Te Ara Mauwhare

Pathways to Home Ownership Trials

SUMMATIVE EVALUATION, June 2021

A report prepared for Te Puni Kōkiri by R & K Consultants Limited

Contents

Cover photo: 'He Whakawātea; He Whakatō Mauri; He Taunaha', Te Tihi o Whānau Ora Alliance blessing the whenua and placing of mauri stone to commence building the new urban papakāinga Te Ara Mauwhare homes.

He Mihi

Karanga te pō
Karanga te ao
Whītikia kia mau, Whītikia kia ita
Haumi e, hui e, tāiki e!

Kei ngā tātāriki, kei ngā kākākura tēnā rā koutou i roto i ngā matanā o te ao hurihuri nei.

Tēnā hoki tātau i ō tātau mate. Ko rātau kua rūmene atu ki te pūtahitanga o Rehua, haere atu rā. Haere atu ki a nunui mā, ki a roroa mā. Ko rātau ki te pō, ko tātau ka mahue iho nei ki te ao mārama nei, tīhei mauri ora!

Nau mai, haere atu rā kei taku manu kaewa. Tukuna tō reo tōiri kia tarapepe ki ngā kokorurutanga o te motu. Tukuna tō reo tio kia paoro ki ngā kowhanenga o te whenua.

E rere atu rā ki ngā ākau o Wharekauri. Piki ake rā i ngā hau pūkeri o Te Whanganui a Tara, ki roto o Wainuiomata. Kotahi atu ki te maunga tītōhea, ki a Taranaki. Kei reira a Ōpunake rāua ko Waitara. Topa atu i ngā pae maunga o Ruahine, ka mātai iho rā ki ngā whenua haukū nui o Heretaunga. Roha atu ana ō parirau, ā, ka tau koe ki te hiku o te ika, ki Kaitāia.

Kawea atu rā ngā mihi ki ngā mana, nō rātau ngā reo me ngā moemoeā e kōrerotia ake nei i roto i tēnei pūrongo. He kaupapa i tutuki i te ngākaunui mai, i te manawanui mai, i te whakaaronui mai a te huhua. E kore e mutu ngā mihi ki ngā pū kōrero o ngā whānau me ngā hapori.

Ahakoa te tameme o te nuinga kia whai whare rātau hei āhuru mōwai mō ō rātau whānau, kei pāmamao kē te maruāpō nei ki te tini ngerongero.

Ko te whāinga o Te Ara Mauwhare, ko te tautoko me te whakamātautau i ngā ara rau e whāia nei e ngā ratonga ā hapori, e ngā whakahaere ā iwi hoki hei taunaki i ō rātau whānau ki te whakatutuki i tēnei wawata nui.

Kei tēnei pūrongo te kitenga nui, kua whai hua nui ngā whānau i Te Ara Mauwhare. Ahakoa kāore anō kia tū ngā whare i raro i ētahi o ngā kaupapa, inā te nui o ngā painga kua tutuki i ngā whānau me ngā rōpū Māori.

Ko ētahi o ēnei painga, kua whai mahi te tangata, kua tupu ake tētahi wairua māia i te tangata, ā, kua kaha ake te tangata ki te penapena pūtea. Katoa ēnei āhuatanga e tohu ana ka taea e ngā whānau te hoko whare.

Nā Te Ara Mauwhare, kua kitea e ngā whānau me ngā hapori, ka taea e rātau te hoko whare. Otirā ko te moehewa nui o te whānau i mao, kua tau mai nei ki te pae tata. Me upoko pakaru tonu te whiu kei pōhēhē tātau. Heoi, mā te mōhiotanga, te pūtohe me te wairua hihiko ka taea.

Kāti i konei, kei aku manu taki, kei aku manu tāiko. Noho ora mai koutou i te pūāhurutanga o ō koutou kāinga. Kia tau iho rā ngā tauwhirotanga a te wāhi ngaro ki runga i a koutou.

Nā Toni Roberts
Waikato, Te Waiohua, Ngāpuhi
R & K Consultants Limited

Acknowledgment

Call forward, night's shadow
Call forth, light of day
Let these words bind firm, bind taut
To each and all of us!

To my esteemed and respected companions, I greet you in collective aspiration for a better world.

I acknowledge our departed. Those who have assembled in Rehua's high coop, farewell. Farewell in departure to the multitudes gone. It is eternal rest for them, but for us left behind in the world of light, we breathe in life!

Soar nigh and yonder, my wandering bird. Let your voice pronounce in echo from the highest zeniths of the nation. Cast your piercing trill in rebound to the deepest harbours of the land.

I ascend to the coast to the bays of Wharekauri. Sail high on the rushing winds of Te Whanganui a Tara, to below in Waionuiomata. Ascend to the noble mountain, to Taranaki. At its feet find Ōpunake and Waitara. Soar amidst the ranges of Ruahine, and gaze down upon the dewy expanses of Heretaunga. With wings spread wide, come to rest at the tail of the fish, at Kaitāia.

Carry my blessing to our reputed, of which their voices and dreams populate this report. This initiative is an objective achieved through willing hearts, patient sentiment, and the deepest generosity of many. There is no end to the gratitude by which I thank the spokespeople of their families and communities.

Despite the yearning of many to own a house in which to warm their families, the dream remains distant to the multitude.

The goal of Te Ara Mauwhare was to identify and test the innovative pathways pursued by community and iwi providers in supporting families to achieve this dream.

This report confirms that families have gained great relief through Te Ara Mauwhare. Despite not all houses being yet built under some initiatives, many benefits have been gained by families and Māori groups.

Benefits include employment, a growing sense of empowerment, and stronger abilities to save money. All of these point to those families being on track to purchase a home.

Through Te Ara Mauwhare, families and communities have been able to actually fathom purchasing a home. The once distant pipedream has now become realistic hope. There is much still to be done, make no mistake. However, through knowledge, persistence, and vigour, it is possible.

That is all for now, my venerable, resilient people. I wish you all the best in the warmth of your homes. May the expanses of the divine watch over you all.

Toni Roberts
Waikato, Te Waiohua, Ngāpuhi
R & K Consultants Limited

Executive Summary

Purpose

This report presents the findings of a summative evaluation of a set of trials under **Te Ara Mauwhare – Pathways to Home Ownership.** Te Ara Mauwhare identified and tested innovative progressive home ownership models to support very low, low, and median income whānau in moving toward home ownership. Interviews with whānau, iwi, Māori organisations and a review of Te Ara Mauwhare documentation informed the findings of this report.

Background

As at 31 December 2020, Māori comprise 50 per cent (11,171) of the Kāinga Ora national housing register waiting list (total 22,521 people). Māori home-ownership rates are falling at a faster rate than for the total population, dropping 20 per cent since 1986, compared to a decrease of 15.3 per cent for the total population.

Te Ara Mauwhare: Pathways to Home Ownership

Te Ara Mauwhare is an initiative approved under Budget 2017 to address the low rate of home ownership by whānau Māori. The initiative co-invests with iwi and Māori organisations to trial innovative progressive home ownership models to support very low to median income whānau into home ownership. These whānau have purchased, or will go on to purchase, under rent-to-own and shared equity/ownership models. It is expected that 68 to 73 homes will be completed during 2022 as follows:

1. He Korowai Trust delivered eight rent-to-own homes to very low income whānau on Māori general land in Kaitaia in 2019.
2. Te Tihi o Ruahine Whānau Ora Alliance will deliver 10 rent-to-own homes to low income whānau in two urban papakāinga in Papaioea. Five of these were occupied in May 2021, and the remaining in 2022
3. Chatham Islands Housing Partnership Trust will deliver five rent-to-own homes on gifted land in the Chatham Islands to median income whānau. These homes will be occupied this year.
4. Port Nicholson Block Settlement Trust will deliver 15 shared ownership homes in an iwi papakāinga setting to median income whānau. Six of these homes are now occupied, and building of the remaining will commence this year.
5. Te Taiwhenua o Heretaunga will deliver 10 to 15 shared ownership homes to median income whānau in Hastings by next year.
6. Ka Uruora Housing Trust will deliver 22 shared ownership homes to median income whānau in south Taranaki. Six of these are refurbished homes and will be occupied over the next two months, and the remaining 16 will be new homes and will be occupied by June 2022.

To acknowledge the potential risk to whānau of participating in trialling a new government product, Te Puni Kōkiri developed and implemented, in partnership with the Commission for Financial Capability, the Sorted Kāinga Ora programme. It was designed to build the financial capability of whānau to achieve their housing aspirations. This is a mandatory programme for whānau participating in Te Ara Mauwhare.

Findings

Some iwi and Māori organisations that commenced with one model, then changed to another model because the most appropriate type of progressive home ownership model is not always known until the organisation selects the cohort of potential whānau homeowners. In working with the potential cohort over a period, and having a deeper understanding of whānau budgets, finances and progress against agreed milestones, the Sorted Kāinga Ora facilitator and Te Ara Mauwhare project manager know whether particular whānau are on a path towards saving for a sufficient deposit under a shared equity/shared ownership model, or are able to meet weekly rent-to-own payments. The interviews strongly indicated that affordability of the housing for whānau determines the progressive home ownership model utilised.

Iwi and Māori organisations employed different strategies to operate the rollout of Te Ara Mauwhare. Some adopted a more hands-on approach, while others outsourced roles and responsibilities. To some degree, the different strategies depend on the in-house skills and expertise in housing development and the risk appetite of the organisation. It also depends on the existing businesses that iwi and Māori organisations were operating when the project began, and their ready access to housing development expertise. The evidence does not suggest that there is one preferred strategy, as the timeframe to achieve home ownership has been relatively even across the six iwi and Māori organisations. On average, the trials have taken two to three years, inclusive of the COVID-19 lockdown period, to reach the point of home occupancy.

Each iwi/Māori organisation acquired the land differently. He Korowai Trust, Port Nicholson Block Settlement Trust, Te Taiwhenua o Heretaunga and Ka Uruora Housing Trust had already purchased the land before Te Ara Mauwhare started. The land was gifted for the trial on the Chatham Islands. Te Tihi o Ruahine Whānau Ora Alliance spent additional time acquiring the land through negotiations with Kāinga Ora regarding price, and then sourcing funding to purchase the land. There were no issues with either approach, however those that already had land could quickly get on to developing it and building the homes without the hassle of negotiating the price. Additionally, securing land for the development of homes amidst a housing crisis can prove difficult.

Whānau income level is another consideration when deciding on the type of Progressive Home Ownership model. The rent-to-own model is being used by whānau on very low to low incomes, while the shared equity/ownership model is being used by median income whānau.

Rent-to-own models still offer whānau the opportunity to purchase the home when the whānau reach a point of being able to pay a deposit and service a mortgage for the home. The rent-to-own model gives whānau responsibility to commit to a savings scheme and allows those whānau who can buy the home to do so within their own timeframe.

It has been strongly emphasised that without Government capital funding from Te Puni Kōkiri and Te Tūāpapa Kura Kāinga, the housing projects would not have gone ahead, or even started. Additional financial support through the First Home Loans, Working for Families and Accommodation Supplement assisted with whānau purchasing the homes.

Cost Benefit Analysis

An allocation of $9 million was appropriated to Te Puni Kōkiri to co-invest with Māori or iwi organisations for Te Ara Mauwhare. Overall, the cost to Government and iwi/Māori organisations of delivering the 68 Te Ara Mauwhare houses was $32.694 million, compared to a societal return on investment of $41.848 million when applying the multiplier derived from prior Te Puni Kōkiri work on papakāinga housing. On this basis the homes delivered by the trials could be said to have a net positive societal return on investment of $9.154 million, i.e., the benefit that accrues to society because of the houses being delivered exceeds the cost of delivering the houses by $9.154 million.

Conclusion

Te Ara Mauwhare has planted the seed in whānau and communities that home ownership is achievable. The trials supported whānau, who thought home ownership was unattainable, and has shown them that through knowledge, determination and motivation, home ownership is achievable. It is important that Government does not lose sight of those whānau who completed Sorted Kāinga Ora but did not progress to home ownership. These whānau still require navigational support, as Te Taiwhenua o Heretaunga, Ka Uruora Housing Trust and Te Tihi o Ruahine Whānau Ora Alliance have shown. The whānau need other alternatives while they continue to work towards improving their housing and financial circumstances. In the next two to three years, a follow-up evaluation of the wellbeing outcomes for whānau involved in the trials should be undertaken to determine if these outcomes have been achieved, and if not, the reasons why they were not attained.

1 Introduction

This report presents the findings of a summative evaluation of a set of trials under **Te Ara Mauwhare – Pathways to Home Ownership.** Te Ara Mauwhare identified and tested innovative progressive home ownership models to support very low, low, and median income whānau in moving toward home ownership. Interviews with whānau, iwi, Māori organisations and a review of Te Ara Mauwhare documentation informed the findings of this report.

2 Background

Māori Home Ownership

Māori home ownership rates are less than half of those of the general population. In 2013, 28 per cent of Māori adults owned a house, compared with 57 per cent for other New Zealand adults. A 2016 Statistics NZ study found that between 1986 and 2013 the proportion of Māori living in their own homes dropped 20 per cent. At the time of the 2018 Census, New Zealand's home ownership rates were at their lowest since the 1950s. Home ownership peaked in the 1990s, at 73.8 per cent of households, but by 2018, home ownership had fallen to 64.5 per cent of households. Home ownership rates have fallen in every region since 1991, with the largest falls in the Auckland region, given the well-documented affordability and supply issues there.

Māori home ownership rates are falling at a faster rate than for the total population, dropping 20 per cent since 1986, compared to a decrease of 15.3 per cent for the total population. The percentage of Māori renting properties increased from 41 per cent to 77 per cent between 1986 and 2013.

