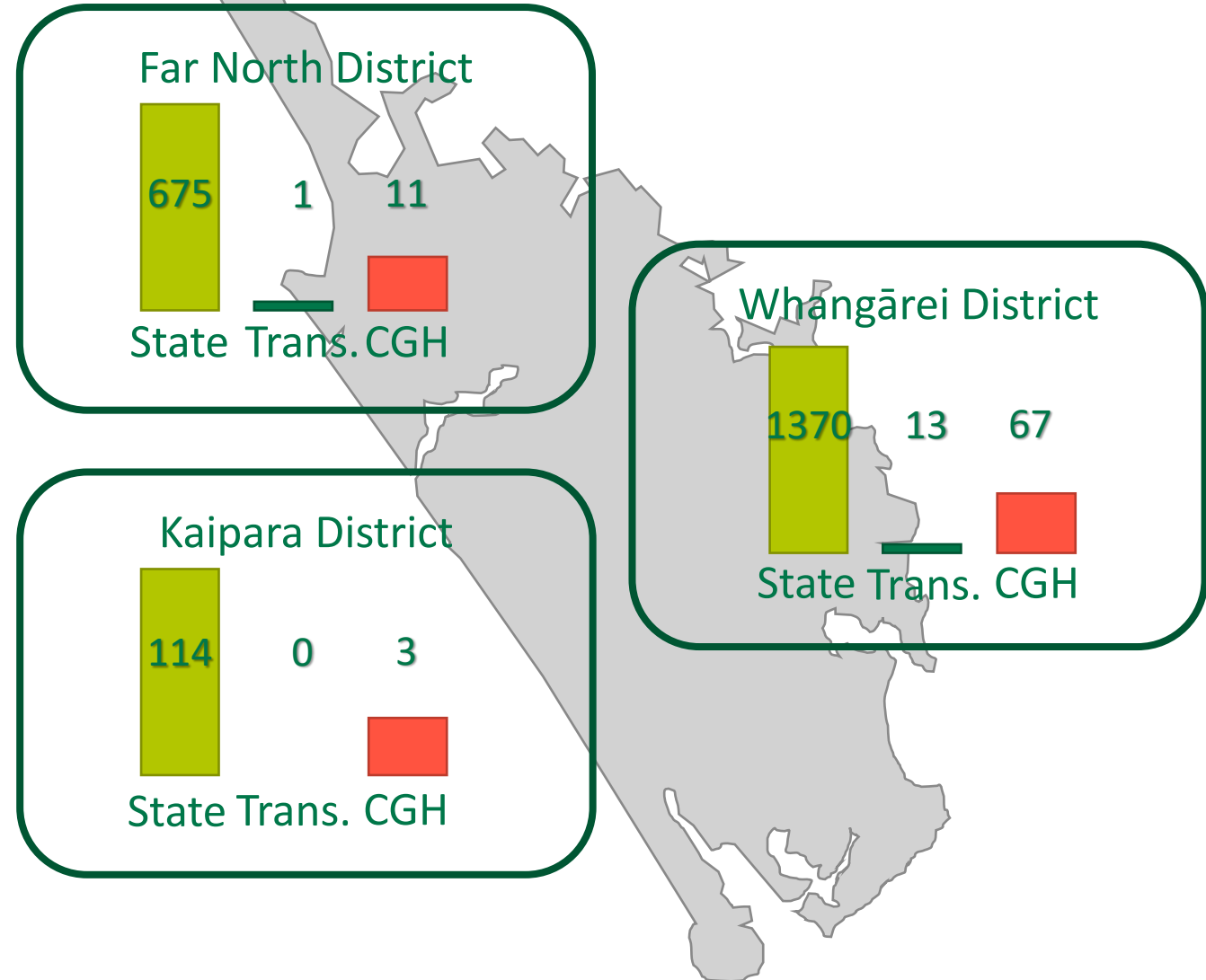
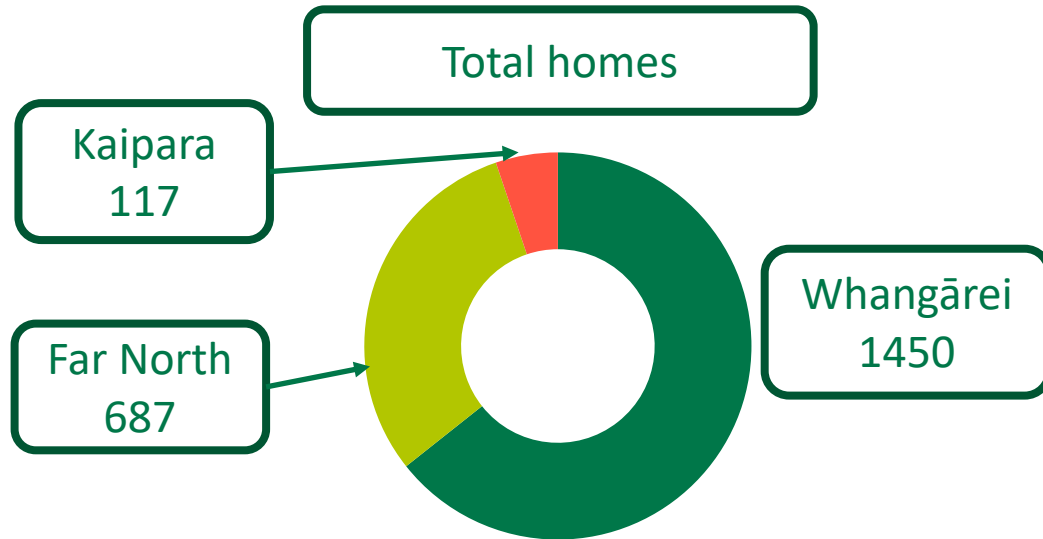
Supply is needed at scale in locations across regional New Zealand, not just main centres. This will require a step change in delivery in some regional centres and towns where housing need is being felt the sharpest.



