



Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development

Housing and urban development system update to 30 June 2023

Te Kāwanatanga o Aotearoa
New Zealand Government

Chief Executive's Foreword



I'm pleased to present the first Housing and Urban Development System Update.

The Ministry of Housing and Urban Development – Te Tuāpapa Kura Kāinga (HUD) is tasked with leading and stewarding the housing and urban development system. As an important part of this role, HUD has led the development of the Government Policy Statement on Housing and Urban Development (GPS-HUD) and MAIHI Ka Ora – the National Māori Housing Strategy.

These strategies put in place important foundations for a well-performing housing and urban development system. That includes a shared vision and outcomes, a clear direction for the system, implementation plans and indicators to measure progress towards outcomes. The recent Office of the Auditor-General's report *Leading New Zealand's approach to housing and urban development* has endorsed this approach, describing the work on the GPS-HUD and MAIHI Ka Ora as "significant achievements".

The Auditor-General's report also emphasised the importance of HUD continuing to carry out its system leadership role by understanding how well the system is performing and knowing what changes are needed to improve outcomes.

This System Update is the first report on how well the housing and urban development system is performing. It shows that the foundations are being put in place to move the system towards the outcomes New Zealand needs.

Through improved urban planning, the system is starting to create the conditions for more homes to be built in the right places. Housing densification and affordable housing options are increasing. A number of major projects, including work undertaken in partnership with Māori, are underway to deliver infrastructure and increased housing supply.

However, it is still too early to say that the system as a whole is shifting towards the GPS-HUD outcomes and MAIHI Ka Ora priorities. Such a significant shift will take time. Success depends on concerted effort over a long period by a wide range of system partners, including central and local government, iwi and Māori, developers, investors, building and construction companies, and housing providers. It requires a focus on removing barriers to housing supply, more flexible, sustainable government funds and programmes, and strong local leadership to support more effective investment in places.

This Update considers progress at this time and looks forward to how all these different players in the system can work even better together to achieve the system vision – *Everyone in Aotearoa New Zealand lives in a home, and within a community, that meets their needs and aspirations.*

A handwritten signature in black ink, which appears to read "Andrew Crisp". The signature is fluid and cursive.

Andrew Crisp

Chief Executive
Ministry of Housing and Urban
Development – Te Tuāpapa Kura Kāinga

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1.

Introduction

You can find the GPS-HUD, Implementing the GPS-HUD and MAIHI Ka Ora on HUD's website: www.hud.govt.nz

Well-performing housing and urban systems support the health and prosperity of people and communities, the economy, and our natural environment. However, New Zealand faces complex housing and urban development challenges that have developed over generations. Over the last three decades, not enough houses have been built in the places they are needed, and urban development has not been responsive enough to need and demand. This has fuelled high housing costs and contributed to high financial stress and homelessness. To respond to these long-term challenges, government has put in place two linked strategies: the Government Policy Statement on Housing and Urban Development (GPS-HUD) and MAIHI Ka Ora – the National Māori Housing Strategy.

The GPS-HUD and MAIHI Ka Ora were developed in 2021 and set the long-term direction for the housing and urban development system. The GPS-HUD sets out system level outcomes to work towards over the next 30 years and MAIHI Ka Ora sets out key priority areas for Māori housing.

MAIHI Ka Ora and the GPS-HUD are deeply connected. The MAIHI Ka Ora vision is represented in the GPS-HUD as an outcome (Māori housing through partnership) and the connections between the strategies will contribute to delivering better housing outcomes for Māori.

¹ He Oranga Kāinga, He Oranga Hapori uses the words oranga – health or state, kāinga - homes and hapori - communities to describe the health of our housing and urban development system.

The Housing and Urban Development Indicators – He Oranga Kāinga, He Oranga Hapori¹ (system indicators) were first compiled in 2021 and first published in 2022. These indicators are designed to show progress over the next five to 10 years. Figure 1 shows the GPS-HUD vision and outcomes, the MAIHI Ka Ora priorities, and the related system indicators.

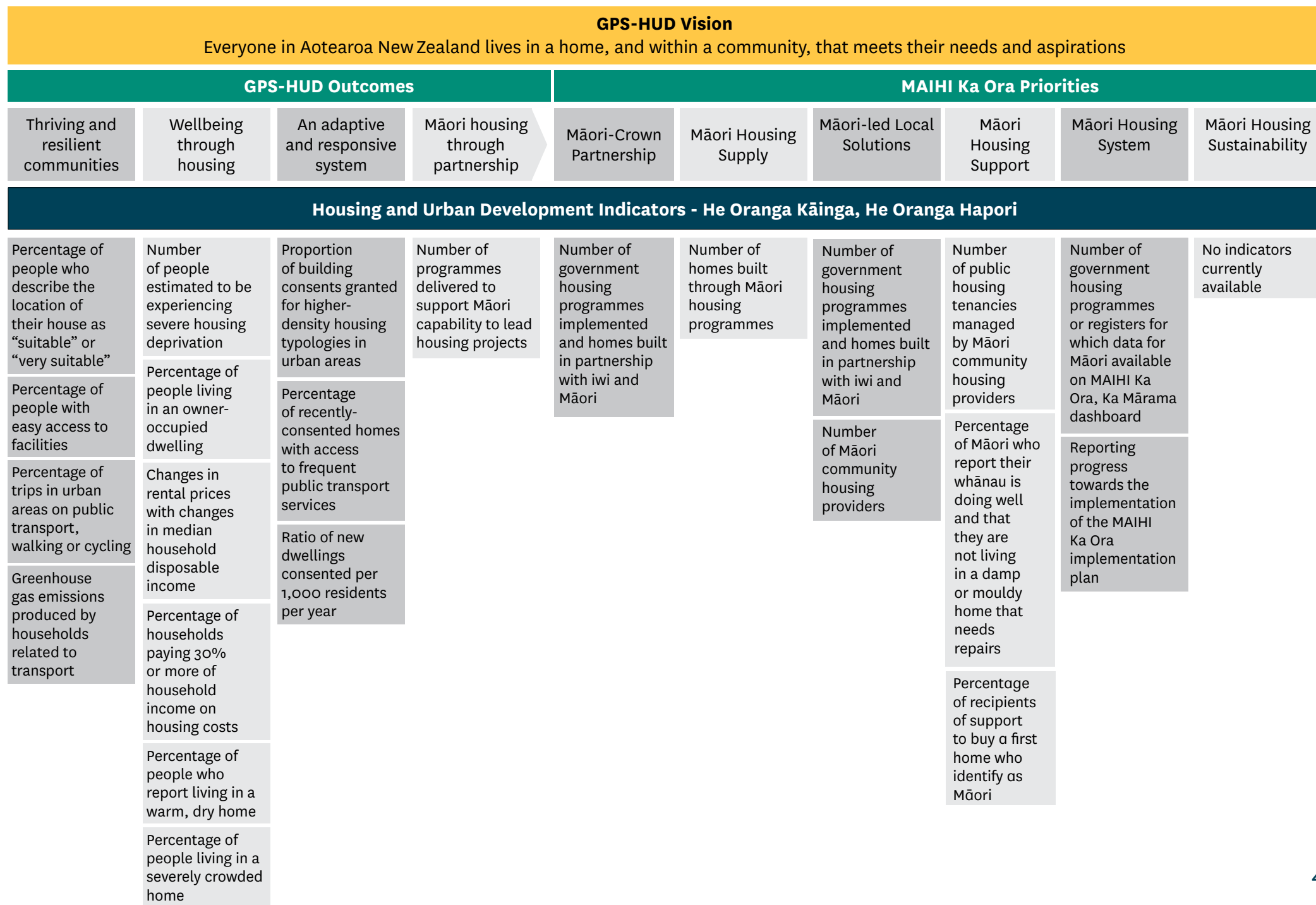
An implementation plan for the GPS-HUD (*Implementing the GPS-HUD*) was published in September 2022.

