



CPAG 2023 Policy Brief on social housing

How many state houses do we need?

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VISION

All tamariki will grow up surrounded by loving, thriving whānau within supportive communities where there are resources, opportunities and systems to enable them to live self-determined lives and futures.

CPAG acknowledges that tamariki Māori and whānau have unique rights as tangata whenua, affirmed within He Whakaputanga and Te Tiriti o Waitangi. The significant inequities in well-being outcomes and child poverty for tamariki Māori are the result of ongoing colonisation, systemic racism and neglect. Reducing child poverty in Aotearoa requires our country to address the inequitable distribution of power and resources that prevents Māori from flourishing.

ISSUES - CURRENT REALITY

There are 24,000 households on the public housing waiting list of which 43% include children (MSD, 2023). These numbers changed little during 2022 despite the Government's efforts at building more state houses and contracting community housing providers to provide social housing through income related rent contracts.

What Government calls public housing was previously described as state housing. Neither label is accurate. Increasingly the housing being provided under Government's main housing supply subsidy - the income related rent programme, is provided by so-called community housing providers. These may be charitable trusts, iwi/hapū organisations and other NGOs. They are not owned by the state or by the public but are really privately held by organisations with little accountability to the community except through contracts with the state.

Social housing is a better label for housing provided outside of the market through some form of social rather than market allocation. This social allocation is most commonly based on an assessment of a person's or household's unmet housing need.

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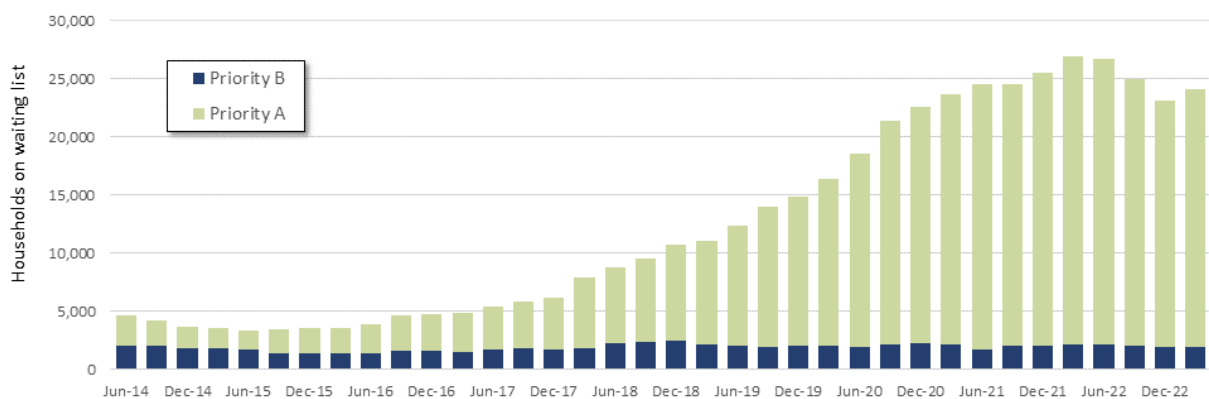
Government statistics on social housing waiting lists appear to show that demand increased more than 300% between 2017 and 2022 (MSD, 2023). In March 2018 there were just under 8,000 households on the waiting list and by March 2023 the list had risen to just over 24,000. (MSD, 2023)

The last National government through Ministry of Social Development (MSD) however suppressed the official housing waiting list by making it difficult for people to even apply for assistance. The apparent explosion in demand after 2018 is due to the current Government making it easier for families and single people who are homeless or surviving in housing poverty to ask for help.

Since 2021 the number of households on the social housing waiting list has hovered around 25,000 despite Government’s efforts to build or contract in more stock. The waiting list fell by almost 2,400 households during 2022 but started to increase again at the beginning of 2023 (MSD, 2023).

It is possible that peak demand for social housing has been reached although from here we may see only a slow gradual reduction in the numbers of people needing social housing. Such a gradual decline however depends on what happens to our immigration settings, New Zealand’s population growth and the numbers of houses being built by the private sector.