Our homes in Northland

As at June 2021

Kāinga Ora owns 2254 homes in Te Tai Tokerau. The average age of these homes is 42 years, slightly below the national average of 43 years.



Our customers in Northland

As at June 2021

Kāinga Ora provides homes for about 6,600 people in Te Tai Tokerau.

Roughly half our households consist of a single parent with one or more children.

About two-thirds of our customers identify as Māori.

Nationally Kāinga Ora owns about 63,500 homes



Tenancies
2,220



~6,600
People live in our homes

9 years
Average tenancy tenure



48%
our most common household type is a single parent with children



29%
closely followed by single person households



22%

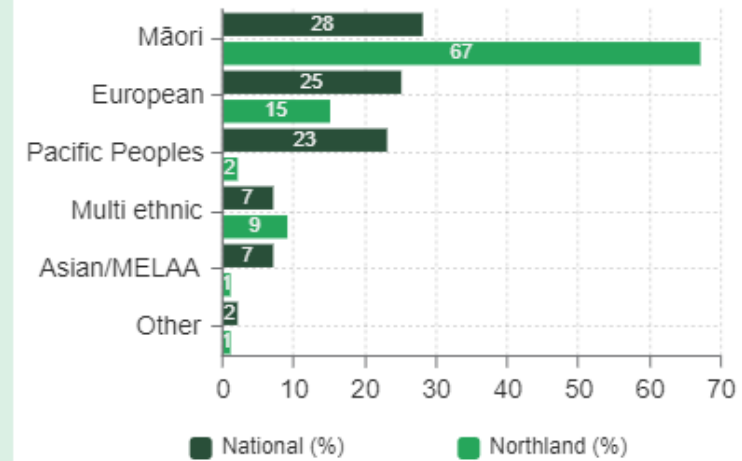
Households with elderly customers (65yrs+)



52%

Households with children (<18yrs)

Household Ethnicity



* Not equal to 100% as some customers have 'Not stated' ethnicity

Our mandate to support and enable Māori housing aspirations

What we are doing

Our legislation calls on us to understand, support and enable Māori aspirations in housing and urban development.

We are working via the MAIHI programme with our Central government partners the Ministry of Housing & Urban Development, Te Puni Kōkiri and the Ministry of Social Development to advance Māori-led projects, where the project owner is seeking public sector support.

We will use the engagement on this plan to better understand Māori aspirations.

The challenge

Through our engagement with Māori entities we understand:

- Our role in providing housing and customer services and supporting CHPs is valued

However, the main outcomes being sought by Māori entities are:

- Enabling reconnection with whenua by better enabling people to live in their rohe
- Increasing Māori home ownership and / or to increase the delivery of homes through Māori trusts and similar entities
- Increased participation by Māori businesses and tradespeople / professionals in the housing / construction sector
- Opportunities for trade training and to support the growth of Māori businesses through contracting to Kāinga Ora

Supporting & enabling Māori Aspirations

Our immediate priorities for partnering with Māori include:

- Agreeing with iwi and hapū representatives and other kaupapa Māori entities how they want to be engaged in projects we lead within their rohe / area of interest
- Implementing agreed processes in our projects
- Helping move Māori-led projects from planning to implementation, where we are invited to play a role and where we have mechanisms to deliver advice, funding or other inputs
- Continuing to implement our house relocations programme to supply housing to iwi and hapū and other kaupapa Māori entities



Supporting customers

A wellbeing focus

Kāinga Ora is Introducing a wellbeing approach for our people and our customers.

This involves:

- Getting to know our customers so we can differ our response based on customer needs.
- Creating a positive customer experience to ensure our customers feel they have choice and control to make the best decisions for their whānau.
- Taking a holistic and personalised service to address both the specific whānau housing and personal support needs and respond to the intensity of those needs.
- Proposing a structure that enables leadership, strengthen customer relationships and specialist support.

Social Procurement:

We are developing partnerships with Māori and Pasifika-owned businesses to increase participation in urban development and construction, including our retrofit programme.