Almost 10 per cent of annual hospital admissions for diseases such as pneumonia, meningococcal disease and tuberculosis are attributed to household crowding[1]. For Māori, housing accounts for 20 per cent of admissions.

As at 31 December 2020, Māori comprise 50 per cent (11,171) of the Kāinga Ora national housing register waiting list (total 22,521 people).

[1] Household crowding occurs when homes are too small for the number of people in the household. A home is 'crowded' if the people living there need at least one or more bedrooms; 'severely crowded' if the people living there need at least two or more bedrooms. www.stats.govt.nz

Te Ara Mauwhare: Pathways to Home Ownership

Te Ara Mauwhare: Pathways to Home Ownership (TAM) is a Budget 2017 initiative undertaken by Te Puni Kōkiri to identify and test innovative progressive home ownership models to support very low, low, and median income[2] whānau in moving toward home ownership. An allocation of $9 million over three years to June 2020 (later extended to 30 June 2022[3]) was appropriated to Te Puni Kōkiri to co-invest with Māori or iwi organisations.

The Government specified that:

- one trial is to include a home ownership pathway for whānau who are currently receiving critical Government accommodation assistance
- Te Tumu Kāinga[4] is to be involved in developing some proposals.

Sorted Kāinga Ora

To acknowledge the potential risk to whānau of participating in trialling a new government product, Te Puni Kōkiri developed and implemented, in partnership with the Commission for Financial Capability, the Sorted Kāinga Ora programme. It was designed to build the financial capability of whānau to achieve their housing aspirations. This was a mandatory programme for whānau participating in TAM. Te Puni Kōkiri funded the programme for at least 180 whānau to support them towards home ownership.

The findings and recommendations from the 2019 formative evaluation of SKO were incorporated into the refinement of the SKO programme and resulted in an improvement in its overall operation and engagement with Māori organisations and whānau. The evaluation also found that while only 70 homes are available under TAM, not every one of the SKO graduates would be successful in securing a home this way. Other SKO graduates have been supported to go on to independently pursue their own pathway towards home ownership including saving for a deposit, securing better paying job opportunities, or purchasing their homes themselves (or with others).

TAM Trials of Progressive Home Ownership Models

TAM identified and tested progressive home ownership (PHO) models with Māori and iwi organisations (hereafter referred to as iwi/Māori organisations and/or trials). Working with Housing New Zealand Corporation (HNZC, now called Kāinga Ora – Homes and Communities), the Ministry of Business Innovation and Employment (MBIE) and the pre-Te Tūāpapa Kura Kāinga (Ministry of Housing and Urban Development), Te Puni Kōkiri led out an open expression of interest process. Selection criteria included a co-investment, collective impact, and Whānau Ora approach, the ability to address the needs of a community (not just individual whānau) and a financial capability building element (the SKO programme). Following an assessment and co-design process, iwi/Māori organisations were supported to undertake trials of the PHO model proposed:

1. **He Korowai Trust** in Kaitāia to trial a long-term rent-to-own model for very low income whānau
2. **Te Tihi o Ruahine Whānau Ora Alliance** in Palmerston North to trial a rent-to-own model for low income whānau
3. **Chatham Islands Housing Partnership Trust** in the Chatham Islands to trial a rent-to-own model for median income whānau
4. **Port Nicholson Block Settlement Trust** in Wainuiomata to trial a shared ownership[5] model for median income whānau
5. **Te Taiwhenua o Heretaunga** in Flaxmere to trial a co-operative housing model for median income whānau
6. **Te Rūnanga Nui o Ngāti Porou** in Gisborne to trial a shared ownership model for median income whānau
7. **Ka Uruora Housing Trust** in Taranaki to trial a shared ownership model for median income whānau.

[2] Very low refers to income below $30,000, low refers to income between $30,000 and $90,000 and median refers to income around $90,000 (values are per annum). Regional differences in these annual values are set out within each trial outlined in this report.

[3] In the 2021 March Budget Update.

[4] Te Tumu Kāinga, the housing arm of the Māori Trustee, is an independent charitable trust which works with New Zealand housing partners to help whānau Māori access healthy and affordable housing.

[5] Shared ownership is a form of shared equity. The NZ Housing Foundation model, adopted by three iwi/Māori organisations in this trial, is styled as Shared Ownership. Shared ownership is the term used in this report.

A proposal by Ngāti Whātua o Ōrākei Whai Rawa Limited to develop a new banking instrument was withdrawn following the departure of the key person. The proposed shared ownership PHO model with Te Rūnanga Nui o Ngāti Porou (TRONP) in Gisborne for median income[6] whānau did not proceed as the proposed funding of $1.6m for 15 homes would not have covered their infrastructure and house construction costs. TRONP did not have a development partner which also constrained their options. In early 2020, Te Puni Kōkiri and TRONP agreed to end their TAM trial, however 30 whānau still completed the SKO programme. The proposed development may be independently pursued in the future. In late 2020 funding released from this trial was reallocated to Ka Uruora Housing Trust.

Under the PHO trials, whānau progressively work towards having sufficient equity in their homes to be able to buy out the equity share retained by the Māori organisations over periods from seven to 24 years. Acknowledging the risks for the Māori organisations in standing up their PHO models, Te Puni Kōkiri did not require repayment of the Crown equity contribution when the whānau repay the retained equity in their homes. Instead Te Puni Kōkiri requires Māori organisations to recycle the repaid equity by continuing to provide housing to similar whānau, using their selected PHO model.

While these were the PHO trial proposals put forward at the time[7], this report will show that the PHO trial selected by each iwi/Māori organisation has changed to suit the circumstances of the whānau and the iwi/Māori organisation.

The PHO trials were co-designed and agreed with iwi/Māori organisations between June 2018 and December 2019. The timing of implementation varied as the PHO trial houses were mostly within wider housing developments that took time to be finalised. As of April 2021, the PHO trials are at various stages of selection of whānau, installation of infrastructure, construction of houses, and signing on by whānau for their new homes.

What did we learn from the 2019 Formative Evaluation of SKO?

In 2018 Te Puni Kōkiri engaged Research Evaluation Consultancy Limited to undertake the formative evaluation of the SKO programme. The formative evaluation gathered early insights into how the SKO programme was designed and implemented for whānau within the PHO trials, and the value whānau received from participating in it. The evaluation also provided recommendations, which were later implemented, on how the SKO programme could be improved for future whānau.

Research Evaluation Consultancy Limited also completed the formative evaluation of the PHO trials . The formative evaluation described progress on the trials – all of which were in the midst of the SKO programme, sourcing funding for the homes, planning infrastructure, or were about to build the homes.

The learnings from the formative evaluations informed iterative improvements of TAM. Research Evaluation Consultancy Limited work on the formative evaluation of the trials also provided information to commence this summative evaluation.

[6] Whānau earning less than $71,812 per annum, being the median income for all households in Gisborne/Hawkes Bay (New Zealand Income Survey 2016 by Statistics New Zealand).

[7] 2017-2018

3 Evaluation Approach

Evaluation Objectives

The objectives of the summative evaluation were to:

1. capture the learnings for Government (e.g., what works and what does not work) for each approach from the perspective of whānau and iwi/Māori organisations
2. identify insights and transferable learnings from the TAM PHO models/trials to inform existing or future government housing programmes
3. identify critical elements for success from the perspectives of whānau and iwi/Māori organisations
4. identify the contribution each PHO model made to support whānau to achieve their housing aspirations and wellbeing outcomes.

Each of these objectives was addressed in the interviews with iwi/Māori organisations and whānau.

Evaluation Methodology

Te Puni Kōkiri agreed that the evaluation would be focused on whether the trials worked as intended. The methodology used to address the summative evaluation objectives are set out in the table below.

Evaluation Objective	Approach and Lines of Inquiry
Capture the learnings for Government (e.g., what works and what does not work) for each approach from the perspective of whānau and Māori organisations.	Review of relevant documentation and semi-structured interviews with Māori organisations and available whānau[8] regarding the PHO models, to seek their perspectives (where the issues are relevant to them) on: • understanding of the PHO model for each trial • why they are participating in the PHO model (e.g., reasons for whānau being selected to participate) • the progress of each PHO model in terms of design and testing • the key learnings (e.g., what works and what does not work) for each approach and the reasons for this.
Identify insights and transferable learnings from the PHO models to use in any existing or future government housing programmes.	Review of relevant documentation and semi-structured interviews with Māori organisations and available whānau from each PHO model to seek their perspectives (where the questions are relevant to them) on: • particular learnings going forward, i.e., what would they do differently • insights for future investments in housing within their communities.
Critical elements for success from the perspectives of whānau and Māori organisations.	Review of relevant documentation and semi-structured interviews with Māori organisations and available whānau from each PHO model to seek their perspectives (where the questions are relevant to them) on the enablers and barriers (both pre-existing and relating to implementation) and how these have been addressed over time by Māori organisations and other stakeholders.
Identify what contribution each PHO model made to support whānau to achieve their housing aspirations and wellbeing outcomes.	Review of relevant documentation and semi-structured interviews with Māori organisations and available whānau from each PHO model to seek their perspectives (where the questions are relevant to them) on: • how the models evolved and adapted to meet needs of whānau • how the models have supported whānau in their aspirations • the challenges that the PHO models presented.

[8] Note that at the time of this evaluation, three trials (He Korowai Trust, Te Tihi o Ruahine Whānau Ora Alliance, Port Nicholson Block Settlement Trust) have whānau currently occupying the homes.

While whānau outcomes were not an objective per se of TAM, collecting some quantitative data could have better informed the summative evaluation. More information about the SKO graduates who went on to pursue home ownership would provide more intelligence on the number that were successful through non-TAM homes, the number of loan applications, the types and number of supports outside of SKO, etc. While not essential for this evaluation, the information would provide good insight about home ownership pathways for whānau. It is recommended that in preparation for any future evaluations, monitoring is better aligned to the whānau wellbeing outcomes that housing initiatives seek to achieve. From that information, organisations would be able to track the progress of whānau outcomes or reasons why progress is not achieved.

Participant Interviews

Participants across the PHO trials were invited to be interviewed for this evaluation in February 2021. All were provided with background information on the evaluation and an informed consent form, prior to the interviews. Following their informed consent, interviews took place over February and May 2021. Participation in the evaluation is a component of the agreement between Te Puni Kōkiri and the Māori organisations who are delivering the trials. Photos included in this report have been taken, or provided, with the approval of whānau and Māori organisations. The TAM project manager and the housing technical expert advisor in the National Office Housing Team of Te Puni Kōkiri were also interviewed.

Eight whānau interviews were completed. Five were undertaken face to face, and three on the phone (due to availability). Of these whānau, three are residing in the houses they own (shared ownership), three will move into their homes by May 2021 (rent-to-own), and two previously lived in rent-to-own . Three whānau approved using their real names in the case studies. Whānau of two sites were not interviewed, because the final selection of whānau for the limited number of homes currently being built is yet to be confirmed. Interviewing potential whānau would raise their expectations as there are not enough homes for the high number of whānau wanting them.

Fourteen people were interviewed across the Māori organisations, some in groups, others by themselves. Depending on availability, people were interviewed by Zoom, phone or in person.

PHO Trial	Interviewed
Chatham Islands Housing Partnership Trust	Project Manager, General Manager
He Korowai Trust	Chief Executive, General Manager
Port Nicholson Block Settlement Trust	Commercial Advisor (Taranaki Whānui Limited), General Manager, SKO Facilitator
Te Taiwhenua o Heretaunga	General Manager Housing, SKO Facilitators / Navigators (2)
Te Tihi o Ruahine Whānau Ora Alliance	Chief Executive, Pou Whirinaki, Kaiwhakataka (Project Manager)
Ka Uruora Housing Trust	Programme Manager

[9] Data was collated on SKO delivery regarding participants' attendance or non-attendance, additional support provided by the SKO facilitator between the SKO workshops, and success factors.

[10] One whānau moved out of the region, and one whānau went on to move in with whānau for personal reasons.

4 Progressive Home Ownership Models

Shared Ownership

A shared ownership model allows new owners to buy a home without taking on the full mortgage. Instead, new owners take a 'share' of the home. The percentage of the share depends on how much each new owner can afford. The remaining share is owned by an organisation that is assisting the new owners towards ownership of the home until such a time as the new owner can take on the full financial responsibility for the mortgage.

Shared ownership is a form of shared equity. The NZ Housing Foundation model, adopted by three iwi/Māori organisations in this trial, is styled as shared ownership.

NZ Housing Foundation provides management services to the Māori organisations and whānau using a shared ownership PHO model. The NZ Housing Foundation entered a Memorandum of Understanding (MOU) for the management and post-occupancy services which includes, amongst other things:

- agreeing the criteria for eligible whānau
- assessing affordability
- facilitating budgeting
- introducing whānau to a bank or banks who will issue mortgages on a shared home ownership agreement
- preparing shared ownership agreements with whānau and Māori organisations
- managing settlement documents with whānau
- following up with whānau six months after settlement
- services to assist households' transition from assisted to full ownership
- property inspection services.

When negotiating the management fee with Port Nicholson, NZ Housing Foundation considered that whānau who had undertaken the SKO programme had already undertaken some of the earlier stages of the support offered by the NZ Housing Foundation and reduced the fee accordingly. Port Nicholson Block Settlement Trust, Te Taiwhenua o Heretaunga and Ka Uruora Housing Trust have signed up with NZ Housing Foundation for their trials.

