

Hon Dr Megan Woods

MP for Wigram

Minister of Housing

Minister for Infrastructure

Minister of Energy and Resources

Minister for Building and Construction

Associate Minister of Finance



10 November 2023

Harris Leigh

fyi-request-24320-0e538396@requests.fyi.org.nz

OIA23-141

Dear Harris

Thank you for your email on 3 October 2023 requesting the following information under the Official Information Act 1982 (the Act):

According to Stats NZ at 31 December 2008 the total household estimate for New Zealand was 1,598,200. At 30 June 2017 the total household estimate for New Zealand was 1,724,200 representing an increase of 126,000 households in the time the former National Government was in office.

As at 30 June 2023 Stats NZ estimates there are 1,976,600. This is an increase of 252,400 households since your Government came to office.

Given the dramatic increase in house building facilitated by your Government compared to the previous Government, under the OIA I seek copies all statements, comments, interventions or the like made by the Minister, HUD or KO highlighting this is fact.

On 12 October 2023, my Office contacted you about your request, which you clarified to:

The reason I have put in an OIA request is a careful analysis of the sites you list has failed to reveal any comments by the Minister highlighting the fact that during the tenure of the current Government 252,400 additional houses have been added to the housing stock compared to only 126,000 households in the time the former National Government was in office, a time period 150% longer. The rate of house building generally across all sectors under this government is higher than under any recent government. It is important that the public are aware of this. For example, on Morning Report recently the Leader of the Opposition said houses were not being built fast enough "under Labour". While this may be a matter of opinion the facts show that houses are being built faster under the current Government than under the previous National-led Government. However, there appear to be no public statements from the Minister explaining this.

Your statement that: " Your request is likely to be refused under section 18(f) of the Act as the information requested cannot be made available without substantial collation or research as the current framing of the request is too broad. " is likely contrary to s18(f) of the Act. If there have been zero statements that fall with the scope of the request, as appears to be the case, you cannot use "substantial collation" as grounds to refuse because there is simply nothing to collate. It appears the grounds of refusal you are most likely to rely on are 18(g) the information simply does not exist.

I have searched Hansard for statements I made to Parliament, as well as those made on the Beehive website. I could not find any statements using the quoted figures. The next step would be to individually search text in any speech notes, talking points, briefings, and other material or advice that I have received that relates to housing supply. This would be a substantial amount of material to research, so your request is refused under section 18(f) as information cannot be made available without substantial collation or research.

While I have formally refused your request for the above reason, I have sought to provide information on a suite of measures implemented by this Government to increase the supply of homes in New Zealand, including public, affordable and market homes.

I am proud that this Government has delivered more than 13,000 additional public homes across Aotearoa New Zealand. This includes new public homes in places where government has not built homes in decades. An example of which is Masterton, where I opened 21 new public homes in July, the first new government-owned homes in two decades.

In October 2017 there were 66,234 public homes. As of September 2023, there are now 79,510, an increase of 13,751, including over 11,000 brand new builds.

However, our initiatives to increase the number of homes in New Zealand extends beyond public homes, with several initiatives to deliver more build-ready land and affordable homes.

Infrastructure Acceleration Fund (IAF)

Our Government has ramped up direct investment in house enabling infrastructure provision, government-led development, and partnerships, which will continue to support the delivery of new homes for many years.

In March 2021, the Government announced a broad housing package, which included an extra \$2 billion in borrowing for the Kāinga Ora Land Programme, an initiative designed for strategic land purchases to increase the pace and scale of housing developments (including more affordable housing).

That housing supply package also included the \$3.8 billion Housing Acceleration Fund (HAF), aimed at accelerating the development of more build-ready land for housing projects. The HAF includes the Infrastructure Acceleration Fund (IAF), a contestable fund of at least \$1 billion designed to allocate funding to infrastructure projects enabling meaningful contribution to housing outcomes in areas of need.