This Update reports on how the housing and urban development system is tracking to meet the outcomes and priorities set out in the GPS-HUD and MAIHI Ka Ora. It reports on progress to 30 June 2023.

The Update:

- Sets out what the system indicator data is telling us so far about progress
- Reports on progress against the actions in *Implementing the GPS-HUD*
- Describes future areas of focus for resolving long-term issues in the system.

Figure 1. GPS-HUD and MAIHI Ka Ora outcomes, priorities and indicators



2.

Measuring long-term system change

This section describes initial progress using the Housing and Urban Development Indicators – He Oranga Kāinga, He Oranga Hapori. These measure the extent to which the system is shifting towards the long-term outcomes and goals in the GPS-HUD and MAIHI Ka Ora.

The system indicators are designed to show progress over the next five to ten years.

The system indicators were first compiled in 2021. Only some of the indicators show significant change over that short period. For example, the number of people living in owner-occupied dwellings, housing and rental affordability data, and the ratio of new dwellings constructed per 1,000 residents, all show little or no change. We expect clearer trends will emerge over time.

For some indicators, there is no updated data available. For example, the most up-to-date Census data is from 2018 and updated data will not be available until later in 2024. Census data informs system indicators including the number of people experiencing severe housing deprivation and the percentage of people living in severely crowded homes.

Outcome 1: Thriving and resilient communities

An essential prerequisite for good housing supply is long-term, coordinated urban planning aimed at building thriving, resilient communities that are well-connected to transport, work, education, and recreation.

The system indicators are not yet showing meaningful changes for this outcome.

Outcome 2: Wellbeing through housing

To support people to live healthy, successful lives, it is important that everyone has a home that is stable and affordable. People who rent should have access to secure, affordable housing, and people should not face insurmountable barriers to home ownership. Housing needs to be of good quality and provide for the needs of individuals and families – including, for example, needs for accessible housing or houses of a certain size.

The system indicators are not yet showing meaningful changes for this outcome.

Outcome 3: Māori housing through partnership

This outcome sees Māori and the Crown working together in partnership to ensure that all whānau have safe, healthy, affordable homes with secure tenure, Māori housing solutions are led and locally delivered by Māori, and Māori are able to use their own assets and whenua to invest in and support housing.

Progress towards this outcome is informed by the suite of MAIHI Ka Ora indicators in addition to the GPS-HUD indicator for Māori housing through partnership.

The Māori housing sector is becoming more involved in providing community housing.

Community housing provides homes for individuals and whānau who have been in housing need. The MAIHI Ka Ora system indicators show an increase in registered Māori community housing providers (CHPs) from 19 in 2021 (25% of all CHPs) to 28 in 2023 (38% of all CHPs). There has been a parallel increase in the number of public housing tenancies managed by Māori CHPs (1,900 in 2023 compared to 1,363 in 2021). Māori CHPs are closely aligned with their local communities and work with iwi and hapū to provide tailored housing solutions.

The proportion of Māori accessing Progressive Home Ownership and First Home Loans has decreased.

The extent to which Māori receive home ownership support from government is an indicator of whether access to this type of support is increasing or decreasing.

- The system indicators show a decline in the percentage of households receiving Progressive Home Ownership (PHO) support that identify as Māori, from 23.9% (13 households) in 2021 to 8.5% (36 households) in 2023.
- Similarly, there has been a decline in the percentage of households accessing First Home Loans that identify as Māori from 17.4% (223 households) in 2021 to 12.0% (322 households) in 2023.

These results are in the context of changes to settings to make the products more accessible. Uptake of products across the board has increased and the proportion of Māori accessing the products has decreased. HUD reviews these products regularly and is continuing to look at options to better target them to priority groups, including Māori and Pasifika.

Outcome 4: an adaptive and responsive system

A future-proofed, self-adjusting housing and urban development system will deliver in response to emerging challenges and opportunities. We want land, infrastructure and housing supply, and the sectors that deliver that supply, to be responsive to demand, well-planned and well-regulated.

Housing density, which supports adaptive and resilient communities, is increasing.

The system indicators show a recent significant increase in the proportion of medium to high-density dwellings - including apartments and townhouses - receiving building consents. That proportion has steadily increased from 52.1% to 66.3% of residential building consents between June 2021 and June 2023.

The National Policy Statement on Urban Development (NPS-UD) lays the foundation for responsive urban planning. It removes barriers to development around urban centres and requires local authorities to plan for a minimum level of density to meet local population needs.