Rent-to-Own

A rent-to-own model allows the new owner to acquire a home through paying a weekly or regular amount to the sponsoring organisation. This weekly amount comprises a rent component and a savings component that contributes to 'saving' for the home. In most cases, this rent-to-own approach usually takes a longer time to achieve ownership, as the 'savings amount' does not fully reduce the mortgage over time. These savings amounts in most cases go to the Kiwisaver account of each whānau, so that if they leave Te Ara Mauwhare early, the savings components are taken with them. The rent proportion reimburses the sponsoring organisation for any outgoings including the mortgage, rates and insurance.

He Korowai Trust, Te Tihi o Ruahine Whānau Ora Alliance and Chatham Islands Housing Partnership Trust are using a rent-to-own PHO model. Originally, Te Tihi o Ruahine Whānau Ora Alliance and Chatham Islands Housing Partnership Trust planned to use a shared ownership model, but after reassessing risks and lending conditions, the model was changed to rent-to-own until whānau can afford to buy the home. More details on the rationale behind these changes are set out in their respective trial sections of this report.

Port Nicholson Block Settlement Trust and Ka Uruora Housing Trust are actively operating a shared ownership model. Te Taiwhenua o Heretaunga will operate the shared ownership model once their houses are completed.

4.1 He Korowai Trust – Rent-to-Own

Overview

He Korowai Trust (He Korowai) based in Kaitāia is a Māori organisation delivering wellbeing, health and social services to its community. He Korowai is the Far North region's largest transitional housing provider, housing over 187 adults and children as at 30 September 2020. Te Puni Kōkiri entered an agreement with He Korowai on 1 June 2018 to trial TAM on Māori freehold land (papakāinga) as follows:

- to deliver the SKO programme ($95,000)
- to provide eight homes to very low income[11] whānau in a long-term rent-to-own arrangement.

Te Puni Kōkiri contributed $1.05m as a capital grant to He Korowai for the cost of the eight homes, approximately $131,250 per home. Whānau are required to complete the SKO programme prior to being offered a home. He Korowai had previously purchased 50 acres of rural production farmland which had been used for farming purposes for the previous 80 years. He Korowai transferred it from freehold land to Māori Freehold Land. The land zoning was then transferred from rural production to medium density housing.

Background

In October 2017 He Korowai submitted a proposal to be considered for TAM. He Korowai, at the time, was in the business of providing a range of housing solutions to Māori in the Far North. This included providing emergency housing, housing repairs, supporting whānau towards home ownership and provision of relevant home ownership education. He Korowai had secured surplus state homes from Auckland and looked to relocate these for their wider housing projects. Foundation North, a community funder to Auckland and Northland, granted He Korowai $2.1m to establish a Māori trade training academy to support students to gain building and construction skills.

He Korowai then set up the 'Sweet As' academy with the grant. The relocated homes were used as classrooms to teach the building & construction skills to students at risk of long-term unemployment. The student learning was audited by BCITO, and the homes were sold to very low income whānau (TAM participants). He Korowai was funded (0.75 FTE) to provide pastoral care to whānau who occupied the homes. Finally, the whānau were also supported with free early childhood services, financial education, and kai.

The poor housing conditions in the Far North are more critical than in any other region in Aotearoa, with the recent national housing register recording a jump of 74 per cent in the last year, to 823 applicants. In some cases, whānau are waiting up to a year. Between June and July 2020, 107 more people joined the wait list, but between March and June 2020 only seven whānau were given a social housing place[12].

[11] Whānau who have an annual income of no more than $30,000

[12] Deprivation in the Northland Region, report prepared for the Child Poverty Action Group, Annie Chiang and Associate Professor Daniel Exeter (2019)

Selection of whānau

The eight whānau were selected from a group of whānau that completed the SKO programme and were then categorised in three risk groups according to their personal circumstances, finances, and housing affordability. For ease, these groups were:

a) **Green:** for low risk and with a high chance of being able to purchase the home within the 17 year window
b) **Orange**: for medium risk and with a moderate chance of being able to purchase the home within the 17 year window
c) **Red:** for high risk and with a low chance of being able to purchase the home within the 17 year window.

Regardless of the risk category, these whānau require a high to medium level of health and social support services. All these whānau have very low incomes.

> *"$20 to them is a lot of money, and it's not an amount of money that can be easily just given up with other priorities sitting there." (Staff)*

The Covenant

On acceptance to a three-year trial, whānau enter a covenant with He Korowai to purchase the fully furnished homes for $178,000 each and whānau are granted a perpetual licence to occupy the land. The covenant sets out the rules, restrictions and expectations of the relationship and includes restrictions such as the papakāinga being alcohol and drug free. At the beginning of the trial, He Korowai engaged a lawyer to provide independent advice to the whānau on the covenants. This allowed whānau to be comfortable with what they were signing up to.

As part of the social covenant, whānau are required to set goals and develop a plan with He Korowai for living and budgeting.

The practice of setting goals with each whānau and monitoring these weekly in partnership with the He Korowai navigators supports the achievement of whānau outcomes. Each whānau sets realistic goals including undertaking work-related training (e.g., Xero training), preparing curriculum vitae for prospective employment, training towards a full driver licence and undertaking parenting courses.

The whānau are required to manage their budget and pay rent of $275 per week. This amount is supported by the government subsidies (accommodation subsidies) that each whānau is eligible for, as all whānau are eligible for social housing. Whānau meet with their navigator each week to review progress against the milestones in their plans, e.g., budgeting, health support, etc.

The weekly rent amount, as set out in the covenant, covers:

- rent to occupy the homes including water rates
- $20 contribution to KiwiSaver to save for a deposit for the home for up to five years
- kai (meat, milk, eggs, vegetables) provided whānau participate in the community programme as set out in their plan
- free early childhood care, if whānau participate in the parent-led programme
- budgeting support
- medical care including addictions support.

The level of KiwiSaver contributions for three to five years also allows whānau to access the Home Start Grant for purchasing the home once the three to five years lapses. Once this period lapses, the rent will go directly towards the purchase of the homes. It is assumed that after 17 years, the weekly payments would have reached a sufficient point that whānau can purchase the homes by accessing KiwiSaver funds and First Home Grants. He Korowai indicated that if this trial were to be replicated, the timeframe of 17 years for a sufficient home deposit would be extended to 25 years, as contributions of $20 per week (and $275 per week) were not always consistently paid.

While the covenant appears reasonable and provides the sort of health and social support each whānau needs, there are still challenges to meet the milestones of the whānau plan and requirements within the covenant. He Korowai have selected a cohort of whānau for this trial that are on very low incomes (average of $21,000 per year) and have had a past coloured with drug addiction, alcohol addiction and violence. Most, if not all, the whānau have never lived in a warm, dry, and secure home with education and social support on their doorstep.

> *"These babies have never had a bedroom before, or even a bed to sleep in. For these whānau to have a secure and permanent home is something new." (Staff)*

As the trial progressed, the ongoing practice of managing the homes, and managing tenants, became difficult. In response to this situation, He Korowai engaged an external property manager to manage the rental homes. This way the overall management of the papakāinga and the individual rental arrangements remain separate functions, and whānau are governed by the tenancy laws.

> *"The separation is better. You cannot be master and servant." (Staff)*

For whānau, one difficulty remains with regard to keeping the rules of the covenant and following the individual plans and agreed milestones: where one partner is not on par with the plan, this can affect the whole household.

> *"If you want to change the behaviour, you have to make sure everyone is on board (with the plan). If one partner is not on board, it affects the whole household." (Staff)*

In this situation, He Korowai provided more intense support with the whānau, including more regular meetings with whānau, and checking in on whānau to support them to achieve their milestones (savings and spending).

At the time of interviewing (March 2021), three whānau were looking to move out. One was moving out as more secure employment opportunities arose outside of Kaitāia, one left to live on papakāinga land elsewhere, while the third whānau was going through some personal issues. He Korowai is working to support all three whānau to stay on, despite having other whānau to fill the homes should they become vacant.

> *"We try to do everything we can to support these whānau. Hui with them every week on their plans, but at the end of the day, it is their personal choice what they want to do. This is about giving the babies and future generations a different outlook, changing the intergenerational cycle, that this is the norm, having a drug-free and alcohol-free loving home." (Staff)*

PHO Model

He Korowai trials a long term (18 year) rent-to-own arrangement with very low income whānau, all of whom are dependent on other forms of government support and do not meet bank lending criteria. The ethos behind the rent-to-own model is to stop the cycle of state housing dependency and allow whānau to get on the 'bottom rung' of home ownership.

The homes were decommissioned surplus Kāinga Ora houses (requiring extensive repairs and renovations) transported to Kaitāia for a cost of $40,000 per home. A licence to occupy is granted to the prospective homeowner following their graduating from the home ownership education programme and signing their two staged rent-to-own agreement. The homes have been arranged on the papakāinga with shared and common spaces. The last of the TAM homes was issued with a Code Compliance Certificate in August 2019 and all TAM trial tenants were in the homes by October 2019.

Outcomes for Whānau

According to He Korowai, PHO is more than home ownership for whānau. It is about:

- bringing whānau stability to their lives in terms of a secure grounding in a warm and stable home
- providing kai, education, and refurbished homes to whānau who have never experienced having a home of their own
- working with whānau to provide them with support, goals and room for them to work towards these goals
- having an environment for children to grow up without drugs, alcohol, and violence in the homes.

"It's about taking them off the street, or out of their current places they share with other families, taking them away from the violent settings, to a home of their own." (Staff)

4.2 Te Tihi o Ruahine Whānau Ora Alliance – Rent-to-Own

Overview

On 16 May 2019, Te Puni Kōkiri entered into an agreement with **Te Tihi o Ruahine Whānau Ora Alliance Charitable Trust (Te Tihi)** for $1.595m[13] to support very low income[14] whānau on their pathway to home ownership. The funds were to:

- deliver the SKO programme to whānau
- co-design a home ownership model using co-ownership with a 'rent-to-own' methodology
- provide a capital grant of $1.5m to contribute to the construction of 10 homes ($150,000 per home) for very low income whānau.

Background

In December 2018, 307 people were on the housing register waiting for homes in Palmerston North. This number doubled (685) in December 202[15] , a jump of 135 more people from the previous six months. On average for the past two years, 30 to 50 more applicants joined the waiting list in Palmerston North every three months.
The Housing Register includes applicants not currently in public housing who have been assessed as eligible, and who are ready to be matched to a suitable property.

The Kāinga Whānau Ora initiative began in 2016 with a view to support and encourage whānau in Kāinga Ora housing to achieve their moemoeā. Underpinned by Te Ara Whānau Ora and applying a Collective Impact approach, Kāinga Whānau Ora, with Te Tihi as the backbone organisation, brings together partner organisations to ensure that:

1. all whānau live in structurally safe, warm, dry homes within flourishing communities in Palmerston North
2. pathways are provided to education, training and employment opportunities for whānau to be able to make informed decisions regarding housing, but more broadly about other areas of their lives
3. whānau are supported to live in safe and loving relationships that are free from violence
4. partner organisation systems change (policy and legislation) to support the moemoeā of whānau.

The partner organisations include Te Tihi, Ministry of Social Development, Kāinga Ora, NZ Police, Ministry of Corrections, THINK Hauora, MidCentral DHB, Palmerston North City Council, Oranga Tamariki, Ministry of Education and Te Puni Kōkiri. The initiative has also been used in Whanganui, with Te Oranganui leading and taking a scaled-down approach.

When the TAM initiative emerged in 2018, Te Tihi saw it as an opportunity to support a proportion of the 93 households who were engaged in the Kāinga Whānau Ora project to work towards home ownership. Te Tihi collected baseline information on these whānau to track their pathways towards the achievement of whānau identified aspirations. The 93 households had lived in social housing for an average of 5.5 years. Seventy two per cent received a welfare benefit as their main income, and 49 per cent were aged over 18 years. Most of these households were receiving the Accommodation Supplement and the Income Related Rent Subsidy. While 85 households would like to own their home sometime in the future, 12 indicated home ownership as their aspiration within the next five years.

[13] $320,000 for co-design, project management, legal and evaluation costs; $1.18m for 10 house and land packages, and the remainder for SKO ($95,000).

[14] Income of no more than $30,000 per annum

[15] Palmerston North figures by territorial authority https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/housing/index.html

Te Ara Mauwhare

Te Tihi started their TAM model using their learnings from Kāinga Whānau Ora. This included the proportion of the whānau engaged in Kāinga Whānau Ora that had identified home ownership as their aspiration, in addition to any other whānau in their database that aspired to be homeowners. In December 2018, Te Tihi invited 30 to 40 of these whānau to the first TAM hui to discuss progressive home ownership. The hui gave whānau information about the TAM trial. Whānau reflected on this information and were invited to register their interest with Te Tihi to undertake the SKO training.

Once whānau completed the SKO training (30 did so), approximately 12 whānau continued to work with Te Tihi towards home ownership. Using the Whānau Ora approach, Te Tihi worked alongside those whānau, with the assistance of Kaiwhakaaraara (navigators), to prepare them to be homeowners.

> *"As more information evenings happened, the number of whānau whittled down to a few whānau. In the end it became a process of whānau self-selecting with whānau going through their own criteria with their Kaiwhakaaraara. Some whānau realised they were not ready yet. Te Tihi wanted whānau to make that choice, as it needed a real commitment." (Staff)*

In September 2019, Te Tihi established Te Ranga Maro Charitable Trust to oversee the TAM trial (and any future housing projects). This provided charitable status for the homes and kept the TAM business activities separate from Te Tihi existing business operations.

Te Tihi engaged a project manager to help get the TAM trial off the ground. The chief executive, and the project manager were responsible for managing the PHO trial. Other skills were brought in as required, for example Te Puni Kōkiri provided a resource to help with the financial modelling for the homes. The support provided by Te Puni Kōkiri, Te Tūāpapa Kura Kāinga and Kāinga Ora has been invaluable for making progress in the context of TAM.