Deconstruction of old homes by TROW

Retrofit programme

Kāinga Ora is making our homes warmer, drier and healthier to help improve our customers' wellbeing.

Through our Retrofit Programme, we're upgrading and improving some of our older homes to help provide our customers great places to call home.

We plan to retrofit about 140 homes in Northland by 2024.

The first stage will be identifying and inducting trade partners, which is happening now.

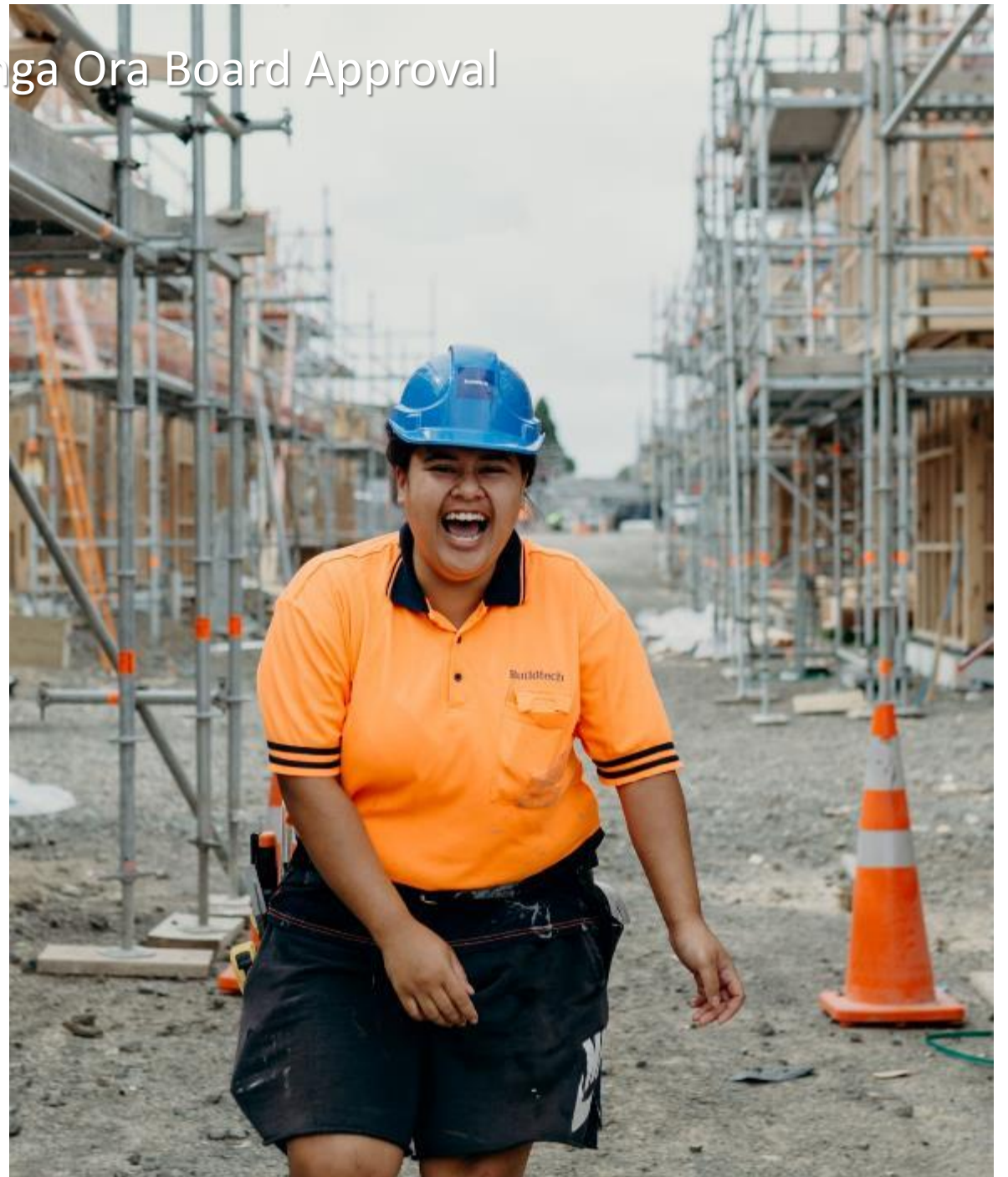


Employment pathways

Kāinga Ora wants to use the scale of its development programme to make a meaningful difference to employment opportunities in the communities where it works.

To that end, Kāinga Ora has established an apprenticeship programme which aims to have 250 people enlisted by the end of 2021.

Kāinga Ora apprentices receive training in areas such as communication skills, financial capability and job interview techniques before they start on site. They also receive a \$1,500 toolkit grant.



Employment pathways: Dargaville High School trades training

Kāinga Ora also partners with a number of secondary school trades training programmes, including Dargaville High School, which will deliver at least six new warm and dry state homes.

The programme has been up and running for 10 years, but partnered with Kāinga Ora in 2020.

The first home, a five-bedroom single level house built on school grounds. Will be relocated to Kaitaia in August. After connection to services, the home will be ready for a new family to move into in Spring.