Higher-density development allows for a greater number of dwellings within a given land area, reducing the cost per dwelling.² It can also contribute to the creation of closer-knit and more connected communities, enhancing social cohesion. Higher density buildings have a lower impact on the natural environment, producing fewer emissions and preserving agricultural lands that might otherwise be developed for residential dwellings.

² PWC and Sense Partners (2022). Cost-Benefit Analysis of proposed Medium Density Residential Standards. Available from <https://environment.govt.nz/assets/publications/Cost-benefit-analysis-of-proposed-MDRS-Jan-22.pdf>



Table 1. Changes in Housing and Urban Development Indicators – He Oranga Kāinga, He Oranga Hapori

Table 1 describes the changes since the indicators were first compiled in 2021. For some indicators, there is no updated data available. The table includes indicators with updated data only. The full list of indicators is on the HUD website.

GPS-HUD Indicator	Description	Change
Outcome 1: Thriving and resilient communities		
Percentage of trips in urban areas on public transport, walking or cycling	The percentage of trips using public or active modes of transport was 19% in 2020/21 and 20% in both 2021/22 and 2022/23. These differences are not large enough to be meaningful.	■
Greenhouse gas (GHG) emissions produced by households related to transport	Household transport GHG emissions were 7,705 kilotonnes of carbon dioxide equivalents in the year ending December 2021, and during the COVID pandemic. Emissions were 7,757 kilotonnes in the year ending December 2022, a return to pre-COVID levels. This difference is not large enough to be meaningful and further data points are needed to establish a trend.	■
Outcome 2: Wellbeing through housing		
Percentage of people living in an owner-occupied dwelling ²	The percentage of people living in owner-occupied dwellings was 63.5% in 2021 and 64.2% in 2022. This difference is not large enough to be meaningful and further data points are needed to establish a trend.	■
Changes in rental prices with changes in median household disposable income (rental affordability)	Rental affordability increased by 1% between June 2020 and June 2021, and did not change between June 2022 and June 2023.	■
Percentage of households paying 30% or more of household income on housing costs	In 2021, 22.1% of households who <i>owned or partly owned their dwelling</i> spent 30% or more of their disposable income on housing costs. This was 20.6% in 2022. In 2021, 44.2% of households who <i>did not own their dwelling</i> spent 30% or more of their disposable income on housing costs. This was 42.8% in 2022. These differences are not large enough to be meaningful and further data points are needed to establish a trend.	■

GPS-HUD Indicator	Description	Change
Outcome 3: Māori housing through partnership (see also MAIHI Ka Ora indicators)		
Number of projects funded to support Māori capacity to lead housing projects, and the amount of funding available	99 programmes were delivered in the year ending June 2021. This decreased to 54 programmes in the year ending June 2022, and increased again to 86 programmes in the year ending June 2023.	
Outcome 4: Adaptive and responsive system		
Proportion of building consents granted for higher-density housing typologies in urban areas	There has been a steady increase in the percentage of consents issued for higher-density typologies (apartments, townhouses, flats, units and retirement village units), from 52.1% in 2021 to 61.0% in 2022 and 66.3% in 2023. The remainder of consents were for stand-alone dwellings.	
Percentage of recently consented homes with access to frequent public transport services	The percentage of recently consented homes with access to frequent public transport services was 20% in 2020/21, 19.5% in 2021/22, and 19.6% in 2022/23. This difference is not large enough to be meaningful.	
Ratio of new dwellings consented per 1,000 residents per year	For every 1,000 people living in New Zealand in the year ending June 2021, 8.7 new dwellings received building consent. This ratio was 9.9 new dwellings per 1,000 people in 2022 and 8.6 new dwellings per 1,000 people in 2023.	

MAIHI Ka Ora indicator	Description	Change
MAIHI Ka Ora priority: Māori-Crown partnership		
The number of government housing programmes being implemented in partnership with iwi and Māori, and number of homes built in partnership with iwi and Māori	<p>Between 2015 and 2021, Māori-Crown partnerships resulted in a total of 2,493 homes approved, contracted, or delivered. This compares to 1,169 in the year to 30 June 2022 and 570 in the year to 30 June 2023.</p> <p>The 2022-2023 results relate to additional funding received in 2022.</p> <p>This indicator is also used to inform our understanding of progress for the MAIHI Ka Ora priority: Māori-led local solutions.</p>	
MAIHI Ka Ora priority: Māori housing supply		
Number of homes built through Māori housing programmes	<p>Between 1 July 2015 and 30 June 2021, Māori housing programmes resulted in 304 homes approved, contracted, or delivered, 109 infrastructure sites approved or contracted and 1,890 repairs approved or contracted.</p> <p>In the year to 30 June 2022, 721 homes were approved, contracted, or delivered, 883 infrastructure sites were approved or contracted and 286 repairs were approved or contracted.</p> <p>In the year to 30 June 2023, 447 homes were approved, contracted, or delivered, 735 infrastructure sites were approved or contracted and 197 repairs were approved or contracted.</p> <p>The increased number of homes approved, contracted, and delivered in 2022 and the drop in 2023 relate to additional funding received in 2022.</p>	
MAIHI Ka Ora priority: Māori-led local solutions		
Number of Māori community housing providers	The number of Māori community housing providers registered with the Community Housing Regulatory Authority increased from 19 in June 2021, to 24 in June 2022, and 28 in June 2023.	