Te Tihi purchased a block of vacant public land that Kāinga Ora managed in central Palmerston North. The chief executives of Kāinga Ora and Te Tihi held direct discussions in 2019, allowing Te Tihi to purchase two blocks of vacant land for their 2017 book value.

The Homes

Latitude Homes is building 10 homes on two contemporary urban papakāinga in central Palmerston North. Five whānau moved into these homes in May 2021. The homes consist of one five-bedroom, one four-bedroom and three three-bedroom homes. The remaining five will be built after Christmas 2021. The average size of the sections is 400 square metres. Whānau named the urban papakāinga and are looking to also naming their individual homes.

Shared Ownership vs Rent-to-Own Model

The original intent of Te Tihi was to have a mixed TAM model, i.e., part shared ownership and part rent-to-own, as they wanted to be able to allow whānau to have equity from settlement day. Te Tihi changed the specifications of the homes, such as the cladding, fitout, and chattels, to make them more affordable. Whānau selected from a set of plans with four designs and also had a choice of aesthetics, colour schemes, fittings, and budget to design the internal and external features, for example tapware. There was scope for whānau to make savings in different areas of the homes, e.g., by making their own curtains.

> *"It (the homes) definitely came down to a cost factor....and it's definitely limited by affordability." (Staff)*

However, after a thorough assessment of the costs of the homes and the financial positions of whānau in the last 12 months, Te Tihi found that the majority of whānau could not afford a deposit. Te Tihi resolved to have a rent-to-own TAM model for whānau.

> *"We're resolved to go with a rent-to-own model based on the make-up of the majority of the whānau (financial positions)." (Staff)*

Te Tihi is being flexible in their approach to home ownership. Despite the shift from the original intent (mixed model) to rent-to-own, Te Tihi is still leaving the option open for any whānau wishing to purchase the homes. Te Tihi thinks that two of the (first) five whānau will be able to purchase the property soon after settlement, based on their ability to save a deposit at a faster rate.

> *"Whānau have been working hard to save for a deposit and get rid of their bills...so many sacrifices. As soon as they can get a deposit and finance, great." (Staff)*

Of the five whānau occupying the homes, four were previously in public housing, meaning four homes were freed up to reduce the large social housing waiting list. Prior to being in the new homes, whānau were living in damp and mouldy homes. TAM enabled these whānau to move out of public housing, and into warm, safe and secure homes that may one day be owned by them.

> *"Five whānau are going to free up spaces from the Housing NZ waiting list once our homes are ready....Housing NZ doesn't usually move that fast unless tenants are being evicted...." (Staff)*

Te Tihi gives whānau up to 10 years to exercise their option to purchase[16] the home. The price of the home is fixed for the first eight years, meaning at any time during this period that whānau want to purchase the home, it will be sold at the 2020 price (construction start date)[17]. Any capital gain in the property will be gifted to whānau. Depending on the market, whānau could acquire approximately $50,000 in equity in the home if purchased in 2021.

[16] Ten years provides time for Te Tihi to work with whānau to get them to the point to buy the home, hence the reason that the price of the home is fixed at the 2020 price. Te Tihi is continuously reviewing the position of whānau and working with them to be homeowners. For Te Tihi, it's about more than the home.

[17] Three-bedroom $450,000; four-bedroom $475,000; five-bedroom $495,000.

Te Tihi has an intermediary managing the rental agreements with the whānau. This is to uphold the terms of the Residential Tenancies Act 1986. The three-bedroom homes are rented at $350 per week, and the four-bedroom home is $400 per week. The rent remains the same for the first five years. The weekly rent covers the loan payments, rates, insurance, and maintenance. These rents are purposefully set below market value to support whānau to save for a deposit. Once Te Tihi established relationships with the whānau, it was easy to work out who got which house in terms of whānau size, number, and ages of children.

> *"We looked at the whānau and worked out who are the whānau, and what are their housing needs, and this told them the typologies of the house." (Staff)*

Whānau Ora approach to progressive home ownership

The Whānau Ora kaupapa is central to Te Tihi, and so the past two years was about continuing to work in the same way with whānau engaged in TAM. The Whānau Ora Kaiwhakaaraara worked alongside whānau before whānau participated in SKO training in 2019.

> *"Whānau Ora doesn't work in a silo. The whānau came through Whānau Ora, identifying their aspirations and goals within our whānau database. This allowed us to dovetail our existing Whānau Ora services to support whānau through the journey to home ownership. This is an important point for how the project evolved for us..." (Staff)*

Kaiwhakaaraara will continue to work alongside whānau even after they move into their new homes. The whānau will be supported to access other Whānau Ora services at Te Tihi as needed. This enables the Kaiwhakaaraara to monitor whānau plans, including their financial goals, along their home ownership pathways:

> *"My Kaiwhakaaraara is always there to support me and my whānau in my goals we identified...I wouldn't be able to do this journey without them." (Whānau)*

Te Tihi encourages real whānau involvement in the overall co-design of the house development process. Once the home allocations for the five whānau were confirmed, Te Tihi established a regular get-together for whānau to meet and discuss their homes. As part of this, each whānau developed and agreed their tikanga and kawa document with each other and Te Tihi. This agreement covered how they would operate as a 'community' within their housing development. The whānau also set up a Facebook page and share meals together at this monthly hui. Reo, whakapapa and tikanga have been introduced into the hui. The monthly hui provides an important opportunity for whānau to ask questions related to the financials, the council consent process, the house design, the house placement on the land and the naming of the whenua. Whānau stated that they have been well-informed throughout the process.

Other critical success factors

According to management, the TAM journey has been interesting. Many lessons were learnt because of their not being involved in housing development before.

> *"We're flying the plane while we're building the plane." (Staff)*

Te Tihi had been working in the space of housing for over five years, but more at a distance through Whānau Ora and supporting whānau into homes, rather than through purchasing land and housing construction. According to management, there were several critical enablers to their success in rolling out their TAM trial.

Te Tihi management and staff are very grateful for the solid and honest relationship that they have built with Te Puni Kōkiri, Kāinga Ora and Te Tūāpapa Kura Kāinga over the course of the TAM trial. Te Puni Kōkiri was a crucial enabler of the overall housing development, for Te Tihi and for whānau. Te Puni Kōkiri, alongside of Kāinga Ora and Te Tūāpapa Kura Kāinga, provided financial resources and technical expertise that Te Tihi would not have otherwise been able to quickly access. This was one of the key enablers that made the trial successful.

> *"TPK spent time with us helping with our costings....we wouldn't have been able to do it so fast without him." (Staff)*

Te Puni Kōkiri and Te Tūāpapa Kura Kāinga co-funding enabled Te Tihi to get an approved bank mortgage quickly to purchase the homes and land. Through the co-funding agreement, Te Puni Kōkiri contributed $1.5m and Te Tūāpapa Kura Kāinga contributed an amount equivalent to the Income Related Rent Subsidy that would have been spent by Government if these whānau had stayed in Kāinga Ora homes[18]. This meant Te Tihi could approach the bank to secure the remaining funds for the build. Te Tihi approached three banks, and all three banks agreed to provide the remaining funds for the land and house packages. Westpac was selected as the preferred bank because they wiped all the bank fees, resulting in savings between $46,000 to $100,000 across the whole development.

The price of the land was important. The development was acquired through the purchase of a block of vacant public land owned by Kāinga Ora. Following direct discussions with the chief executive of Kāinga Ora in 2019, Te Tihi purchased the land for its 2017 book value. The second block of land for the other five homes (yet to be built) was also purchased in 2019 for the 2017 book value. This purchase price was key to commencing the build process.

[18] Te Tūāpapa Kura Kāinga grant of $1.2m from the Homelessness Contingency Fund

4.3 Chatham Islands Housing Partnership Trust – Rent-to-Own

Overview

The Chatham Islands Housing Partnership Trust (CIHPT) was formed by Ngāti Mutunga o Wharekauri Iwi Trust, Hokotehi Moriori Trust, Chatham Islands Enterprise Trust[19], and the Chatham Islands Council. The co-operation of these organisations under CIHPT was instrumental in addressing Chatham Islands-wide housing issues of supply and mortgage finance. In 2014, the CIHPT was offered funding of $2m from the Government[20] to support housing outcomes. These funds have been held over to support this TAM trial. CIHPT acquired the land for the TAM homes by way of a gift from the Chatham Islands Enterprise Trust.

In April 2019, Te Puni Kōkiri entered an agreement with CIHPT for $1.025m[21] to support median income[22] whānau into five homes in the Chatham Islands. The funds were used to:

- develop a model co-designed between CIHPT and Te Puni Kōkiri that enables whānau to own homes and land over time
- contribute to a portion of the purchase of the homes for whānau (to at least $84,000 per home). If the equity in these five homes increases, the CIHPT is to recycle the equity to purchase more homes for low to median income whānau on their pathway to home ownership.

[19] The Chatham Islands Enterprise Trust is responsible for the economic development and well-being of the Chatham Islands. It operates the infrastructure companies including farming, fishing, and tourism. With the support of the Enterprise Trust, the CIHPT acquired the land by way of a gift.

[20] Government investment of $2 million in 2015, through Te Puni Kōkiri under a Funding Deed from the original Māori Housing Fund, provided as seeding and initiation investment towards the establishment of CIHPT.

[21] $400,000 as a capital contribution towards the home and land packages; $20,000 for participation in the evaluation of Te Ara Mauwhare; $604,760 for infrastructure costs including construction and shipping. In addition to this, SKO funding of $100,000 was provided.

[22] Household income of approximately $90,000 per annum.

Housing

According to the 2018 New Zealand census, the population of the Chatham Islands is 663. The Chatham Islands is physically remote from mainland Aotearoa, with access by one single ship which operates daily, and serviced by one airline. The airline prices are expensive (the cheapest is $770 return from Wellington). While incomes are in line with averages in mainland Aotearoa, all living costs on the island are materially higher, including costs for the necessities of life (food, energy, housing). There is no permanent house-building business, and it is hard to mobilise building resources (human and material) to the Chatham Islands. There is no public housing. According to the community, the cumulative result is that housing costs are astronomical, and this has been aggravated by the current building boom on mainland Aotearoa and is not materially offset by the relatively lower cost of land on the Chatham Islands. The cost of shipping one house-load of materials is at a minimum $130,000, a significant increase of $30,000 since the TAM trial commenced two years ago. Materials for homes need to also take into account the extreme coastal weather. Based on a modular system, homes range in price from $450,000 for a two-bedroom, and $530,000 for a three-bedroom (without land). Bank finance is almost impossible, requiring equity of 50 to 60 per cent, (with security) over a mainland-based home.

The First Home Loan scheme (previously called Welcome Home Loans) is restricted to whānau with secure long-term income and to those who can contribute to KiwiSaver. This is unfair to whānau in the Chatham Islands who are seasonal workers or are self-employed and cannot afford to contribute to KiwiSaver. These barriers significantly contribute to the housing problem for whānau residing there. After negotiating with several banks, Kiwibank sought to offer finance to support eligible whānau through First Home Loans, subject to the Crown (Kāinga Ora) being a guarantor. Despite this, the arrangement never eventuated as Kāinga Ora did not agree to being a guarantor for whānau and the CIHPT.

> *"We have been lobbying for access to Welcome Home Loans for years, but to no avail." (Staff)*

Te Ara Mauwhare

In developing the PHO model, the CIHPT recognised the unique remote location of the Chatham Islands and its limited access to suppliers, tradespeople, and bank finance. The CIHPT also sought to increase the supply of homes on the Chatham Islands.

Even with the funding it was not affordable for CIHPT to build five (or more) homes using conventional building methods and it was likely only a maximum of three two-bedroom houses would have been possible. Hence the CIHPT investigated volumetric, off-site building.

CIHPT engaged Rapid Build New Zealand to build five homes. It is expected that these homes will be shipped to the Chatham Islands by June 2021. Once the houses arrive, it will take a further four to six weeks to complete before whānau can move in.

Whānau are yet to be selected for the five homes. Twenty eight whānau have completed the SKO programme. Of these, fewer than 10 whānau are in positions to comfortably service a mortgage and in high need of a home. The selection process will be finalised in the coming months by the CIHPT. This is not an easy task when demand for suitable whānau housing far exceeds supply. Between the time that the SKO programme finished in mid-2020 and now, some whānau have gone on to secure more jobs (i.e., more than one job) and better paying jobs than those they originally had pre-SKO programme. A member of one whānau used the financial training to go on to build his own house. He bought land on the Chatham Islands and secured a business loan to purchase material to build his house this year. Feedback from the CIHPT is that:

> *"The SKO programme has given these whānau hope. Hope that they never had before, the belief that they can do it. Even if some of the whānau are not successful, the unsuccessful ones will see that they can do it too." (Staff)*

Sourcing the right skills for the PHO trial enabled the CIHPT to manage the PHO trial quickly and engage effectively with whānau. The CIHPT engaged a project manager (Kōau Capital Partners Limited) experienced in project management, financial management and investment management to manage TAM. A navigator was also employed to support the whānau in the SKO programme, to oversee and support whānau to achieve their financial goals to reduce debt and save for a home. Having two separate resources deployed to support whānau on their pathways to home ownership and to manage the PHO model development worked well.

The new homes

All five homes have three bedrooms and are being built as the first stage of the 'Sandstones papakāinga'. They are being built on land gifted to CIHPT by the Chatham Islands Enterprise Trust. Whānau are expected to achieve ownership within 10 to 20 years. The homes are prioritised for first-time homeowners and whānau who are renting or living with families, based on need and affordability.