Social housing waiting list -2014 to 2023ge



Summary of data from Public Housing Quarterly Report (MHUD, 2023)

The Ministry of Housing and Urban Development (MHUD) publishes comprehensive data of demand for and supply of social housing and other forms of housing assistance. This data is reported every quarter and is an official and reliable source of information. Statistics New Zealand provides estimates of the overall stock of houses in New Zealand, the number of households and the resident population as well as population changes due to natural increase and migration.

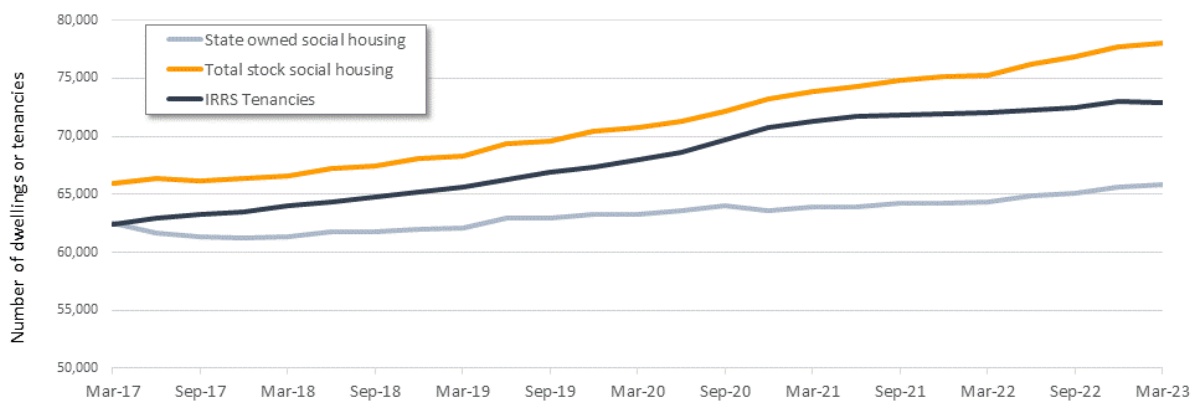
A summary of MHUD’s data on social housing provision is offered in the graph above. This shows trends in three key social housing indicators – the total stock of social housing dwellings registered with MHUD, the stock which is state owned through the Government

housing provider Kainga Ora and the number of households receiving Income Related Rents Subsidies (IRRS).

Between March 2017 and March 2023, the reported number of social housing units grew by 12,000 dwellings to just over 78,000. (MHUD, 2023) This growth will be the figure cited by Government ministers in their press releases. It is however misleading as perhaps half of these additional dwelling existed already in the ownership of local councils and NGO providers and have recently been brought into the IRRS programme.

A welcomed trend over the past five years have been the consistent increases in the numbers of households accessing housing through the IRRS programme. These numbers have grown almost 17% over this period or by 10,400 to nearly 72,900 households. (MHUD, 2023)

Social housing provision – 2017 to 2023



Summary from Public Housing Quarterly Report (MHUD, 2023)

There is no right answer for the number of state and other social housing units we need. This number depends on how we as New Zealanders see the housing market working and in particular Government's role in this market.

Most governments since the early 1950s have seen only a minimal role for the state in housing markets. This is a role where Government agencies such as Kainga Ora and its predecessor Housing New Zealand attempt to provide housing directly to the most marginalised New Zealanders. For most governments this role is seen as a residual one – as something it needs to do but will do so reluctantly or hesitantly.

This residual state role in housing markets has resulted in the housing crises we are seeing at present and especially in the levels of homelessness we see on our streets and the poor health outcomes of children living in inadequate housing (see CPAG 2023 Policy Briefs at www.cpag.org.nz/policybriefs)

RECOMMENDED POLICY ACTIONS

To move past the idea of a minimal role for the state in housing, CPAG believes that we need to recast social housing as a mainstay of our housing policy and as a key means of lifting people and families out of material hardship.