Housing Affordability

Key issues

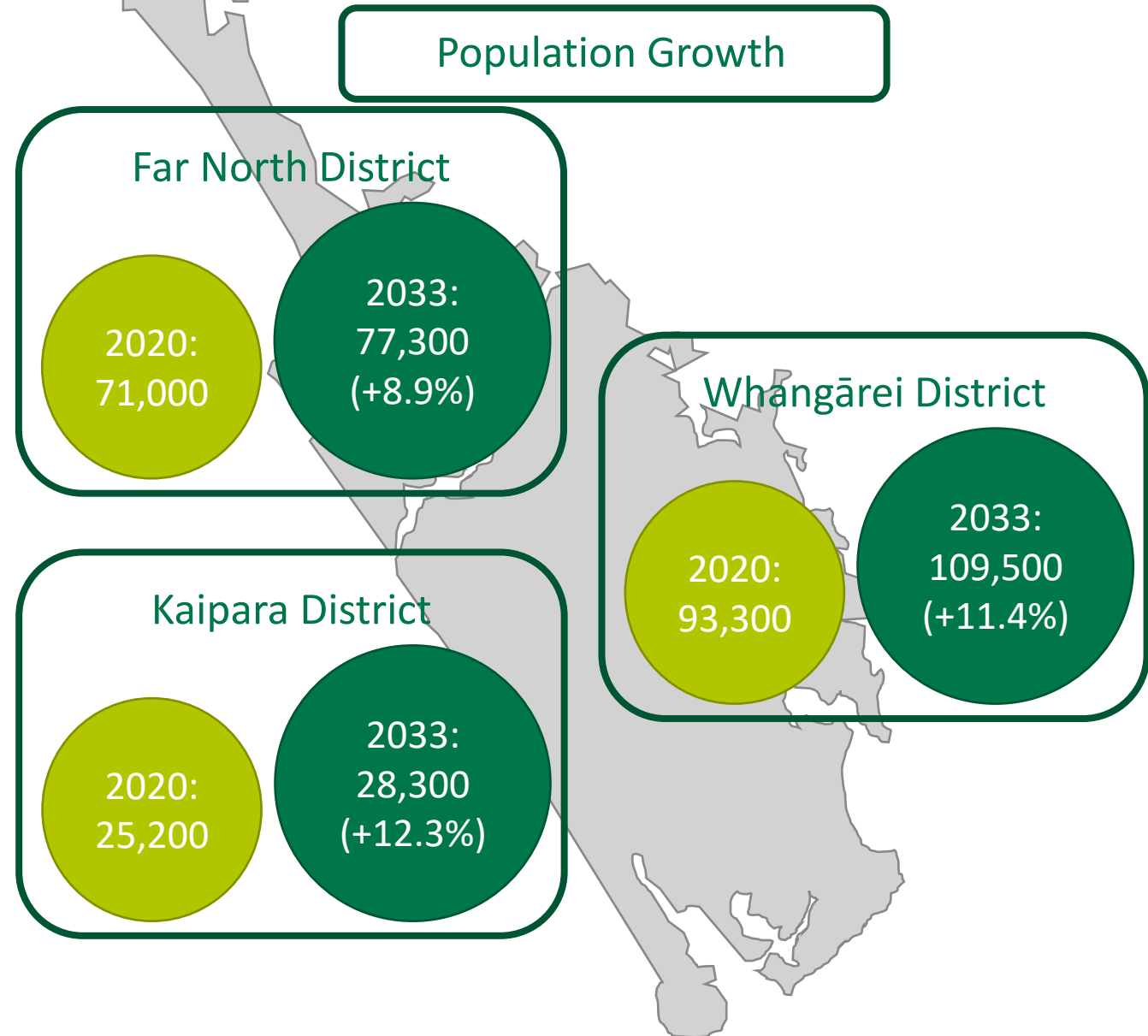
Significant recent and projected population growth putting upward pressure on house prices and rents across the region.

Median household income Northland - \$68,400; National - \$92,000 (MBIE, 2019)

Median house prices in Northland far exceed what median renting households can afford.

People don't know what products we provide to help them into home ownership.

Under supply of homes to low income households.