A 'breaking ground blessing' was held at Sandstone on 15 March 2021 to commence the infrastructure and site works in preparation for the houses. Once the homes arrive, CIHPT will engage local people (subtrades, earthmovers, the CIHPT manager and local infrastructure providers) to set them up, creating employment and contributing to the economy for at least four weeks.

Shared Ownership vs Rent-to-Own PHO Model

The CIHPT initially considered using the shared ownership model. Under a shared ownership model, the CIHPT would have sought 50 per cent lending of the home's government valuation (approximately $600,000 per home) from a bank. The CIHPT would have contributed 40 per cent and whānau up to 10 per cent. Eligible whānau would also need to meet the annual household income thresholds of less than $85,000 before tax (if the applicant is the sole borrower) or less than a combined $130,000 before tax if there is more than one borrower[23].

The shared ownership model creates other risks. As the CIHPT worked through the pros and cons of a shared ownership model, it became clear that the model would not be the ideal starting point for whānau due to:

- the uncertainty of house market values on the Chatham Islands, meaning the house value could drop lower than the mortgage at any time, therefore banks are less likely to lend based on this risk
- the risk that whānau will leave the arrangement early, leaving CIHPT with the mortgage
- the fact that eligible whānau who can meet the Kiwibank criteria are scarce, while finding whānau who can rent is much easier.

If the house prices were relatively stable, or housing demand on the Chatham Islands was high, or house values were increasing in line with the rest of New Zealand, the CIHPT would have implemented a shared ownership model. Instead, the CIHPT opted for a rent-to-own model. That is, whānau would rent the property until they reach a point where they can service a mortgage.

In this model, the CIHPT owns the houses outright and whānau pay weekly rent to the CIHPT to cover costs of the loan, rates, insurance and depreciation. Whānau would pay any additional funds they had into a personal savings or KiwiSaver account to accumulate as a future deposit to purchase the house.

[23] Note that due to the Government's recent announcements on 23 March 2021, the thresholds will change to $95,000 and $150,000 respectively from 1 April 2021. These statements from CIHPT were taken prior to this announcement.

A rent-to-own model is less financially onerous for whānau as the CIHPT is carrying all the value risk, but over time, once whānau have enough savings for the deposit, the CIHPT could move to an equity-based model so that once savings have been built households move to purchase.

> *"[The CIHPT] found a middle ground where you would pay a proxy market rent..... making them accountable for rent – rent to own agreement: 1. Whānau pay rent; 2. Whānau have right to buy a house at a certain point; 3. Responsibility for whānau to create a savings scheme." (Staff)*

The CIHPT acknowledges the rent-to-own model is further away from ownership however it is a better option for whānau in the current economic conditions on the Chatham Islands.

The reputational risk to the CIHPT would be significant if any of the mortgages were to fall over. Whānau and the CIHPT acknowledge this is a long-term trial and the model needs to be workable for them, as they want to set a benchmark and platform for future whānau.

What worked well?

- The appointment of an expert project manager with solid financial, investment and project management experience.
- The appointment of a local and experienced navigator to work with, and for, whānau on their pathways to home ownership.
- The land being gifted by the Chatham Islands Enterprise Trust for the papakāinga development enables the homes to be quickly set up following arrival.
- The working partnership between Ngāti Mutunga o Wharekauri Iwi Trust, Hokotehi Moriori Trust, Chatham Islands Enterprise Trust, and the Chatham Islands Council.

What did not work well?

No one has addressed the community's access to First Home Loans and house lending. Access to bank finance will always be an ongoing issue for the community and government given the precarious nature of the location of the Chatham Islands, and inhibitors to affordability, i.e., non-permanent employment.

Conclusion

Every step along the journey towards home ownership is a challenge for the people of the Chatham Islands. The financial barriers and risks associated with a small island community project are significant. These factors have played a role in the CIHPT adopting the rent-to-own PHO model over the shared ownership model. The lack of banks' willingness to offer more than 50 per cent lending and high costs of building homes will always be a barrier. With the support of the Council, Te Puni Kōkiri and local iwi, this trial has been able to get off the ground to house five whānau. Until whānau are in the homes, you will not see the real impact that the homes have truly made for this community.

4.4 Port Nicholson Block Settlement Trust – Shared Ownership

Overview

The Port Nicholson Block Settlement Trust (Port Nicholson) was established in August 2008 to receive and manage the Treaty settlement package for Taranaki Whānui ki Te Upoko o Te Ika. Port Nicholson entered into an agreement for $1.695m with Te Puni Kōkiri on 20 June 2019 to:

- deliver the SKO programme to whānau to support home ownership
- deliver 15 suitable home and land packages to median income[24] whānau located at Wainuiomata ($1.5m comprising $100,00 per home)
- structure a progressive home ownership model for median income whānau to own the house and general land over time.

Background

At the time that Te Ara Mauwhare was starting, Port Nicholson was building a large housing development in Wainuiomata consisting of 11 kaumātua units and 86 houses (which included 14 rent-to-own homes). In November 2017, Port Nicholson sought a TAM trial to test the shared ownership model to achieve the goal of having whānau Māori living in safe, secure, and healthy homes. Of the 86 homes, Port Nicholson would allocate 15 of these for TAM. Iwi members were the whānau targeted for the TAM homes.

In its proposal, Port Nicholson intended to use the professional services of housing developers and associated services to implement the TAM trial:

- Te Tumu Kāinga leads housing projects that support Māori to achieve their housing needs.
- NZ Housing Foundation assists whānau in budgeting and accessing bank lending finance for shared ownership PHO models.
- The Wellington Company leads residential and commercial development across Wellington.
- Egmont Dixon provides commercial development expertise regarding land development, financial feasibilities development and project management services.

According to Port Nicholson, the shared ownership PHO model would achieve, among other things, the following:

- provide stable, affordable homeownership opportunities to low-income families who would otherwise be priced out of the housing market
- ensure that any public resources obtained through TAM, and invested in affordable housing programmes, are maximised through the recycling of these funds when the retained equity proportion is paid down by the household
- provide a strong sense of community cohesion.

The TAM homes have three bedrooms and the average cost of the homes after deducting the $100,000 contribution was $477,000[25]. Whānau estimate that the houses are $150,000 below the current market value.

[24] Starting income $89,752 which is the median for all Wellington households (Statistics New Zealand, New Zealand Income Survey 2016)

[25] This was the cost of the homes of the three whānau interviewed for this evaluation, and is also the house price cap for new properties for accessing the First Home Loan. This was funded as a retained equity contribution grant

Shared Ownership PHO Model

Port Nicholson always looked at the shared ownership model, as they wanted whānau to have ownership from the beginning.

> *"We want whānau to own them. The homes are on general land, so no issues with Māori freehold land and any bank conditions." (Staff)*

Following the SKO programme, Port Nicholson invited whānau to register their interest to apply for mortgage finance and referred whānau to NZ Housing Foundation for an assessment of their finances.

> *"If you think you are ready for the next phase, put your name down. It was a simple registration process." (Staff)*

Whānau working directly with NZ Housing Foundation made sense to Port Nicholson, as this removed any perceived bias regarding who would qualify for the homes. Further, whānau can deal directly with NZ Housing Foundation from the SKO programme. The whānau selection came down to who would qualify for bank finance for their portion of the purchase.

> *"Financial matters were separate from having model and relationship with bank, we like it that we're not deciding who the purchaser is – takes the bias out." (Staff)*

Port Nicholson always intended to support uri (iwi members)[26]. While NZ Housing Foundation managed the selection of whānau based on bank finance approval, Port Nicholson and Te Puni Kōkiri stipulated that whānau needed to have completed the SKO training and be iwi members.

In November 2019, NZ Housing Foundation contacted whānau to start working with them on their budgets and preparing bank lending applications. With the shared ownership model, new owners were required to contribute a $50,000 deposit, in addition to sorting their budgets. Whānau who had completed SKO training already had financial goals, and so had started reducing their debt by the time they started working with NZ Housing Foundation in November 2019.

[26] Te Ati Awa, Taranaki, Ngāti Ruanui, Ngāti Tama, Ngāti Mutunga and other Taranaki iwi

> *"[NZ Housing Foundation] has been known to help families get over the line with $10,000 debt. I don't know what I would have done if [NZ Housing Foundation] didn't help me." (Whānau)*

The three Port Nicholson whānau that were interviewed stated that saving for the $50,000 deposit for the homes made them change their outlook in the short term. In response to the support from NZ Housing Foundation, all three whānau actioned a mix of:

- increasing their working hours, with one whānau going full-time instead of part-time
- reviewing their children's social welfare entitlements, and deciding that it was better to work full-time
- working more than one job over a short period of time to reduce debt and save for a deposit
- accessing the First Home Loans.

> *"Without the support of the NZ Housing Foundation working diligently with the whānau, the loan application may not have been approved." (Staff)*

Whānau said that the application took a while (over a month), as lots of information had to be gathered. Then there was a long wait for whānau anxiously awaiting the bank decision. The national lockdown happened in March 2020, and the application process came to a halt. For whānau, this was a worrying time. Once lockdown was lifted in July 2020, one of the single parent families had to resubmit their income and government entitlements to confirm their ability to service the loan.

> *"It was an anxious wait, and then to be told about sending in new information, it was like what? In the end we got there. When [NZ Housing Foundation] called me with the good news, I forgot about all the things I had to do for that loan application." (Whānau)*

With Westpac approving the whānau lending, this signified to Port Nicholson that Westpac had the appetite for shared ownership PHO models in papakāinga developments.

> *"This is a good sign that Westpac approved the loans for the shared equity model for our iwi living in our papakāinga." (Staff)*

Prioritising Uri for the Homes

Port Nicholson had an iwi community person working with one of the real estate agents to promote the sale of homes to iwi. This person was not part of the housing development team. Not all uri agree with the housing development on the land, and the land being sold to whānau after being returned to Port Nicholson following the Wai 105 settlement[27]. This issue is not discussed in this evaluation report. However, the point is that to avoid any conflict of interest or claim of nepotism, the two functions of a) arranging the development, and b) developing and selling the homes to uri, were kept separate.

Regarding the sale of the TAM homes, there is a covenant in the agreements with whānau and the bank, that before sale, iwi have first right of refusal and homes must be offered to uri. This assists to retain ownership of papakāinga homes within iwi.

Learnings and Insights

Due to the impact of 2020 COVID-19 lockdowns, and the iwi disagreement over the housing at Te Puna Wai, no SKO programmes were held in 2020. Furthermore, building was slowed down between March and June 2020, and there were not enough homes to offer to the whānau that had approved finance until late in December 2020.

Port Nicholson is grateful for the support it has received from Government, the NZ Housing Foundation, the Wellington Company and Westpac. Without these key relationships, the trial could have likely been put on hold until long after lockdown reopened in June 2020.

Despite not wanting to do anything differently, Port Nicholson would be more aware of process, timeframes and risks regarding:

- how iwi respond to housing developments, particularly when there are not enough homes for all that desperately need them
- the impact of COVID-19 and lockdowns on the build and the banks
- the time lag between the SKO course, identifying whānau, working with whānau (via the NZ Housing Foundation), preparing and negotiating agreements with whānau on the shared ownership arrangement, and settlement
- managing complexities and tensions within the iwi regarding the acquisition of the land at Te Puna Wai.

[27] The site was vested in the Trustees of Port Nicholson via their Settlement Act 2009

4.5 Te Taiwhenua o Heretaunga – Shared Ownership

Overview

Te Taiwhenua o Heretaunga is a Māori authority set up in 1987 that has been delivering health, education, social and housing solutions to whānau in and around Heretaunga (Hastings). Today it employs over 300 staff, holds over 100 contracts and provides emergency housing to whānau. In June 2018 Te Puni Kōkiri entered into an agreement with Te Taiwhenua o Heretaunga to:

- trial a model of mixed ownership sharing, rent-to-own and collective ownership PHO models
- trial the approach with up to 15 homes
- target low to median income[28] whānau who completed the SKO programme.

The housing situation in New Zealand has changed rapidly, partly due to the unpredictable impacts of COVID-19. The agreement with Te Puni Kōkiri has undergone three iterations designed to keep ahead of these rapid changes. The final iteration of this agreement has Te Puni Kōkiri contributing up to $1.25m as equity towards up to 15 homes. Te Taiwhenua o Heretaunga will partner and work with New Zealand Housing Foundation.

Te Taiwhenua o Heretaunga are working towards general home building, and options for the whānau to establish co-housing[29] and urban papakāinga arrangements. Following the confirmation of the criteria for eligible whānau to access the TAM homes by Te Taiwhenua, NZ Housing Foundation will work with eligible whānau towards securing bank finance proportionate to their share in the homes and prepare sale and purchase agreements with whānau towards settlement. Follow-up with whānau will occur three months later to ensure adherence to any financial plan and reports provided to Te Taiwhenua.