MAIHI Ka Ora indicator	Description	Change
MAIHI Ka Ora priority: Māori housing support		
Number of public housing tenancies managed by Māori community housing providers	The number of public housing tenancies managed by Māori community housing providers increased from 1,363 in June 2021, to 1,657 in June 2022, and 1,900 in June 2023.	
Percentage of recipients of support for first home buyers who identify as Māori	<p>First Home Loans started in September 2003. First Home Grants in its present form was launched on 1 October 2019. Between the launch of these schemes and 30 June 2021, 14.6% of recipients of First Home Grants, and 17.4% of recipients of First Home Loans identified as Māori.</p> <p>The percentage of First Home Grants recipients identifying as Māori decreased to 14.2% in 2022 and 14.0% in 2023.</p> <p>The percentage of First Home Loans recipients identifying as Māori decreased to 16.0% (123 recipients) in 2022 and 12.0% (322 recipients) in 2023.</p> <p>The percentage decrease happened in the context of an overall increase in uptake due to relaxation of the First Home Loan criteria.</p> <p>The Progressive Home Ownership (PHO) scheme launched on 1 July 2020. In the year to 30 June 2021, 23.9% of households supported to home ownership through PHO identified as Māori. This percentage decreased to 16.2% (13 households) in 2022 and 8.5% (36 households) in 2023.</p> <p>This percentage decrease happened in the context of a third PHO pathway being introduced that is not targeted at specific groups.</p>	
MAIHI Ka Ora priority: Māori housing system		
Reporting progress towards the implementation of the MAIHI Ka Ora Implementation Plan (HUD, Te Puni Kōkiri, Te Matapihi)	<p>The MAIHI Ka Ora Implementation Plan was launched in March 2022.</p> <p>Reporting on MAIHI Ka Ora progress is available from December 2022.</p>	Ongoing

3.

Delivering in the short term

Implementing the GPS-HUD was released in September 2022 and translates the long-term strategy in the GPS-HUD into a short-term implementation strategy. It identifies priority cross-system actions and who is responsible for delivering the actions.

Four connected action areas in the plan are the basis for working towards resolving long-term issues and responding to current challenges:

Action area 1: Reduce barriers to building

Action area 2: Build homes where people need them

Action area 3: Help people into affordable homes

Action area 4: Help people in urgent housing need.

Table 2 provides an update of the actions in the plan to 30 June 2023.

The system is responding to the impacts of market conditions and weather events.

Significant progress has been made in delivering on the implementation plan, but market conditions have been challenging. The residential construction sector is feeling the effects of rising interest rates and construction costs and lower house prices. This is affecting both market and government-led development.

Most of the government programmes established to open up land, develop infrastructure, and increase housing supply have been impacted by current market conditions. This includes delivering new housing through the Public Housing Programme, Māori-led housing solutions through Whai Kāinga Whai Oranga, infrastructure improvements through Large Scale Projects, and the Kāinga Ora Land Programme. These programmes are responding to the challenges - for example, by working more closely with partners, renegotiating contracts, or managing requests for additional funding.

Targeted government underwrites and investments can also help to maintain some momentum of residential construction and jobs. Maintaining momentum is particularly challenging in the regions where the cost to build can exceed the price of existing dwellings. Programmes like Land for Housing that unlock new affordable housing, Build-Ready Developments and public housing help ensure an ongoing pipeline of public and affordable homes, as well as assisting the construction industry.

While government programmes have also been impacted by severe weather events, including Cyclone Gabrielle and the Auckland floods, the new housing and infrastructure supplied in programmes like Large-Scale Projects is contributing to community resilience to severe weather. Government also works with its partners in the system to plan for the changes needed to adapt to climate change.

Table 2: Progress against the *Implementing the GPS-HUD* work programme to June 2023

Action area 1: Reduce barriers to building				
Action	Outcome/s Supported	Who is involved	Deliverables (as stated in Implementing the GPS-HUD)	Progress to end June 2023
<p>Reforming the resource management system</p> <p>A more adaptive, responsive resource management system, with appropriate emphasis on housing and urban development will enable more development within environmental limits, provide an effective role for Māori, and provide the conditions for improved housing supply and affordability.</p>	<p>Thriving and resilient communities</p> <p>Adaptive and responsive system</p>	<p>Ministry for the Environment (lead)</p> <p>A number of government agencies providing input</p> <p>Public consultation included in process</p>	<p>Repeal the Resource Management Act 1991 and replace with:</p> <ul style="list-style-type: none"> Natural and Built Environment Act Spatial Planning Act Climate Adaptation Act 	<p>In August 2023 the Natural and Built Environment and Spatial Planning Acts were passed into law.</p> <p>In December 2023, the Government repealed the Natural and Built Environment Act and the Spatial Planning Act, reverting to the Resource Management Act 1991. The Government has signalled its intention to amend the RMA in its next phases of the reform to replace the legislation.</p>
<p>Reviewing barriers to building on whenua Māori</p> <p>Reviewing the barriers that make it difficult for Māori to use their land for housing development and prohibit them from establishing a physical connection to their own whenua.</p>	<p>Thriving and resilient communities</p> <p>Māori housing through partnership</p> <p>Adaptive and responsive system</p>	<p>HUD (lead)</p> <p>Te Puni Kōkiri</p> <p>The Treasury</p>	<p>Assessment of barriers to Māori utilising their whenua, with recommendations for change</p> <p>Work programme to reduce barriers</p>	<p>Initial policy consideration is under way. HUD has identified two key barriers (access to finance and access to infrastructure) and is developing an issues paper including high-level policy options for consultation in 2024.</p>
<p>Long-term funding and investment approach</p> <p>A long-term work programme aimed at making housing and urban development funding more reliable, sustainable and strategic, increasing funding stability, and encouraging long-term investment in housing and urban development.</p>	<p>Adaptive and responsive system</p>	<p>HUD (lead)</p> <p>Kāinga Ora – Homes and Communities</p> <p>The Treasury</p> <p>Community housing sector</p>	<p>The initial focus has been on investing for outcomes, value for money and benefits realisation across the system</p>	<p>This work programme has informed HUD’s advice to Ministers on improving the efficiency and effectiveness of spending, including investment priorities and choices.</p>