In total, \$926.7 million in IAF funding has been allocated to critical infrastructure projects in 28 cities and towns. Combined, these IAF-funded projects are expected to enable around 30,000 to 35,000 new homes for New Zealanders over the next 10 to 15 years. For example, the Government has invested \$24 million to support new housing in Lake Hāwea, which is expected to ultimately enable around 880 new homes, including more affordable housing, in the area.

Affordable Housing Fund

The Affordable Housing Fund is a \$444 million fund that provides financial support for the development of new affordable homes for low-to-moderate income families and whānau in areas facing the biggest housing supply and affordability challenges.

Generally, it is too expensive to construct and sustain new housing and offer rent at a rate that is affordable for lower-income people and whānau. The Affordable Housing Fund helps to address this issue by offering funding to make these projects financially viable.

The Affordable Housing Fund has two pathways:

The Affordable Rental pathway offers grant funding to not-for-profit organisations to deliver newly built affordable rental housing. The pathway has approved 266 new affordable rental homes to date.

Round One of the Affordable Rental Pathway offered \$50 million of grant funding in six locations. There were 92 homes funded across Auckland, Tauranga-Western Bay, Rotorua, Napier-Hastings, Wellington, and Nelson-Tasman. The second round of funding will support the building of 174 homes across Hawke's Bay, Bay of Plenty, Northland, Christchurch, and Blenheim.

The Build Ready Development pathway can pre-purchase or underwrite homes 'off the plans' to secure affordable housing in developments that might not go ahead without Government support. The pathway opened in August 2022 to provide targeted support for developments in regional areas with high unmet housing needs that have stalled due to the changing market conditions. In May 2023, additional funding was provided for this pathway to enable more developments to be supported, given the ongoing challenging market conditions.

To date, \$82.7 million of prepurchase and underwrite commitments have unlocked 144 homes (eight proposals) in Manurewa in South Auckland, Ngāruawāhia, Tauranga, Napier, Hastings, Waikanae, Levin and Waiwhetū in Lower Hutt, with target completion dates of some of the homes beginning from November 2023.

Eight proposals from round one are contracted, specifically:

- 65 homes have been pre-purchased and are intended to be on-sold for public housing or affordable rentals
- 10 will be sold as KiwiBuild homes and offered to eligible buyers
- 60 homes are supported with a BRD open market underwrite, and
- a further 9 homes did not need to be underwritten but have been enabled by underwrites on other homes in the development.

Support for first home buyers

In addition to supporting the delivery of more affordable homes through direct government investment, our Government has implemented several programmes to support more Kiwis into their first homes. Since 2017, the percentage of first home buyers purchasing homes increased from 21.2% in 2017 to 27% in the third quarter of 2023.

Progressive Home Ownership scheme

Our \$400 million Progressive Home Ownership scheme has supported eligible households to partner with progressive homeownership providers to access arrangements such as shared ownership, rent to buy, or leasehold to step into homeownership. Since December 2020, 696 households have moved into a new home through this scheme. This figure will continue to increase as more agreements are processed.

KiwiBuild

KiwiBuild is a scheme that delivers modest and affordable new build homes, rather than delivering more expensive homes in a cool housing market. KiwiBuild homes can be delivered through the 'Buying off the Plans' underwrite programme, the Land for Housing programme, the Build Ready Development pathway, and in Kāinga Ora Large Scale Projects.

Recent housing market conditions have resulted in developers facing cost constraints due to rising interest rates and a restricted credit market. The KiwiBuild underwrite enables continuity of

construction and ongoing housing supply within developments that may not otherwise proceed. As at 30 September 2023, a total of 1,921 KiwiBuild homes have been completed, a further 1,155 are contracted and under construction, and 506 are in the consenting phase.

We're also keeping up the momentum of KiwiBuild developments by ensuring the rising costs facing the construction sector are addressed through price cap changes, along with changes to income caps to keep pace with the market. Another important change is allowing exemptions for price caps for larger family groups and for those with accessibility needs.