Background

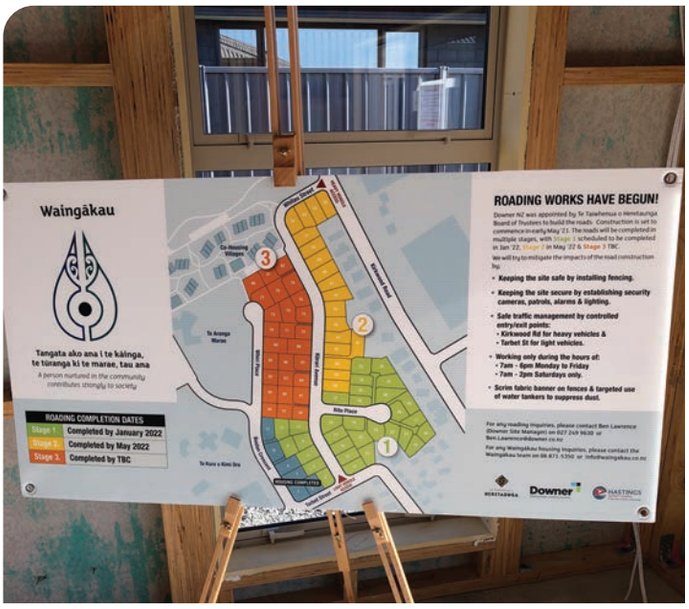
In early 2018, Te Taiwhenua o Heretaunga (Te Taiwhenua) was in the initial stages of developing a village of 131 affordable homes in Flaxmere, Hawkes Bay. The anticipated pathways to home ownership for these homes were assisted rent, assisted buy (rent-to-own or shared ownership), private buy and private long-term rent. The development is on general land, and surrounds Te Aranga Marae. The housing development is called Waingākau Village in western Flaxmere. The intent is that the development will include papakāinga style co-housing, with a component for communal living, and homes with more privacy.

As of 31 December 2020, the Housing Register maintained by the Ministry for Social Development included 706 people in the Hastings region waiting for homes, compared to 250 people when this trial commenced in June 2018. Almost every quarter for the past two years, the volume has increased by approximately 50 people. The homes within Waingākau will offer some assistance to help alleviate the pressures generated by the growing number of whānau on the Housing Register. This will be achieved by placing whānau directly into Waingākau village homes. In effect, this will increase the housing stock in Hastings.

The register of interests for homes at Waingākau was growing before the TAM trial commenced. Whānau who complete SKO training are prioritised for homes.

[28] Starting income less than $71,812 being the median income for all households in Gisborne/Hawkes (Statistics New Zealand, New Zealand Income Survey, 2016)

[29] Co-housing is a type of communal housing that combines independent living and private accommodation with common facilities and mutual support through community participation.



"Values of homes keep going up and so does construction costs. Could afford last year but might not be able to afford now or when houses are ready....we selling at market rates." (Staff)

PHO Model

Te Taiwhenua selected a shared ownership PHO model with the NZ Housing Foundation for up to 15 eligible[30] whānau. This was always their intention, as they wanted whānau to have ownership from the beginning. The homes within Waingākau Village are still being built, and it is expected that the TAM three-bedroom homes will be built over the next 12 months, due to larger homes being built first.

Once the TAM homes are finished, they will be sold to whānau who have completed SKO, using an equity split of between 75 to 85 per cent for them, and 25 to 15 per cent for Te Taiwhenua. It is expected that whānau will typically achieve 100 per cent ownership after seven years. Once homes are completed, they will be sold to whānau at near market value, not what it costs to build. According to the General Manager, in practice there is little difference between cost and market value.

While it was a consideration, the rent-to-own model would have involved Te Taiwhenua buying the entire portfolio of homes, meaning more equity would sit with Te Taiwhenua. Currently Te Taiwhenua do not have the resources to create many rent-to-own homes; instead they want to empower the whānau.

> *"Why do that model when we can only help two whānau as compared to more families, rent to buy doesn't go far." (Staff)*

Funding was sourced from Te Puni Kōkiri through TAM for the equity in the homes. The Provincial Growth Fund (PGF) funded the road and infrastructure costs for Waingākau village. Other organisations, including Te Tūāpapa Kura Kāinga and the Hastings District Council, have also supported with advice and encouragement. Waingākau also applied for renewable energy grants. This was on behalf of whānau and the benefits of this accrue entirely to whānau. According to Te Taiwhenua, the funding, support and advice received has greatly accelerated the build process.

Te Taiwhenua is driving this trial for social and cultural reasons, not commercial imperatives. The results of a feasibility study conducted with support from Te Tūāpapa Kura Kāinga indicated that without additional funding the development was on track to achieve a very modest three per cent surplus forecast over the period. According to the General Manager:

> *"A solely commercial developer would not take on this development. No one would take the big risks based on tiny margins. If the Provincial Development Unit had not funded $2.5m for infrastructure costs, the project would have progressed very slowly. This is why the development land had sat empty for 30 years.... we are in it for whānau reasons." (Staff)*

[30] Eligibility relates to ability to service a mortgage and completion of the SKO programme.

Building the homes

Te Taiwhenua started the housing development from scratch and the number of homes needed in Hastings has grown significantly. The General Manager noted that if they were fully aware of all the variables, the ever-increasing number of whānau without homes, the implications of ground topography, and accounting for unanticipated events (COVID-19, and the resource impacts on the building industry), Te Taiwhenua would have made different choices. This was a huge learning curve for Te Taiwhenua. Furthermore, COVID-19 had a huge impact on the housing development rate. While it slowed down in 2020, on returning, while there were builders, there were limited supplies.

> *"We couldn't finish houses because the supplier who provides the doors can't get stock." (Staff)*

Due to local council restrictions and covenants on homes, Te Taiwhenua cannot build homes smaller than 130 square metres. The costs associated with building relatively large homes are not cheap. The average size of sections is 600 square metres. One of the three-bedroom homes is valued at $600,000. While TAM is about supporting low and median income whānau into home ownership, Hawke's Bay median house prices rose 39.4 per cent between November 2017 and January 2021 due to a high demand for homes and a supply shortage[31]. These barriers have drawn out the housing development timeframes.

Whānau selection

Three whānau have been on the register of interests list for two years. Te Taiwhenua is conscious that the wait is making whānau anxious and frustrated.

Whānau will likely be offered a home, provided they can meet the eligibility criteria of servicing a loan (which may be 75 per cent of the house value, depending on the shared ownership contribution), and the home meets the needs of the whānau (with regard to size).

Four of the first six whānau to be offered Waingākau homes are graduates of the SKO programme (i.e. two whānau will not go into TAM-allocated homes). More than 100 whānau have completed the SKO training. According to Te Taiwhenua, SKO is an education programme, not a feeder service for Waingākau. Many SKO graduates are not in a position to buy a home. Some would not want to buy in Waingākau whilst other do not intend to buy a home at all. The SKO facilitators continue to work alongside whānau who completed the SKO programme over a year ago. Some of the SKO graduates have gone on to pursue home ownership themselves. The SKO facilitators acknowledged that only a small percentage of those that completed the SKO training can afford the homes. Te Taiwhenua provides access to services to support the process for example referrals to mortgage brokers, lawyers, etc. SKO facilitators follow up with brokers and other professionals to monitor progress of whānau moving through their home ownership pathways.

Despite whānau being on the register of interests for Te Waingākau homes, and not being able to afford 75 per cent of the mortgage in 2020, the values of homes keep going up and so do construction costs. It will not be until closer to house completion that Te Taiwhenua will know which whānau will be able to afford the homes, and whether the homes are suitable to meet their needs. Exploring other options to purchase homes are still part of the overall TAM trial. The SKO facilitators work with whānau to buy existing homes that are cheaper as they require renovations and encourage whānau to buy homes they can afford rather than waiting for the brand new homes at Te Waingākau.

With the average section being more than 600 square metres, and the waiting list for homes growing by the month, Te Taiwhenua is working towards placing two homes on one section, including TAM homes. This would allow more whānau from more than one generation to live side by side, or near each other if not on a subdivided section. Te Taiwhenua is awaiting the Hastings District Council formal feedback on this proposal.

[31] REINZ House Price Index figures (February 2021)

Challenges

The most challenging factor has been the erratic housing market over the last few years. Prices of homes have gone up in the last few years, and once lockdown was lifted, house prices, and supplier costs increased significantly. These factors have all had an impact on the cost of the homes.

Secondly, according to the General Manager, banks have been difficult to deal with. Te Taiwhenua tried to include covenants in agreements with the bank, e.g., if whānau ended up in a mortgagee sale situation, then Te Taiwhenua wanted to have first right of refusal. The bank was not comfortable with this. Te Taiwhenua realised quite quickly that they were not well-known to the bank as the actual developers. Waingākau (owned by Te Taiwhenua) was a new housing development.

Time limits to build[32] and COVID-19 threw the building supply chain into disarray. As mentioned above, while the builder was able to access the site, they could not always secure building supplies. For example, there was a break-in at one of the sites with someone taking the front door from one of the homes, and this could not be replaced due to COVID-19 supply- chain failures. All these interruptions caused significant building delays and led to mounting pressure. Whānau expectations continued to rise.

Managing whānau expectations has been the biggest challenge, according to Te Taiwhenua. People just want to move in, but the development relies on a highly stressed building industry and suppliers. Debt and reserves are being used to support the development, so it is in the best interest of Te Taiwhenua that the homes are sold as quickly as possible. It is expected that TAM whānau will move into their homes towards the end of the 2021 year.

Positive Outcomes

Relationships with key people across government departments provided good support, not only advice and funding but also relationships with other networks Te Taiwhenua had not previously engaged with. From these new contacts came information to support whānau with grants, and advice on building-related matters.

The SKO programme provided a platform for training, but also for meeting whānau who would not have known that they were in a financial position to buy a new or existing home. These whānau just needed guidance on how to manage their income or wipe all their debt. For those whānau seeking a TAM-allocated home, SKO is mandatory. The SKO programme highlights the areas that whānau need to work on to progress towards home ownership.

Advice for future approaches

While developers are in the game for profit, Te Taiwhenua are not experienced property developers but are about supporting whānau. For any organisations wanting to do a similar project, a few tips based on experience are offered:

- Have a good balance in the project team of, apart from te ao Māori, people with vision, people with an eye for detail and creative people.
- Having a hard-nosed person is important too, to identify, plan for, and manage risks.
- A watertight risk management plan is critical.

There is a barrage of considerations when building a large housing project of more than 100 homes. Most people want houses to be cheaper, and council want a certain size home. The housing market is constrained in terms of price and supply, and there are not enough builders and tradespeople without work. The project manager and project team agreed that they needed to have a risk management plan that is continuously monitored, reviewed, and shared with those overseeing and governing the housing project.

[32] Due to time limits on council consents

4.6 Ka Uruora Housing Trust – Shared Ownership

Overview

Te Atiawa and Taranaki Iwi sought to realise its housing aspirations for its uri across the Taranaki region. In 2019, **Ka Uruora Housing Trust (Ka Uruora)** was established to support the housing aspirations of Taranaki uri, and iwi that whakapapa to the Taranaki rohe. While housing is the primary goal, housing for iwi contributes to improving their social and economic outcomes. The goal is to have whānau Māori living in their own homes. This is the broader aim of Ka Uruora. In November 2019, Te Puni Kōkiri entered into an agreement with Ka Uruora for $924,500 to:

- trial a shared ownership model
- trial the approach with up to 22 homes (six of these are refurbished homes)
- target low to median income[33] whānau who completed the SKO programme.

In this trial Ka Uruora partnered with TSB Community Trust, TSB Bank, the Kōau Capital Partners Limited, Te Tumu Kāinga and NZ Housing Foundation. TSB Community Trust and Te Tumu Kāinga are providing interest-free loans for the Ka Uruora share of the TAM homes. NZ Housing Foundation is providing support services for eligible[34] whānau to secure bank finance proportionate to their share in the homes and prepare sale and purchase agreements with whānau towards settlement. Te Tumu Kāinga is assisting with their broad experience in supporting whānau Māori in housing projects and pathway to home ownership programmes. Ka Uruora engaged Kōau Capital Partners Limited for their project management expertise to oversee this TAM trial.

Background

In 2017 Te Atiawa were considering housing options for its iwi members on a vacant delayed- settlement property at Waitara. This location would provide residential lots, enabling up to 16 assisted homes using a shared ownership model under the TAM trial. Taranaki iwi also acquired four properties (whenua and houses) at Ōpunake and two at Ōkato. These homes are to be refurbished and offered to iwi members. The homes and whenua in these locations would offer up to 22 homes.

As of 31 December 2020, the Housing Register maintained by the Ministry for Social Development included 386 people in the New Plymouth region waiting for homes, compared to 95 people when this trial commenced in June 2018. Almost every quarter for the past two years, the volume has increased on average by 32. In the quarter ending 30 September 2020 it jumped up by almost 100 people and increased by 75 people for the quarter ending 31 December 2020. As of November 2020, the median house price in Taranaki is $496,000[35].

Whānau

The key challenge for Ka Uruora was at the whānau level and managing the engagement and identification of whānau for the TAM homes. At the beginning it was difficult engaging whānau and producing communications that would entice whānau interest in the homes.

> *"Managing the whole communication process is a challenge and getting the comms, so that whānau feel they are being treated fairly and are informed at an iwi level, and that's just around the comms versus their expectations." (Staff)*

[33] $57,512 being the median income for all households in Taranaki (Statistics New Zealand, New Zealand Income Survey, 2016)

[34] Eligibility relates to ability to service a mortgage and complete SKO training.

[35] REINZ, 2021

Earlier on Ka Uruora engaged a local provider of services to iwi, thinking that this was the right approach as this provider could also help identify whānau through their services. This approach did not work as effectively as Ka Uruora wanted, and demonstrated that, whānau engagement needed to be led by iwi.

> *"It's a real test to get engaged with iwi, and spread the communication. Have always started with the education and a programme as a feeder into homes, and even getting engagement for the education programme was a challenge." (Staff)*

As a result of their earlier approach and learnings, Ka Uruora now uses an approach that is whānau-centric. A full-time Whānau Engagement Manager was appointed to manage the interface between Ka Uruora and whānau.

> *"It goes back to the model. You have to have that front engagement, and it needs to come from iwi....service provider can offer the key technical support...but you have got to have an iwi person to lead the engagement." (Staff)*

The Whānau Engagement Manager also makes any referrals to providers regarding any broader health, social and financial support required for whānau.