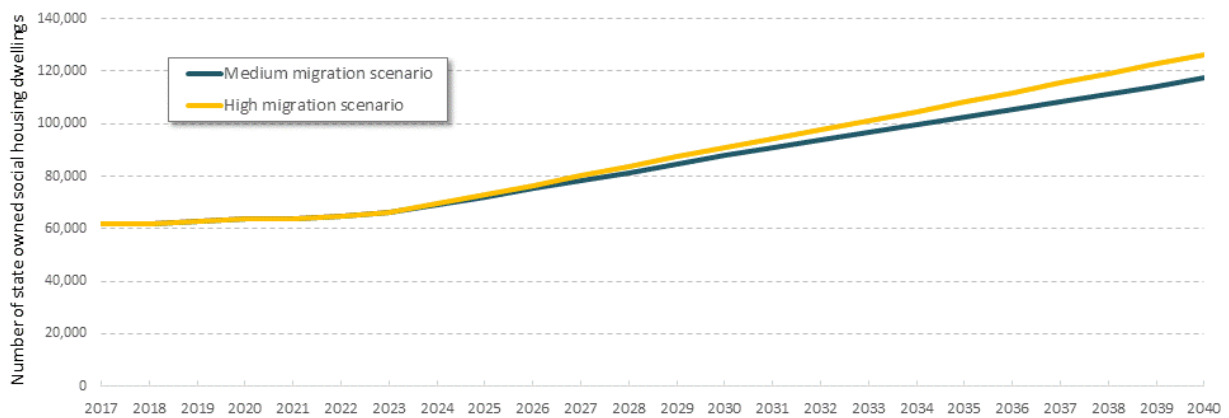
From this position, we should set ambitious targets so we have a large reduction of households on the waiting list. This will include building more state-owned rental housing as well as stock owned by iwi/hapū, local councils and NGOs. This target of state-owned rental housing should be estimated as a proportion of New Zealand’s housing stock.

An achievable goal is to lift this proportion for state-owned units from the present 3.2% to 4% by 2030 and 5% by 2040².

Over the next eight years this will mean building an additional 3,000 to 3,500 units each year to reach more than 90,000 dwellings by 2030.

The present number of state-owned rental housing is just under 66,000. This stock has only grown by 750 to 800 dwellings per year over the past four years (MHUD, 2023) so a four-fold increase in building activity and budget is required to achieve this.

Targets for state owned social housing -2023 to 2040³



There is no quick fix to New Zealand’s shortages of decent affordable housing for low-income households. This fix will rely on direct Government provision of housing which takes time to scale up. The present government’s efforts have been worthy but insufficient although progress is being made within Kainga Ora to increase volumes of new builds.

Even with 3,000 to 3,500 additional state-owned social housing units each year, the social housing waiting list is unlikely to fall below 10,000 households within five years.

Without this number of new-builds, the waiting list will continue to hover between 20,000 and 25,000 households and may even increase further if immigration settings loosen too much and exacerbate existing housing shortages.

² Calculated from [Dwelling and household estimates: December 2022 quarter | Stats NZ](#) and [Public Housing Quarterly Report – March 2023 \(hud.govt.nz\)](#)

IMPACTS AND INDICATORS

If implemented, these actions would be steps towards moving Aotearoa to be a nation where all children and families flourish free from poverty.

The provision of social housing is relevant to:

- The Crown meeting Te Tiriti o Waitangi obligations and New Zealand meeting its obligations under the UN Declaration of Human Rights.
- Meeting targets for UN Sustainable Development Goal 11 which includes having safe and affordable housing and building resilient societies and economies.
- The national vision “that New Zealand be the best place in the world for children and young people” (NZ Government, 2019).

References

MSD. (2023, March). [Ministry of Social Development: Housing Register](#)

MHUD. (2023, March). [Ministry of Housing and Urban Development: Public Housing Quarterly Reports](#)

MSD. (2023, March). [Ministry of Social Development: Housing Register](#)

MSD. (2023, March). [Ministry of Social Development: Housing Register](#)

NZ Government (2019). [Child and Youth Wellbeing Strategy](#).