Action area 1: Reduce barriers to building

Action	Outcome/s Supported	Who is involved	Deliverables (as stated in Implementing the GPS-HUD)	Progress to end June 2023
<p>Construction Sector Accord</p> <p>A joint commitment from government and industry to work together to create a high-performing construction sector. The Accord brings industry and government together and provides sector leadership to address the sector's systemic challenges.</p>	Adaptive and responsive system	<p>Coordinated by Ministry of Business, Innovation and Employment</p> <p>A range of people, agencies, organisations, and businesses from government and industry</p>	Delivery of midterm goals under the Construction Sector Transformation Plan 2022–2025	<p>The Construction Sector Transformation Plan 2022-2025 aimed to accelerate transformational change by helping to embed and enable positive long-term behavioural and cultural shifts across the construction sector.</p> <p>The Accord has facilitated greater sector collaboration and coordination on key industry issues, including, for example by providing a platform for the construction sector to support the 2023 severe weather response.</p> <p>There are early signs of positive behavioural and cultural shifts and stronger sector partnerships.</p>
<p>Reviewing the building consent system</p> <p>The objective is to modernise the system to provide assurance to building owners and users that building work will be done right the first time, thereby ensuring that buildings are well-made, healthy, durable, and safe.</p>	Adaptive and responsive system	Ministry of Business, Innovation and Employment (lead)	<p>Consultation on issues discussion document July 2022</p> <p>Further round of public consultation in mid-2023</p>	<p>An issues discussion document was released for public consultation in July 2022 and a summary of submissions was published in December 2022. An options paper released in June 2023 set out potential options for reform. Following this consultation process, MBIE will analyse the submissions and develop advice to the Minister for Building and Construction on the consultation and next steps.</p> <p>Work to determine the extent of any policy and legislative changes required will be delivered over the course of 2023 and 2024.</p>

Action area 2: Build homes where people need them

Action	Outcome/s Supported	Who is involved	Deliverables (as stated in Implementing the GPS-HUD)	Progress to end June 2023
<p>Kāinga Ora Land Programme</p> <p>A 20-year initiative that enables Kāinga Ora to acquire and develop land to increase the scale, pace, and affordability of housing and urban development.</p>	<p>Thriving and resilient communities</p> <p>Wellbeing through housing</p>	Kāinga Ora – Homes and Communities	Initial deliverable is to finalise the Strategic Land Acquisition Plan for the Kāinga Ora Land Programme in 2022/2023	<p>Strategic Land Acquisition Plan completed.</p> <p>Kāinga Ora has acquired land in Tauranga, Wellington, and Christchurch, and development planning is underway.</p>

Action area 2: Build homes where people need them

Action	Outcome/s Supported	Who is involved	Deliverables (as stated in Implementing the GPS-HUD)	Progress to end June 2023
<p>Place-based and MAIHI partnerships</p> <p>Partnerships provide a way for central government and local partners to decide how working together can address the housing and urban challenges in their communities.</p> <p>See case study 1 and 2 in section 3.1</p>	<p>Thriving and resilient communities</p> <p>Wellbeing through housing</p> <p>Adaptive and responsive system</p>	<p>HUD</p> <p>Central and local government, iwi, and community organisations</p>	<p>Better tools to enable local communities to understand what is causing housing challenges and initiate local solutions</p> <p>Partnerships that deliver solutions that address the housing and urban development challenges in each community</p> <p>Partnerships that provide practical insights that inform national policy settings</p>	<p>Ten place-based and MAIHI partnerships have been established in communities across New Zealand, covering around 80% of the population. This includes six urban growth partnerships (Auckland, Tauranga-Western Bay of Plenty, Waikato, Wellington-Horowhenua, Greater Christchurch, and Queenstown-Lakes) and four additional priority places (Te Tai Tokerau, Rotorua, Tairāwhiti, and Hastings). Each partnership has clear delivery priorities.</p> <p>The partnerships are delivering on priority outcomes and continuing to mature (including strengthening local leadership and capacity).</p> <p>Spatial plans - long-term frameworks for the development of an area, identifying how and where growth will be accommodated - have been completed for Hamilton-Waikato, Wellington-Horowhenua, Queenstown Lakes, and Greater Christchurch, and a fifth (Tauranga-Western Bay of Plenty) is expected to be delivered at the end of 2023.</p>
<p>Infrastructure Acceleration Fund (IAF)</p> <p>A contestable fund of approximately \$1 billion, supporting councils to provide new and upgraded infrastructure to unlock a mix of private sector and government-led housing developments in locations facing the biggest supply and affordability challenges.</p>	<p>Thriving and resilient communities</p> <p>Wellbeing through housing</p>	<p>Kāinga Ora – Homes and Communities (administers fund)</p> <p>Local councils</p> <p>Developers and iwi</p>	<p>Funding of projects for new or upgraded infrastructure that will enable more homes to be built</p>	<p>Thirty* funding agreements executed for a total of \$926.7 million.</p> <p>Infrastructure projects contracted to date will enable 30,000-35,000 dwellings.</p> <p>The IAF is now in delivery phase with 81 dwellings completed as at June 2023.</p> <p>Cyclone Gabrielle has affected four councils (Gisborne District Council, Central Hawke's Bay District Council, Napier City Council, and Hastings District Council). Delays have also occurred as resource consents are sought and negotiations to secure land are undertaken.</p> <p>* One funding agreement was terminated after 30 June 2023.</p>