Whenua and homes

As mentioned above, through a delayed Treaty settlement Te Atiawa acquired land in Waitara. This provided a prime location for homes for its iwi members as it was large, enabling 61 lots to establish a mixed-tenure housing development including at least 14 TAM homes, community rentals, affordable rentals, rent-to-own and outright ownership. Taranaki Iwi also acquired whenua and homes at Ōpunake (4) and Ōkato (2). The homes required refurbishment.

Ka Uruora is in the process of lodging a fast-track resource consent application for Waitara, with the TAM homes to be completed by June 2022.

According to Ka Uruora, the refurbishment of the Ōpunake homes is running smoothly and two homes were completed by May 2021. The other two homes will be refurbished soon after. It is expected that the first whānau will move into the first home in June 2021.

Shared Ownership PHO Model

Te Atiawa and Taranaki Iwi always wanted to provide housing for its iwi members. They knew it was a big undertaking, and hence wanted the collective support of their iwi. From the beginning, it was always about ownership by iwi:

> *"The need for iwi to support whānau and uri to provide housing solutions, been an aspiration for iwi for some time.... essentially a collective united front in supporting whānau into houses." (Staff)*

The objective of Ka Uruora was to partner and build capability amongst its own iwi members and they realise that building capability amongst iwi members is a journey. As such, iwi partnered with NZ Housing Foundation to roll out their housing project using a shared ownership model:

> *"NZHF is a class organisation to partner with, access their expertise and infrastructure, their contract, their processes around screening and for selection at the "right" time. That relationship is critical, good risk management for the iwi and whānau – don't want to put whānau in the house when they're not ready, quality assurance and risk management. NZHF has proven experience." (Staff)*

The other reasons why Ka Uruora partnered with NZ Housing Foundation were to ensure transparency of processes, and to be a go-between themselves and the bank:

> *"Long term aspiration is for iwi, but need transparent processes, this is what NZHF has bought to the table." (Staff)*

The Whānau Engagement Manager also works alongside a NZ Housing Foundation representative to support whānau. These two people regularly visit eligible whānau to support them in lending applications and requirements associated with the application. The approach is about building the capability of their own iwi members and having a familiar iwi face.

The equity split between Ka Uruora and the whānau will be worked out based on the affordability of each. The Whānau Engagement Manager and NZ Housing Foundation will work out the likely equity split for each whānau following an assessment of the whānau financials and the bank lending criteria. Once this is calculated, a recommendation will be put forward to the Board of Ka Uruora for approval. With the first home in Ōpunake, the ratio could be 90 per cent whānau and 10 per cent Ka Uruora. The value of this home is $375,000.

Successes

For Ka Uruora, the partners that they brought to the table were a key source of the success of this trial. Te Atiawa had an existing relationship with the TSB Community Trust (who own the TSB Bank). Through this relationship, Ka Uruora formed a relationship with the TSB Bank. TSB Community Trust and Te Tumu Kāinga are providing interest-free loans for the portion that Ka Uruora owes in the shared ownership homes. Furthermore, TSB Bank is working directly with whānau to support them in the SKO programme and their loans (on market terms).

> *"TSB Community Trust, secured that relationship....$1.8m cash funding with zero per cent interest rate." (Staff)*

The other success for Ka Uruora will be having the first whānau in the Ōpunake home. Through the trialling of approaches, and the different approaches to engage whānau, Ka Uruora want to celebrate the first of many whānau owning their own homes:

> *"Successes are about the whānau. First whānau into the first home will be awesome." (Staff)*

5 Observations and Insights

In reviewing the information collated from the interviews and relevant documentation, there are several key observations gained from the PHO models. While this is not an exhaustive list, they provide some insights to inform future PHO model

Different approaches to Te Ara Mauwhare

Organisations employed different strategies to operate the rollout of TAM. Some adopted a more hands-on approach, while others outsourced roles and responsibilities. To some degree, the different strategies depend on the in-house skills and expertise in housing development and the organisation's risk appetite. It also depends on the existing businesses that the Māori organisations were operating when TAM commenced, and their ready access to housing development expertise. The evidence does not suggest that there is one preferred strategy, as the timeframes to achieve home ownership has been relatively even across the six iwi/Māori organisations. On average, iwi/Māori organisations have taken two to three years, inclusive of the COVID-19 lockdown period, to reach the point of home occupancy.

Highlights across the various approaches are as follows:

- **Te Tihi and Te Taiwhenua** operate along philosophies of Whānau Ora, which worked for them given that this is their core area of work[36]. These Māori organisations used a more active approach with supporting whānau towards home ownership, managing the build and land acquisition. This approach enabled Māori organisations to have an in-depth understanding of the circumstances of each whānau and allowed the organisations to reach out and support them with any required services to attain home ownership, e.g., welfare entitlements, health services, transport, food parcels and budgeting.

- **He Korowai** also operates a whānau-ora approach. He Korowai leveraged from their existing business of emergency housing provision, home ownership training and a Māori trade training scheme for carpentry, painting and horticulture. He Korowai managed the transport of the homes, erecting the homes and renting the homes to whānau. The packaged support more aptly suits He Korowai, as they were in the business of housing whānau.

- **He Korowai** initially took a hands-on approach, but through experience of managing whānau, the housing development, and being the property manager, the multiple roles proved difficult. It was difficult to separate the role of providing pastoral support and being a property manager. The former being a support and follow role, the latter taking a 'authoritarian' role. Following some incidents with whānau tenants, He Korowai engaged an external property manager to oversee the tenancies.

- **Port Nicholson** engaged external advisors to identify eligible TAM whānau (subject to criteria of SKO participation and iwi heritage), manage financial lending eligibility, and build the homes. This approach, from their perspective, maintained their impartiality regarding who eventually got the homes and aligned to their operating models for other land development projects.

- **CIHPT** engaged Kōau Capital Partners Limited to manage parts of the trial while CIHPT managed the interface with whānau. Kōau Capital Partners Limited oversee the infrastructure, land, build and associated work. The approach fits the needs of CIHPT in that Kōau Capital Partners Limited has the expertise and experience that CIHPT did not and gave CIHPT greater assurance that the trial would be delivered.

- **Ka Uruora** initially engaged iwi members themselves and found it difficult. Learning from this, they employed a Whānau Engagement Manager who was known to whānau and could work alongside NZ Housing Foundation. This appointment was successful, and now whānau are already lined up to buy all 22homes.

[36] The North Island Whānau Ora Commissioning Agency contracts these organisations to deliver Whānau Ora services

Land for the homes

Each Māori organisation acquired the land differently, noting some already had land (Port Nicholson and Ka Uruora through Treaty settlement, CIHPT through gift), while others had to purchase the land (He Korowai, Te Tihi and Te Taiwhenua). He Korowai and Te Taiwhenua had already purchased the land before TAM started. Te Tihi spent additional time acquiring the land, through negotiations with Kāinga Ora regarding price, and Te Tihi sourcing funding to purchase the land. There were no issues with either approach, however those that already had land could quickly get on to developing the land and building the homes without the hassle of negotiating the price. Additionally, securing land for the development of homes amidst a housing crisis proved difficult.

Factors determining the selection of a fit-for-purpose PHO model

Those iwi and Māori organisations that commenced with one model, then changed to another model did so because the type of PHO model is not always known until the Māori organisation selects the cohort of potential whānau. In working with the potential cohort over a period, and having a deeper understanding of whānau budgets, finances and progress against milestones, the SKO facilitators and the PHO model project managers know whether particular whānau are on a path towards saving for a sufficient deposit under a shared ownership model, or are able to meet weekly rent-to-own payments. The agreements between Te Puni Kōkiri and the iwi/Māori organisations required the iwi/Māori organisations to decide upon and implement a process for selecting and approving whānau to participate in the TAM trial. Despite this, there are still common factors (as outlined below) across the PHO models that determine the cohort of whānau who progress towards home ownership.

The interviews strongly indicated that affordability of the homes for the whānau determines the PHO model utilised, the timeframes for project completion, and housing materials.

> *"Whānau cannot afford a deposit, it's just too hard. We have to use a rent-to-own model and support whānau to save for a deposit." (Staff)*

> *"Material used is driven by affordability (by whānau)." (Staff)*

Iwi and Māori organisations concluded that, while you may want a shared ownership model so that whānau start with equity in the house from day one, the choice of PHO model comes down to whether your cohort of whānau can afford a deposit. Port Nicholson and Ka Uruora are the only ones currently using the shared ownership model, although Te Taiwhenua intends to use shared ownership too once the homes are complete and the selected whānau have approved lending and savings in place. Te Tihi intended to use a mixed PHO model of shared ownership and rent-to-own, however this approach changed once the assessment of savings and income of whānau was considered in preparation for settlement of the houses. Any future TAM trials should assess the affordability levels for each whānau to have a deposit, service a loan or meet weekly rent-to-own payments during the early planning stages of PHO model.

Whānau income level is another consideration when deciding on the type of PHO model. The rent-to-own PHO model is being used by whānau on very low to low incomes, while the shared ownership PHO model is being used by median income whānau except in the case of Te Taiwhenua. Once Te Taiwhenua confirms the whānau cohort who will be allocated a home, then it can be seen whether these whānau are on low or median incomes.

Location is another consideration for the PHO model, as is house construction. In the case of the Chatham Islands, the location limited the availability of suppliers, tradespeople, and materials to build the homes on site. The impact of the COVID-19 lockdown extended the building timeframes. The location of Chatham Islands is also vulnerable to the instability of market values. If the market falls, the value of the house could drop below the price of the mortgage leaving CIHPT vulnerable. Due to the risks, the CIHPT decided to build the homes offshore and ship them to the Chatham Islands. These risks also determined which model they would undertake, proceeding with a rent-to-own PHO model, rather than their preferred shared ownership PHO model.

"In the early years, because of Chatham housing market, would have done a shared equity model. Rent to own is probably less risk and early stage affordability. Hard to maintain under shared equity model. Circumstances have selected the model... but the (shared equity) model is for a rising market." (Staff)

Opportunity to purchase rent-to-own homes

Rent-to-own PHO models still offer whānau the opportunity to purchase the home when the whānau reach a point to be able to pay a deposit and service a mortgage for the home. The rent-to-own PHO model gives whānau responsibility to commit to a savings scheme and allows those whānau who can buy the home to do so within their own timeframes. However, the timeframe in which the whānau can purchase the homes outright relies on several factors:

- the level of navigational or pastoral care towards progressive home ownership while whānau are in the rent-to-own homes
- the income level of the whānau and their ability to save for a deposit
- the monitoring and achievement of financial goals throughout the time that whānau are in the rent-to-own homes.

Initial capital for PHO Models

It has been strongly emphasised that without Government capital funding from Te Puni Kōkiri and Te Tūāpapa Kura Kāinga, the housing projects would not have gone ahead or even started. Additional financial support through the First Home Loans, Working for Families and Accommodation Supplement assisted with whānau deposits and, in some cases continue to subsidise mortgage repayments for eligible whānau.

"If you can bring the land, and the Government can bring the funds, it's a winning formula." (Staff)

Te Puni Kōkiri agreements with the iwi and Māori organisations state that the equity contribution of between $50,000 and $100,000 per home is, if returned to the iwi/Māori organisation (through a sale or otherwise), used to assist other very low to median income whānau into home ownership. The recycling of Te Puni Kōkiri equity contributions enables iwi/Māori organisations to borrow more once the house values increase (or the debt is reduced), in effect allowing more homes to be provided under the same or, if they want, a different PHO model.

"We intend to use the equity to build more homes for whānau." (Staff)

The extent to which Māori organisations are able to recycle equity contributions will emerge over time and will be an important measure in future evaluations.

Empowering whānau

Te Tihi used a Whānau-Ora approach to empower whānau to make decisions along the way as the trial developed. This included making decisions about the direction the house faced, or the internal colours and fittings used. These issues were all decided by whānau. This was not seen in any of the other Māori organisations' approaches. Whānau felt included and had a real connection to the trial, to the point of naming their papakāinga development, and they will soon name each of their homes.

Impact of Mortgage Interest Rates on PHO models

Each PHO model structured the mortgage over the homes differently. Some iwi and Māori organisations have more borrowing than others depending on their financial position and level of mortgage repayments.

He Korowai bought the land and homes outright, so there is no mortgage. The weekly rent payments of $275, not only covers the deposit contributions, additional services, and resources (e.g., kai, education, etc.), but also contributes towards the refurbishments, water rates and initial capital that He Korowai invested.

Under the Port Nicholson and Ka Uruora shared ownership PHO model, the portion that the whānau own is managed solely by the whānau, therefore whānau are entirely responsible for their mortgages if the interest rates increase. This is one of the reasons why Port Nicholson and NZ Housing Foundation meet with whānau homeowners each year to check on issues such as affordability. This will likely be the same for Te Taiwhenua once the whānau take on their mortgages.

Te Tihi and CIHPT will not be affected should the mortgage rates increase. Both organisations did not borrow heavily for the homes, so the mortgage, once drawn down, will not be negatively affected should mortgage rates increase.

Uncertainty

Under the Port Nicholson and Te Tihi PHO models, whānau and the Māori organisations faced a lot of uncertainty. The COVID-19 lockdown between March and July 2020 added to the uncertainty and stress of mortgage approvals for Port Nicholson whānau. Whānau were in the middle of bank lending applications. Whānau in Te Tihi were told in 2020 that $90 would go towards principal mortgage weekly payments, then later that year they were told that the $90 will go towards the rent portion of their rent-to-own homes. This change was about affordability. The uncertainty during both PHO trials had an impact on whānau:

> *"It's the uncertainty that kept occurring, then this is going to happen then this is happening. It comes with being a pilot." (Whānau)*

Alanna also encourages whānau to seek out the right people to make the process work for them, something she says has been key to her success.