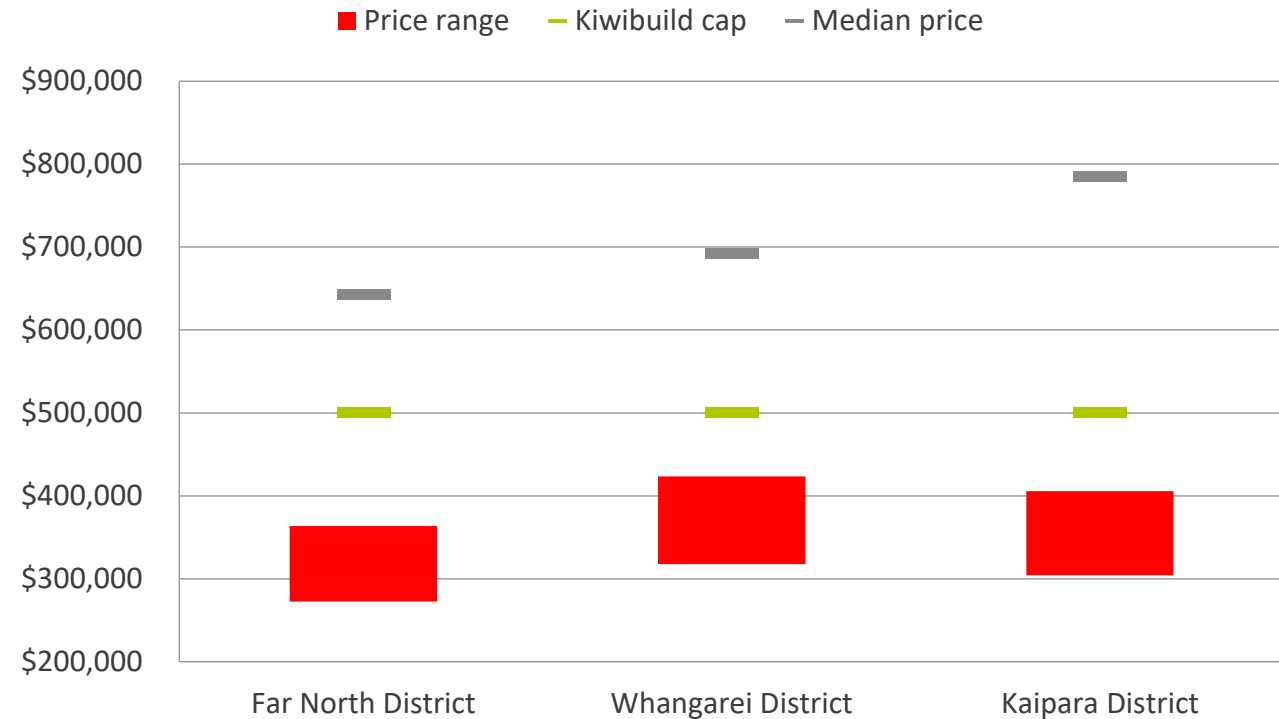


Housing affordability in Northland

Based on incomes in the districts:

- the price range that would allow a household to pay no more than 30 - 40% of their income on mortgage servicing (the red boxes)
- is well short of the median price for a home in the region (the grey line).

Affordable price ranges for Northland Region median renting households



Notes:

Median Price – REINZ reporting

Price range calculated based on median income of renting households in each TLA.

30 year mortgage at 4.5% with 80% LVR with households paying 30 – 40% of gross income to service mortgage.



Housing Supply

Public housing programme

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The Government commissions Kāinga Ora to build new homes via the Public Housing Plan (PHP).

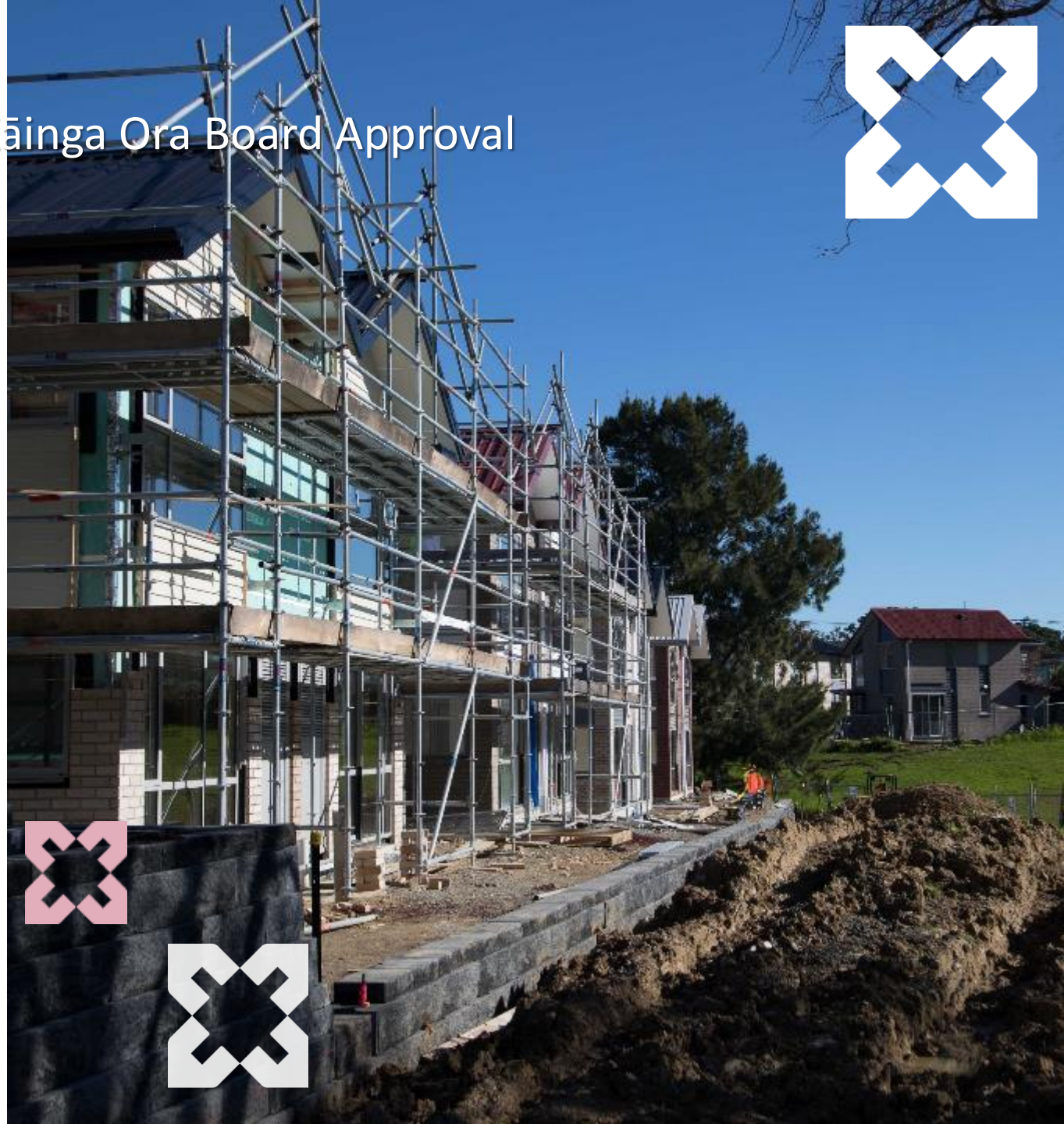
We raise debt, build the homes and rent them at market rent to fund debt.