Action area 2: Build homes where people need them

Action	Outcome/s Supported	Who is involved	Deliverables (as stated in Implementing the GPS-HUD)	Progress to end June 2023
<p>Whai Kāinga Whai Oranga</p> <p>A programme comprising several funds that support iwi and Māori providers to unlock and accelerate ‘by Māori, for Māori’ opportunities that see whānau have safe, healthy, affordable homes with secure tenure across the Māori housing continuum.</p> <p>See case study 3 in section 3.1</p>	<p>Thriving and resilient communities</p> <p>Wellbeing through housing</p> <p>Māori housing through partnership</p>	<p>HUD, Te Puni Kōkiri (joint leads)</p> <p>Iwi and Māori providers</p>	<p>1,000 additional new homes by 2024/25</p> <p>Complete infrastructure for another 2,700 new houses</p> <p>Partnerships with iwi and Māori organisations to deliver new homes for Māori</p>	<p>1,018 homes have been approved or contracted to be delivered.</p> <p>483 whānau-owned homes have been approved or contracted to be repaired.</p> <p>1,618 sites have been approved or contracted to be enabled with infrastructure.</p> <p>Delivery is progressing well, with further work underway to determine the impacts of changing market conditions and recent weather events on delivery of infrastructure.</p>
<p>Large-Scale Projects (LSPs)</p> <p>A 20-year portfolio of large urban redevelopment projects that develop build-ready land and provide infrastructure upgrades in locations where public homes are reaching the end of their useful lives, enabling public, affordable and market housing.</p>	<p>Thriving and resilient communities</p> <p>Wellbeing through housing</p>	<p>Kāinga Ora – Homes and Communities (lead)</p> <p>Kāinga Ora works with developers and housing providers to undertake LSPs</p> <p>Councils and council-controlled organisations</p>	<p>Six suburbs to get improved infrastructure</p> <p>Up to 16,000 new homes on Crown-owned land</p> <p>Capacity for another 11,000 homes on private land</p>	<p>4,986 homes have been enabled by new infrastructure. New infrastructure is designed to be climate-resilient and performed well in 2023 extreme weather events.</p> <p>93 Ha of land has been developed to support about 6,000 homes across the LSPs</p> <p>LSPs are decades-long regeneration projects that are inevitably affected by market cycles. Current market conditions are impacting land sales and contributing to cost escalation. Some project stages have been re-sequenced to account for this. Ministers have agreed to a monitoring framework to track progress, risks, and issues over time.</p> <p>Current market conditions have challenged house enablement while build-ready land is being delivered.</p>
<p>Public Housing Plan</p> <p>The Public Housing Plan delivers new public and transitional housing, including more housing in regional centres and towns where housing demand is growing fastest.</p>	<p>Thriving and resilient communities</p> <p>Wellbeing through housing</p>	<p>Kāinga Ora – Homes and Communities</p> <p>Community Housing Providers</p> <p>HUD</p>	<p>6,000 new public homes between 1 July 2022 and 30 June 2024</p>	<p>2,555 public homes have been delivered against the Public Housing Plan, with 4,324 additional homes in the pipeline (contracted or in construction).</p> <p>Delivery against the target of 6,000 homes to end June 2024 remains challenging due to the effects of changing market conditions and weather events and is being closely monitored.</p>

Action area 2: Build homes where people need them

Action	Outcome/s Supported	Who is involved	Deliverables (as stated in Implementing the GPS-HUD)	Progress to end June 2023
<p>Kāinga Ora Urban Development Strategy</p> <p>A strategy and implementation plan to guide Kāinga Ora urban development.</p>	<p>Thriving and resilient communities</p> <p>Māori housing through partnership</p>	<p>Kāinga Ora – Homes and Communities</p>	<p>Published strategy and associated implementation plan</p>	<p>Kainga Ora’s Urban Development Strategy and implementation plan were adopted in October 2022.</p> <p>The Strategy</p> <ul style="list-style-type: none"> provides a decision-making framework to guide Kāinga Ora in making evidence-based choices about the nature and type of urban development interventions it might use to achieve desired outcomes. It sets out how the Kāinga Ora strategic urban development priorities will contribute towards its agreed objectives, and Kāinga Ora outcomes and vision. recognises the importance of working collaboratively with partners including Māori, local and central government agencies, developers, customers, and the wider community to deliver outcomes. <p>The majority of the Strategy’s short-term deliverables have been completed. The first annual review of the implementation plan will be undertaken in 2024.</p>
<p>Land for Housing</p> <p>The Land for Housing programme acquires vacant or under-utilised Crown and private land that’s suitable for residential development. Land for Housing is active throughout New Zealand, working in collaboration with iwi and private developers to increase housing supply through the construction of a mix of affordable, public and market-priced homes.</p>	<p>Thriving and resilient communities</p> <p>Māori housing through partnership</p>	<p>HUD (lead)</p> <p>Hapū and iwi</p> <p>Commercial providers</p>	<p>Delivery of existing developments</p> <p>New developments agreed with commercial partners</p> <p>New developments delivered</p>	<p>Delivery of developments is progressing well to date.</p> <p>Investment has been made in about 320 ha of land across 36 sites to enable large-scale development. These sites are currently estimated to be able to deliver over 10,000 dwellings. Of these, 1,522 have been delivered and another 3,438 have been contracted for delivery.</p> <p>Eighty percent of the 20 signed development agreements are with iwi development partners.</p>

Action area 3: Help people into affordable homes

Action	Outcome/s Supported	Who is involved	Deliverables (as stated in Implementing the GPS-HUD)	Progress to end June 2023
<p>Progressive Home Ownership (PHO) fund</p> <p>The fund enables housing providers to develop and expand their PHO schemes, supports iwi and Māori organisations to offer PHO, and provides financial support for eligible first home buyers. Eligible organisations can establish or expand their PHO programmes through two pathways - provider pathway and Te Au Taketake. Eligible households can purchase a home using the First Home Partner pathway.</p>	<p>Wellbeing through housing</p> <p>Māori housing through partnership</p>	<p>HUD (lead)</p> <p>Kāinga Ora (administers First Home Partner)</p> <p>Organisations can become approved PHO providers</p>	<p>Eligible organisations establish or expand their PHO programmes through two pathways – provider pathway and Te Au Taketake. Eligible people can purchase a home using the First Home Partner pathway.</p>	<p>At 30 June 2023, 472 households had been housed and 861 homes were contracted to be delivered by providers. About 70% of homes have been delivered to households that fall within at least one of the target groups (Māori, Pacific peoples and families with children).</p> <p>Delivery was initially slower than expected, due to challenging market conditions and a need in the early stages for providers to develop their capability in delivering to the required scale. In July 2023 Cabinet approved changes to PHO policy settings to reach more potential first home buyers.</p> <p>The fund is now expected to meet its delivery target of 1,500-4,000 homes by end June 2024.</p>
<p>Affordable Housing Fund</p> <p>A \$350 million fund to support development of new affordable homes for low-to-moderate income families and whānau. The fund has two pathways:</p> <ul style="list-style-type: none"> Affordable Rentals – grant funding to deliver community affordable rental housing Build Ready Developments – pre-purchase or underwrites for developments that might not proceed without government support due to adverse market conditions. 	<p>Wellbeing through housing</p>	<p>HUD</p> <p>Partners with not-for profit organisations, investors, and developers in each community</p>	<p>Affordable rental pathway</p> <p>First funding round: \$50 million grant funding to deliver community housing affordable rental</p>	<p>Affordable rental pathway</p> <p>The first funding round allocated \$33 million to six providers to deliver 92 homes. Delivery of most of these projects is underway.</p> <p>The remaining funds have been carried over to the second round, where nine proposals selected for early progression have been approved for funding. These proposals will deliver 174 homes. The remaining shortlisted projects are being evaluated.</p> <p>Build ready developments (BRD)</p> <p>The BRD pathway opened in August 2022. Initial BRD funding of \$75 million is fully allocated to eight developments, delivering 144 homes.</p> <p>A second funding round of \$159 million, prioritising regional areas impacted by recent weather events, opened in May 2023.</p>