These changes will allow developers and Kāinga Ora to deliver more KiwiBuild homes. Since these changes were made 19 new developments have been contracted which will deliver 670 new KiwiBuild homes and enable 1509 market homes.

First Home Products

There are three First Home Products that are designed to help first home buyers overcome the barrier created by home deposit requirements. The products are designed to support first home buyers on modest incomes in a modest home. These products sit alongside other initiatives to support first home buyers including the Progressive Home Ownership Fund and the KiwiBuild programme.

The First Home Grant is up to \$10,000 to put towards a deposit for eligible first home buyers who have been contributing to KiwiSaver for at least three years. The minimum First Home Grant house price cap for new build properties was lifted in May 2023 from \$500,000 to \$650,000, with higher rises in some regions. This reflects the rising cost of construction and gives more eligible first home buyers a choice between buying an existing or new build home.

The First Home Loan reduces the minimum deposit to 5 per cent. The loan is offered at selected banks and other lenders, and underwritten by Kāinga Ora. This allows the lender to provide loans that would otherwise sit outside their lending standards.

The Kāinga Whenua Loan Scheme is an initiative between Kāinga Ora and Kiwibank, that is helping Māori achieve homeownership on their multiple-owned land by supporting Māori to access finance to build on their whenua.

Obtaining finance to develop housing on Māori land can be complex because the land status makes it problematic for lenders to take security over the house and land, as they do with normal housing loans. With a Kāinga Whenua loan, the loan is secured only against the house, not against the house and land as with most home loans. Kiwibank approves and provides the loan, subject to meeting their standard lending criteria as well as the Kāinga Whenua criteria. Kāinga Ora provides lenders' mortgage insurance for the loan.

First Home Buyers accounted for 27% of purchases in the third quarter of 2023, a new record high. Over the year to date, First Home Buys sit at 26% market share, comfortably above the long-term average of 21%.

As you know, Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development publishes the Government Housing Dashboard. This Dashboard is updated monthly and includes information on public and transitional housing, other housing built by the government, and other data. The Dashboard is available at: www.hud.govt.nz/stats-and-insights/the-government-housing-dashboard/housing-dashboard-at-a-glance/.

Other initiatives to support development

In addition to the range of initiatives delivered through the Housing portfolio, our Government has continued to ensure all parts of our building system are delivering as they should be. In my Building and Construction portfolio, a number of recent reforms focussed on building products, building methods and putting in place systems and processes to speed up consenting for new and innovative ways of building, such as:

- passing the Building (Products and Methods, Modular Components, and Other Matters) Amendment Act 2021, and subsequently made regulations to:
 - introduce mandatory building product information requirements (effective December 2023)
 - introduce a modular component manufacturer scheme (which commenced in 2022)
 - strengthened the product certification scheme (CodeMark) (effective from last September 2022)

Further, in July 2022, MBIE published and consulted on a system-wide issues discussion document, inviting the building and construction sector to have their say on their desired outcomes for the building consent system. This set a clear foundation to consider options for system change.

In June 2023, MBIE released the Options Paper: Review of the Building Consent System, that set out a range of high-level options and pathways to reform the building consent system, and sought feedback in the following areas:

- strengthening roles and responsibilities
- new assurance pathways
- better delivery of building consent services
- better performance monitoring and system stewardship
- better responding to the needs and aspirations of Māori.

Future governments will review the feedback to this consultation and make further policy decisions.

All the public statements I have made in relation to the Housing portfolio are available on the Beehive website at: www.beehive.govt.nz/portfolio/labour-2020-2023/housing. You can also find remarks I've made in the House of Representatives on the Parliament website: www.parliament.nz/en/pb/hansard-debates/rhr/. Responses to Written Parliamentary Questions are also available on the Parliament website at: www.parliament.nz/en/pb/order-paper-questions/written-questions/.

Thank you for your interest in New Zealand's housing system and I hope this information goes some way into responding to your initial request.

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.

Yours sincerely



Hon Dr Megan Woods
Minister of Housing