MSD subsidises tenants to pay the market rent.

The PHP calls for between 230 and 380 homes (gross) in Northland - 311 of those homes will be delivered by Kāinga Ora.

Seventy-six of the 311 homes were built by June 2021, leaving 235 to be built in the remaining three financial years, or 78 each Financial Year.

Kāinga Ora added 15 homes in the 2020/21 Financial Year, including 3 purchases.



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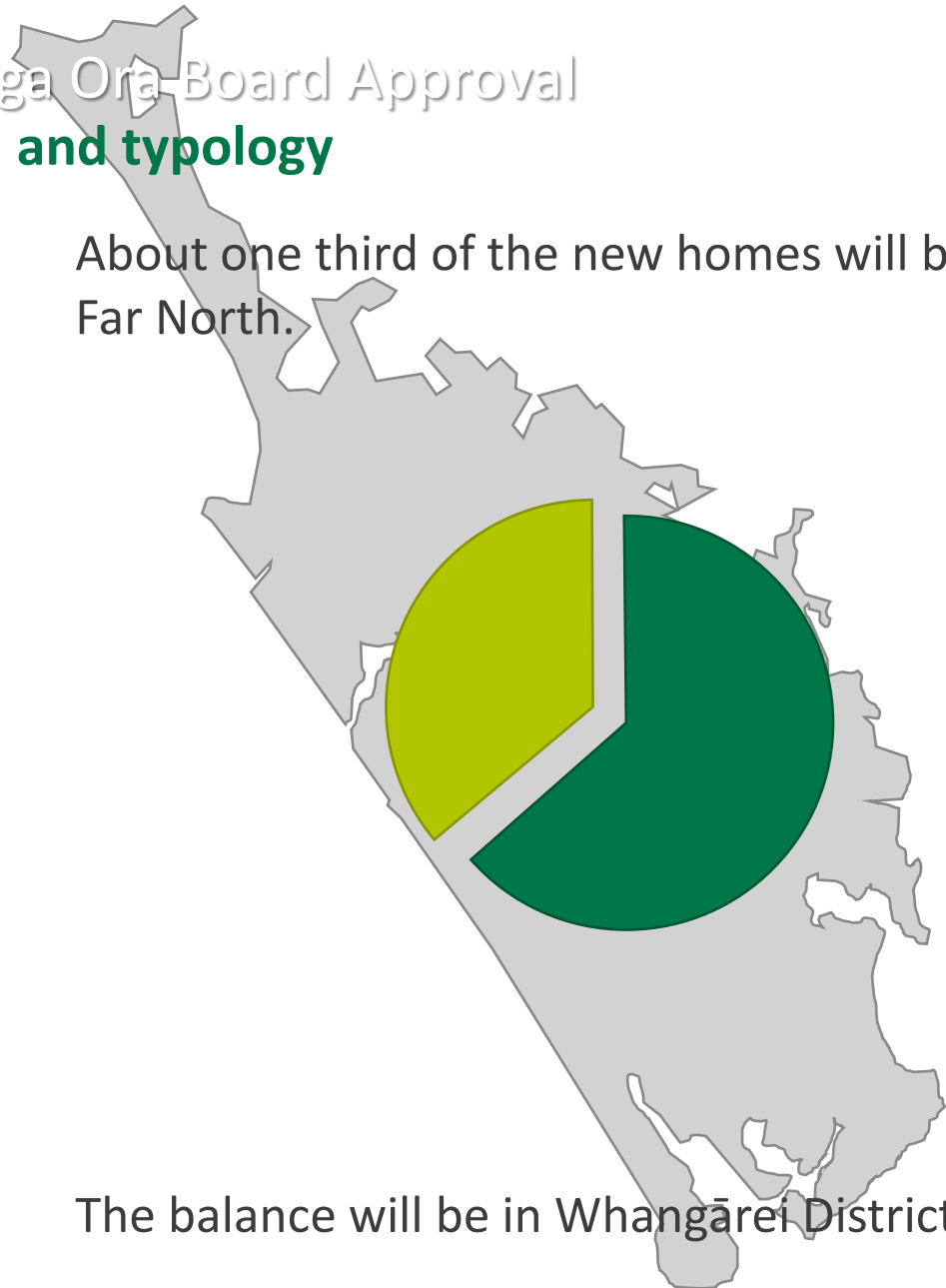
New development in Te Tai Tokerau – location and typology