Action area 3: Help people into affordable homes

Action	Outcome/s Supported	Who is involved	Deliverables (as stated in Implementing the GPS-HUD)	Progress to end June 2023
<p>Modernising First Home Products (FHPs)</p> <p>Adjustments to the First Home Loan, First Home Grant and Kāinga Whenua loan settings to help first home buyers overcome the deposit barrier to home ownership.</p>	<p>Wellbeing through housing</p> <p>Māori housing through partnership</p>	<p>HUD (policy lead)</p> <p>Kāinga Ora administers First Home Products</p> <p>Kāinga Whenua loans jointly provided by Kiwibank and Kāinga Ora</p>	<p>House price caps for the First Home Grant increased from 19 May 2022</p> <p>House price caps for the First Home Loan removed from 1 June 2022</p> <p>Kāinga Whenua Loan cap raised 1 June 2022</p>	<p>First Home Grant and Loan</p> <p>Uptake of the First Home Grant improved from an average of 557 per month in July 2021-June 2022 to 898 per month in July 2022-June 2023. The number of homes purchased with First Home Loans increased significantly, from an average of 62 per month in July 2021-June 2022 to 231 per month in July 2022-June 2023. In addition to the deliverables in Implementing the GPS-HUD, the FHP eligibility criteria were extended in 2022. FHPs are being reviewed every six months to ensure that the settings remain effective at targeting first home buyers who will benefit the most from government support. Further adjustments were made as a result of the April 2023 review.</p> <p>Kāinga Whenua Loan The loan cap was raised from 1 June 2022. 79 Kāinga Whenua loans totalling \$18 million were paid between the scheme's launch in 2010 and June 2023. A review is underway to consider changes to settings to increase uptake of the loan. Changes are likely to be in place in the first half of 2024.</p>
<p>Build-to-Rent</p> <p>Policy work to encourage the delivery of medium- to large-scale developments, specifically for long-term rental accommodation.</p>	<p>Wellbeing through housing</p>	<p>Inland Revenue</p> <p>HUD</p> <p>Kāinga Ora – Homes and Communities</p>	<p>Advice provided to Ministers in 2022</p>	<p>In March 2022, the Overseas Investment Office issued guidance on the application of the Overseas Investment Act 2005 for BTR developments, to give overseas investors an understanding of how to progress BTR developments in New Zealand. Tax Omnibus legislation to exclude BTR developments from interest limitation rules passed in March 2023.</p> <p>HUD launched an asset register to identify eligible developments in April 2023. Work to consider other ways to encourage the development of build-to-rent housing is continuing.</p>

Action area 4: Help people in urgent housing need

Action	Outcome/s Supported	Who is involved	Deliverables (as stated in Implementing the GPS-HUD)	Progress to end June 2023
<p>Aotearoa Homelessness Action Plan (HAP)</p> <p>The HAP 2020-2023 builds on and supports work already underway around New Zealand and puts in place essential changes to address responses to homelessness.</p>	<p>Wellbeing through housing</p> <p>Māori housing through partnership</p> <p>Adaptive and responsive system</p>	<p>Jointly owned by HUD, Ministry of Social Development, Kāinga Ora, Ministry of Health, Te Puni Kōkiri, Ministry for Pacific Peoples, Department of Corrections, New Zealand Police and Oranga Tamariki</p> <p>Collaboration with iwi and Māori organisations, NGOs, people with lived experience of homelessness, and local government</p>	<p>First phase of HAP implemented by 2023</p> <p>New funding over four years in Budget 2022 to fund kaupapa Māori support services, homelessness outreach services, and the expansion of transitional housing and a new supported accommodation service for rangatahi/youth</p>	<p>HAP has achieved its initial objectives, including:</p> <ul style="list-style-type: none"> Urgent delivery of over 1,000 transitional housing places Redesign and expansion of the Sustaining Tenancies programme Piloting of the Housing First and Rapid Rehousing programmes. <p>All 18 immediate actions are completed or underway, with most now operating as business as usual. The key focus for 2023 is delivering the four Budget 22 initiatives:</p> <ul style="list-style-type: none"> kaupapa Māori support services rangatahi-focused transitional housing places new supported accommodation service for rangatahi with higher and more complex needs homelessness outreach services <p>and completing an evaluation of HAP to inform next steps for the remaining initiatives and future cross-agency work on homelessness.</p>

Action area 4: Help people in urgent housing need

Action	Outcome/s Supported	Who is involved	Deliverables (as stated in Implementing the GPS-HUD)	Progress to end June 2023
<p>Review of the emergency housing system</p> <p>The review focuses on:</p> <ul style="list-style-type: none"> resetting the Emergency Housing Special Needs Grant (EH SNG), including entry pathways delivering fit-for-purpose accommodation as EH SNG alternatives reviewing the provision of social support services for people in Emergency Housing reviewing the role of supported housing 	<p>Wellbeing through housing</p> <p>Māori housing through partnership</p> <p>Adaptive and responsive system</p>	<p>HUD</p> <p>Ministry of Social Development (MSD)</p>	<p>Advice provided to housing Ministers on progressing the reset and redesign of the emergency housing and support system</p> <p>Design and implementation of system changes by end of 2025</p>	<p>In December 2022, Cabinet agreed to progress 10 actions over the next 12-18 months to enable a better functioning emergency housing system. The short to medium-term actions establish new approaches to:</p> <ul style="list-style-type: none"> assessing people's housing and support needs facilitating access to an appropriate range of accommodation options extending the provision of support services for people in emergency housing. <p>MSD is on track to deliver these actions. In August 2023 Cabinet agreed to regional delivery plans for Hamilton City and Wellington to make improvements and address gaps in the emergency housing system in both locations. Work is underway to implement these plans.</p> <p>The review of the role of supported housing is now being undertaken as a separate work programme. Initial scoping advice was provided to the Minister of Housing in May 2023, and exploratory work with agencies and providers is underway.</p>

3.1 Working together to shift the system: three case studies

Case study 1: Taking a coordinated and place-based approach to cyclone recovery

The Auckland floods in January 2023 and Cyclone Gabrielle in February 2023 damaged or destroyed housing and infrastructure in some regions. The extreme weather events exacerbated high levels of housing need in affected communities, that had already seen significant rent and house price increases due to population growth and limited new housing supply. Isolated Māori communities that already faced severe deprivation were disproportionately affected.