Two thirds of the new homes will be 1- and 2 bedroom. About a quarter will be 3-bedroom, and the rest 4-bedroom or more.



About one third of the new homes will be in the Far North.

The balance will be in Whangārei District.



Infrastructure Acceleration Fund

The contestable Infrastructure Acceleration Fund (IAF) aims to enable infrastructure to support new housing supply throughout Aotearoa.

Territorial authorities, developers and iwi are eligible to apply to the IAF.

To be eligible, infrastructure projects must be new or upgraded infrastructure for:

- transport (incl local roading, state highways, public transport infrastructure, footpaths, and cycleways),
- three waters
- flood-management infrastructure.

Wholly or primarily supporting new or additional houses in the short to medium term; and which are expected to add:

- 200 additional dwellings in tier one urban environments
- 100 additional dwellings in tier two urban environments
- 30 additional dwellings elsewhere





What we intend to do
(and are seeking feedback on)

Position ourselves to respond to the challenge

The challenge: A top-down view

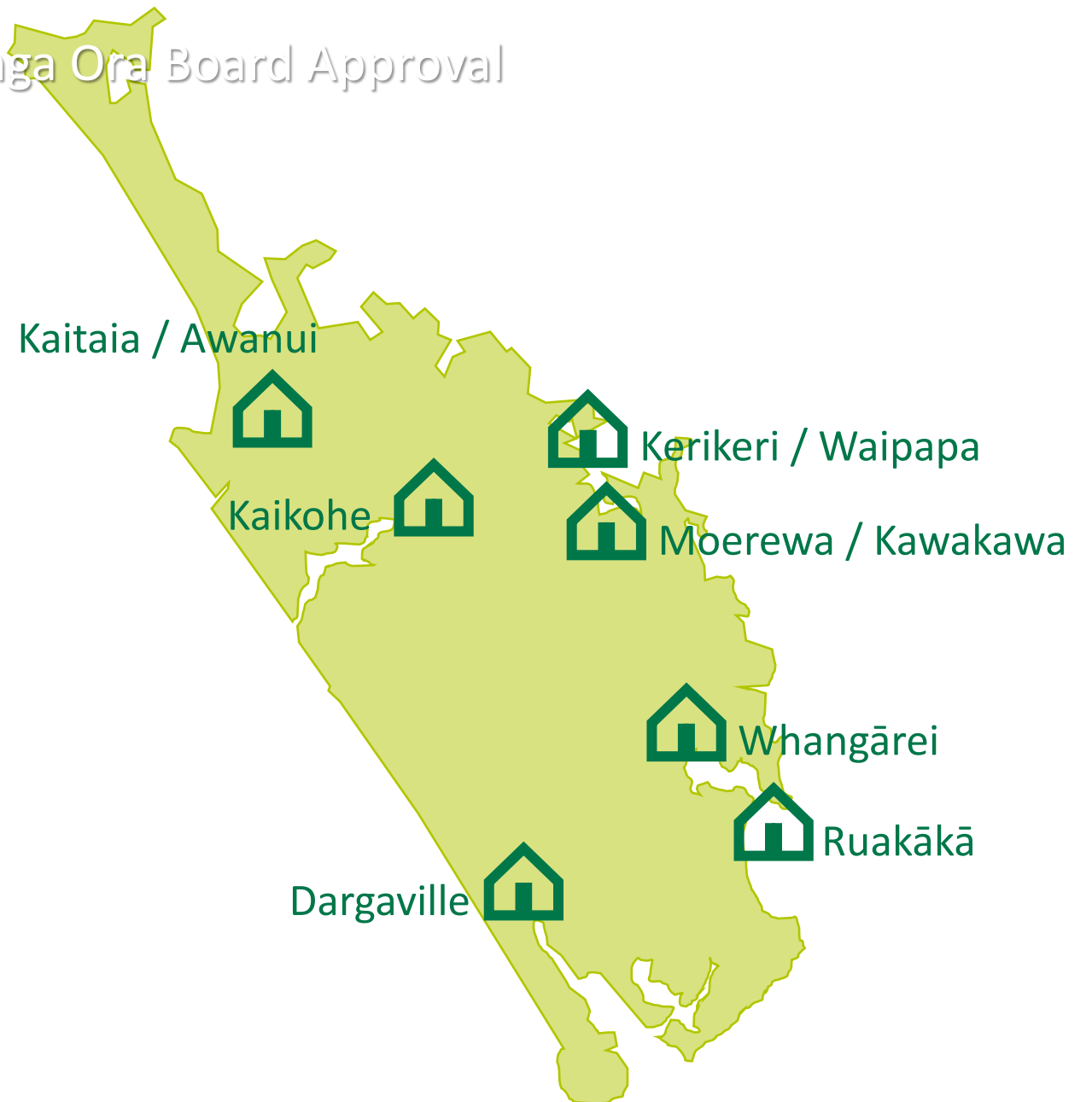
- MSD analysis identifies Northland is “missing” 4,500 homes in the social / affordable bracket
- Over the last 12 months the housing register has grown by @ 450. If we assume 450 new entrants to MSD list p.a. for 10 years, we will need 9,000 social houses. However, the trend grow in the housing wait list indicates this estimate is too low
- There are potentially big challenges around land supply, infrastructure and securing trades people for delivery
- Only the highest needs people are being housed from the MSD housing register: they need access to jobs, education, health and other services
- For this reason we focus on investing in larger places



The shortfall in social and affordable housing is growing faster than homes are being built in these income brackets

Approach to the challenge

- Will use off site manufacture as one form of delivery
- Investigate key areas for strategic land purchases that position us to build at scale and pace
- Investing in smaller places with reasonable access to jobs and services
- Identifying partnership options with iwi / hapū to build on land they own, if we are invited
- Identifying ways to deliver affordable homes, including by selling our older (but still good) homes at market price



Key Areas for analysis

Focusing on places that enable “additionality” – homes & access to jobs, services incl education and health.

Seek to support job growth by placing homes near investments being made by others, especially iwi.

Acknowledge TPK funding is likely to focus on rural home investments / papakāinga.

Understand and compliment housing investments by CHPs & Māori entities.

Area	Comment
Kaitaia – Awanui	Support horticulture employment growth & existing jobs / services
Kerikeri – Waipapa	Support horticulture employment growth & existing jobs / services
Kawakawa - Moerewa	Good location for existing Māori workforce to access Bay of Islands employment
Kaikohe	Support employment growth & existing jobs / services
Whangārei	Staged programme of larger investments plus redevelopments
Ruakaka	Understand scale and timing and align with employment growth
Dargaville	Assess if Kāinga Ora can meet demand by redeveloping existing sites

Whangārei Urban Area

Area	Comment
Otangārei	Significant redevelopment opportunity (own 250 homes)
Urban centre	Identify sites for apartment development
Raumanga, Tikipunga, Onerahi	Redevelop existing Kāinga Ora sites



We are seeking the workshop's feedback on a proposal to investigate two council owned sites with view to purchase and develop for apartments

Seeking a strategic conversation on investing in Whangārei

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- Would like to develop proposals for two sites and come back to another workshop to further consult:
 - Exemplar opportunities
 - Quality urban outcomes
 - Appropriate zoning reflects council intentions and public understanding of future use
 - Access to schools, services, jobs
 - Sites that can take apartment buildings
 - Support existing cycle and public transport investments



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Target CBD sites

Cycleway
& school

Vinery Lane

Dent Street

Benefits of residential intensification near jobs and services



Liveability

Reduces urban sprawl, preserves green space at the city boundaries, ensures proximity to jobs and services.



Cost-effectiveness

Enhances demand for town centre businesses, creates a critical mass for public transport and infrastructure, and increases land and house values over time.



Social cohesion

Reduces social isolation and creates homes that work for a broader range of demographics



Environmental benefits

Reduced travel distances and demand, leading to fewer emissions and harmful greenhouse gases.

Energy efficient land use combined with efficient building and heating infrastructure reduces costs to tenants.

Apartments can use 10-30% less energy and reduce carbon dioxide emissions/person by 20-40% compared to detached houses.



Health benefits

Encourages active transport options such as biking and walking.

Larger buildings are easier to heat.

Summary

- Kāinga Ora is delivering on its core business
- Current pipeline of social / affordable housing:
 - Kāinga Ora needs to position itself so it can scale up delivery if it is commissioned to
 - Kāinga Ora needs clear understanding of Māori aspirations for housing
- Multiple parties to respond to challenge: Kāinga Ora, councils, iwi , CHPs and wider government
- Potentially big challenges around land supply, infrastructure and securing trades people for delivery

Te Taitokerau Regional Plan

Jeff Murray

Regional Director

Jeff.murray@kaingaora.govt.nz



Kāinga Ora
Homes and Communities