In the regions most affected (Tai Tokerau, Auckland, Tairāwhiti, Hawkes Bay), existing strong place-based housing and urban development partnerships worked to support development and implementation of locally led recovery plans.

In Te Tairāwhiti, iwi collective Toitū Tairāwhiti Housing Limited (TTHL) have delivered 104 temporary cabins to over 70 whānau whose homes were impacted. The programme delivered temporary relocatable cabins on multiple sites across Te Tairāwhiti. Delivery of the 104 cabins was funded through the flood and cyclone recovery package (announced in May as part of Budget 2023).

As TTHL have now delivered on the temporary housing programme for Te Tairāwhiti, they are planning for the divestment or removal of the cabins, following their temporary use.

Iwi and Post-Settlement Governance Entities have been funded to deliver a further 303 cabins across Tai Tokerau,

Wairoa, Hawke's Bay and Hauraki-Waikato by March 2024, and are working closely with HUD, the Ministry of Business, Innovation and Employment's Temporary Accommodation Service, Te Puni Kōkiri, the Ministry of Social Development and councils to make sure the cabins go to those whānau and communities who need them.

HUD is currently developing a housing recovery framework to increase government preparedness and to guide the housing response to future weather events.

Case study 2: The Hamilton-Auckland Corridor: partnering to support long-term urban growth

The Hamilton-Auckland Corridor is one of six Urban Growth Partnerships established under the Urban Growth Agenda (UGA) – a government-wide programme to improve housing affordability, by removing barriers to the supply of land and infrastructure and making room for cities to grow up as well as out.

To enable sufficient supply of infrastructure, affordable housing and connections to transport, the Hamilton-Auckland Corridor FutureProof Partnership was established. FutureProof partners include iwi, Waikato regional and territorial authorities and central government agencies.

In June 2022, Future Proof adopted an updated 30-year growth management and implementation strategy. The strategy includes transformational moves such as better incorporation of iwi aspirations, better consideration of impacts on the Waikato River and on water planning and a focus on fostering a vibrant metropolitan core surrounded by denser, higher quality housing and supported by multi-modal transport networks. It also fulfils the requirement to produce a future development strategy under the National Policy Statement on Urban Development (NPS-UD).

The partnership is currently shifting focus from planning towards delivery and ensuring that developments deliver a mix of market, affordable, and public housing.

Case study 3: Whai Kāinga Whai Oranga delivers Māori-led housing solutions

Whai Kāinga Whai Oranga enables Māori to lead and deliver housing for Māori to whānau, hapū and iwi in their own communities and regions. It is jointly administered by HUD and Te Puni Kōkiri and focuses on:

- in the short term, expanding existing Māori-led housing delivery programmes at pace and improving housing quality through repairs
- in the medium to long term, enabling new delivery models and partnerships that sustainably increase Māori-led housing delivery.

Since the launch of Whai Kāinga Whai Oranga in October 2021:

- housing supply delivery has accelerated under the Project Pathway, through the short-term expansion and modification of existing Māori housing programmes across New Zealand to address immediate housing need.
- established four prototype partnerships, which are being evaluated to inform the final design and parameters for the Programme Pathway. The four prototypes provide for innovative iwi-led investment models to support supply opportunities in regions where Māori housing need is greatest (Te Taitokerau, Tairāwhiti, Taranaki, and Napier-Hastings).

The four prototype partners, alongside HUD and Te Puni Kōkiri, received the Māori Crown Relationships Award at the Spirit of Service Awards, recognising the innovation and transformation that has emerged to forge a new pathway through the Whai Kāinga Whai Oranga prototypes.

4.

Next steps: continuing to work together to shift the system

This Update indicates that work across the system to date is in the early stages of positioning New Zealand to respond to its housing and urban development challenges. Resolving these challenges requires concerted effort over a long period. The system needs to address longer-term systemic issues while responding to immediate pressures such as current market conditions and fiscal constraints.

There are three broad areas of focus to resolve long-term issues.

Remove barriers to unlock housing supply. New Zealand needs more homes for rental and owner occupation. To enable the market to build more homes, barriers in the land, infrastructure, development, and construction markets need to be removed.

Prioritise investment and improve funds and programmes to support the right mix of market, affordable and public homes in the places they are needed. Sustainable funding is needed to maintain the supply of stable and secure housing.

Improve planning and investment in places. Different places need different responses and government's role may vary. The mix of funds, programmes, and levers need to be applied flexibly to support planning for growth, including infrastructure and housing delivery, in specific places.

Priority actions to achieve these inter-related objectives are:

- improve land use and consenting to support land supply and urban performance
- establish clear and reliable infrastructure funding and financing arrangements
- reduce the cost of new housing supply
- improve the efficiency and effectiveness of funds and programmes in the system
- rebalance funding over time from interim housing towards stable and secure housing options
- prioritise investment in specific places more tightly: main centres with high growth and regions with high population growth and housing need
- implement all the actions above with a strong focus on working with partners in places.

The GPS-HUD will be reviewed in 2024.

The Kāinga Ora-Homes and Communities Act 2019 requires the GPS-HUD to be reviewed every three years. The first review of the GPS-HUD will be in 2024. This is an opportunity to:

- ensure the direction of travel for the housing and urban development system will contribute to the wellbeing of New Zealanders
- produce a refreshed action plan that reflects the key areas of focus and is designed to progress the system further towards outcomes
- make changes in response to changes in the environment, or newly available information.

The information in this System Update will inform the review, as will the planned consultation and stakeholder engagement.



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