6 Whānau Case Studies

6.1 Alanna and her tamariki

Background

Alanna is the mother of two children – her daughter Nikora and her son Icezis. The whānau live in the Wellington region. Alanna describes herself as being from a tumultuous background, which included domestic violence, custody battles in Family Court and homelessness. Unstable housing has also been a constant issue in the life of Alanna and her whānau, with long waits for houses and desperation leading to living in less-than-ideal situations. High levels of debt (approximately $25,000 initially) also hindered Alanna from making progress in different areas of her life. Throughout these trying years, Alanna focused on changing and breaking these negative cycles, so that her children could have a better life. Part of this vision for positive change included the children having a home where they could thrive and have space of their own.

Introduction to Te Ara Mauwhare

Alanna had seen information relating to housing developments by the Port Nicholson Block Settlement Trust and heard people talking about opportunities for whānau but wasn't initially sure what this kaupapa was about or if she could be involved in any way. This was until Alanna attended an iwi hui which included a presentation about papakāinga plans and a walk-through of the land allocated for iwi housing. At this hui, Alanna received advice from a Te Puni Kōkiri housing advisor to reach out to the local project manager for the Sorted Kāinga Ora financial capability training programme, which she did. Alanna enrolled in the Sorted Kāinga Ora programme at her local kōhanga reo and began to learn about the financial considerations when aspiring to own a home – including KiwiSaver and the impact of debt.

Progress to Home Ownership

After working through the Sorted Kāinga Ora programme, Alanna was more aware of her financial status, and the steps she would need to take towards securing her own home. The opportunity being offered by Port Nicholson /Te Puni Kōkiri was a shared ownership model for median income whānau, and Alanna worked with the NZ Housing Foundation to get her application organised. At this point (March 2020) COVID-19 forced the country into lockdown, and post-lockdown, the bank introduced new rules for mortgages. While this delay was frustrating for Alanna, she continued to work through the process with the support of the right people, to secure a home for her whānau. By improving her financial literacy, working to improve her financial situation, and seeking and securing the support of helpful people in the know, Alanna has achieved her aspiration of securing a stable home for her whānau. Alanna went from heavy debt, to having a deposit, to having a brand new home in less than 18 months through support from Port Nicholson, Te Puni Kōkiri and the NZ Housing Foundation.

On settlement week (days before Christmas), Alanna encountered problems with the execution of the settlement documents by Port Nicholson. Alanna had to extend her stay elsewhere when she had organised movers, her furniture and her tamariki to move in on a certain date. Port Nicholson delayed the settlement for a further three days to rectify the documents. Eventually, after waiting for hours outside of her new house with her tamariki and all her possessions on the new settlement day, the keys were handed over to her.

> *"Lucky no-one was moving into my existing rental, otherwise I would have been out on street with my kids. I arrived here at this house, I was waiting outside the door, ... would not give key until the settlement was done properly – in the end, Port Nich paid my recovering moving costs due to paperwork errors and finally handed over key at 5.40pm Friday when funds had cleared, with all my gears outside the door waiting to move in with my kids."*

Despite the hot water not working, she was happy to be in her new home. Alanna commented that:

> *"While settlement wasn't smooth, in the end, it was my home, and my kids, and me have changed for the better. I can't measure our happiness."*

Advice from Alanna to other whānau

Alanna's advice to other whānau who fear that they are not able to buy a home, is to take the risk to find out, rather than not knowing and continuing to pay expensive rent. Alanna also encourages whānau to seek out the right people to make the process work for them, something she says has been key to her success. In summary, Alanna says that:

> *"I made huge sacrifices but there was a pot of gold at the end of the rainbow, a well-loved, safe, secure, iwi surrounded and brand-new home for my kids and me."*

Enablers	Whānau Wellbeing Outcomes Achieved
TAM provided Alanna with (not an exhaustive list): • budgeting skills to reduce debt to zero before settlement, save for a deposit, meet mortgage repayments, meet weekly whānau needs • determination to increase her income through setting financial goals within a set timeframe • warm, dry, safe and secure home for her tamariki after living in public housing for years • connection with her whānau, iwi and whenua • participation in local iwi and community activities as a result of living on iwi land and amongst iwi members • confidence and motivation to purchase the home outright, instead of under a shared ownership PHO model.	• Whānau are self-managing • Whānau are participating fully in society • Whānau are economically secure and successfully involved in wealth creation • Whānau are cohesive, resilient, and nurturing • Whānau are responsible stewards of their natural and living environment.

6.2 Erena, Reese and their tamariki

Background

Erena is married to Reese, who was born and raised in the USA. Erena, Reese and their children live in Papaioea/ Palmerston North. Erena says that both she and Reese had early experiences of deprivation in their childhoods but notes that Reese, in particular, only knew poverty from birth. Unemployment and reliance on benefits were the norm, and when it came to housing, neither Erena nor Reese came from families where owning a home was considered achievable:

> *"No one talked to me about houses, and no one talked about property to us and no one around us owned a home."*

Irrespective of being raised in Housing NZ homes, Erena lived in a neighbourhood surrounded by what she calls "flash houses" and seeing this made her want for what she felt looked like more of an "unlimited, thriving" home.

Introduction to Te Ara Mauwhare

After having children, and years of renting from "overbearing landlords", Erena and Reese decided that they wanted better for their whānau:

> *"It's motivated us to make sure we are the owners of the roof over our heads and the land at our feet and to learn more about how to utilise property as one avenue to create long-term wealth for our whānau and generations to come."*

Erena and Reese were seeing their friends transition from being renters to homeowners, and they started to think about how they might make this aspiration come true for their whānau. To start saving money for a house deposit, Erena and Reese moved out of their private rental and in with Erena's mother. Erena's mother was working towards some of her own goals at that time with a Whānau Ora navigator. Through this navigator, Erena was introduced to staff from Te Tihi. Te Tihi were running an initiative focused on moving whānau towards home ownership through rent-to-own agreements, and Erena saw the potential in this for her and her whānau.

Progress Towards Home Ownership

Erena signed up to Te Tihi and was allocated her own Whānau Ora navigator to support her towards her dream of first home ownership. Erena speaks highly of her interactions with the Whānau Ora navigation service, saying that:

> *"Each of them have truly given me the boost I've needed every single step of the way along my journey of not just focusing on our homeownership goal but also my own entrepreneurial endeavours and just how to juggle everything as a Mum and wife really."*

Erena has worked through the process of exchanging rental housing to being on the path to home ownership with the support of her Whānau Ora navigator. And while it has not always been an easy process for Erena and her whānau, their efforts have paid off. In mid-2021, they will be one of the ten whānau moving into the urban papakāinga being built in Papaioea. The move into their own whare will be life changing for Erena and her whānau, and she says that:

> *"We want homeownership to be the norm for our kids, that's what this opportunity will eventually support us to do."*

Enablers	Whānau Wellbeing Outcomes Achieved
TAM provided Erena with: • budgeting skills to figure out how to save for a deposit • determination to meet financial goals within a set timeframe • warm, dry, safe and secure home for her tamariki after living in damp, unhealthy, cold rental homes for years • participation in weekly and monthly hui over the past few years through Te Tihi with other participating whānau to prepare for urban papakāinga living • determination and motivation to purchase the home outright, as rent then buy was the only option available.	• Whānau are self-managing • Whānau are participating fully in society • Whānau are economically secure and successfully involved in wealth creation • Whānau are cohesive, resilient, and nurturing • Whānau are responsible stewards of their natural and living environment.

6.3 Hope and her tamariki

Background

Hope is a single mother currently living in Papaioea. She has had an unsettled few years with her children, which included moving to Australia to escape a domestic violence situation. In 2013, Hope's mum was diagnosed with cancer, so Hope returned to Aotearoa to care for her mother who unfortunately passed away in 2014. In 2016, Hope found herself living with two of her children in emergency housing and with great uncertainty about her future. Initially, Hope had very high debt and through working with the Salvation Army, Hope did a no asset procedure (similar to bankruptcy) in order to clear this debt.

Introduction to Te Ara Mauwhare

Life was hard for Hope, and she knew she wanted a better life for her children, but just did not know how to make this happen. Through the emergency housing provider that Hope was working with, she received some information about Te Tihi and the work they were doing to support whānau into home ownership. Hope visited Te Tihi, and they told her about the services they offered and allocated a navigator to support her to identify and work towards her goals. Through this goal-setting process, Hope expressed to Te Tihi that owning her own home was an ultimate goal. Hope says:

> *"Goal setting has been a real good thing and when you go through it you get to slowly tick off your goals and achievements."*

Progress to Home Ownership

Hope participated in the Sorted Kāinga Ora programme through Te Tihi, to help improve her financial capability. The course was held in the weekend, which Hope says was key to her being able to attend. Through the Sorted Kāinga Ora programme, Hope learnt about budgeting and managing her money better, and saving towards her goal of home ownership. After finishing Sorted Kāinga Ora, Hope was selected by Te Tihi to be part of their rent-to-own home ownership programme. Hope is now on the pathway to fulfilling her dream:

> *"That ultimately I will own my own house, biggest positive."*

Hope will be living in a papakāinga with other whānau, and they have established their own set of written rules (kawa) about the way they will live and look out for each other. Hope's home is currently being built and she is able to physically see the progress plus have a say in different design elements.

> *"Honestly, to own a home that was something I could see but didn't think I could get it. It's like winning Lotto."*

Being on a pathway to more secure housing for her and her whānau has encouraged Hope to pursue other aspirations. Hope is participating in education and training that will enable her to work in the transport industry.

Enablers	Whānau Wellbeing Outcomes Achieved
TAM provided Hope with: • budgeting skills • determination to increase her income through setting financial goals within a set timeframe • warm, dry, safe and secure home for her tamariki after living in public housing for years • participation in local community activities as a result of living in a papakāinga.	• Whānau are self-managing • Whānau are participating fully in society • Whānau are economically secure and successfully involved in wealth creation • Whānau are cohesive, resilient, and nurturing • Whānau are responsible stewards of their natural and living environment.

7 Cost Benefit Analysis

An additional benefit of the TAM trials is the delivery of 68 warm, safe, dry, secure houses. The societal return on investment (i.e., the benefit that accrues to society) from prior Te Puni Kōkiri work on Papakāinga housing, which can be seen as a reasonable comparison to the TAM houses delivered, was 1.28:1. The cost to Government and the iwi/Māori organisations of delivering the 68 TAM houses was $32.694 million, compared to a societal return on investment of $41.848 million when applying the Papakāinga multiplier. On this basis the homes delivered by the trials could be said to have a net positive societal return on investment of $9.154 million, i.e., the benefit that accrues to society because of the houses being delivered exceeds the cost of delivering the houses by $9.154 million.

8 Whānau Wellbeing Outcomes

8.1 Intended Whānau Wellbeing Outcomes

The overall goal of the Māori housing investment strategy of Te Puni Kōkiri is to support whānau Māori to live in healthy, secure, and affordable homes. The drivers for this strategy are that:

- Whānau Māori live disproportionately with serious housing deprivation, affecting health, education, employment, and other social outcomes
- Housing Māori is a supply issue. We need to make it easier and financially possible for whānau, hapū and iwi to meet their housing aspirations in areas of need
- Whānau, hapū, iwi and rōpū Māori, and Māori communities are best placed to resolve short to long term housing problems but need capacity support, information, and direct engagement.

To understand the impact on whānau wellbeing, data was gathered from whānau using key indicators from the *Impacts of better housing for whānau Māori framework*[38]. This data was analysed and reported in the trials and whānau case studies. The data from both the formative and summative phases was then analysed against an evaluative rubric to provide an overall view on the impact of housing on whānau wellbeing using the framework indicators. The results are outlined in the whānau wellbeing outcomes, and the whānau case studies sections of this report. A summary of the framework is outlined below, and a full copy of the framework with the indicators is in Appendix 2.

[38] In response to Treasury's Living Standards Framework, Te Puni Kōkiri produced the Indigenous Approach, and an outcomes and indicators framework. The framework sets out the outcomes for all of its Māori housing, including TAM. The framework also lists the measures and indicators for evaluation purposes.

Whānau Wellbeing Outcomes / Indigenous Approach to the LSF - Domains	Measures and Indicators
1. Confidently participating in society **2. Self-managing** **3. Living healthy lifestyles**	a) Improved safety and security, both real and perceived
	b) Increased employment and study opportunities for whānau resulting from living in warm, dry, safe and secure homes
	c) Improved physical and mental health resulting from whānau living in warm, dry safe and secure homes
	d) Improved whānau capability in a range of areas
	e) Improved access to services through the location of housing developments and repairs
4. Confident in language and culture **5. Cohesive, resilient, and nurturing**	f) Improved overall life satisfaction and sense of meaning from greater opportunity for whānau to live according to kaupapa Māori
	g) Restored pride of place and confidence
	h) Greater empowerment of whānau and communities
6. Responsive to living and natural environment	i) Improved opportunities for environmentally sustainable management of whenua, environmentally sustainable lifestyles, and emergency preparedness
	j) Increased connection to whenua achieved by whānau staying on or moving to their whenua
7. Economically secure and wealth creating	k) Increased quantity and quality of suitably sized and designed, affordable housing that is warm, dry, safe, and secure
	l) Improved connections to essential infrastructure
	m) Financial impacts of health benefits resulting from whānau living in warm, dry safe and secure homes
	n) Financial impacts of increased employment resulting from whānau living in warm, dry, safe, and secure homes
	o) Creation of stable quality jobs, lifting incomes, and reducing welfare dependence
	p) Increased creation and use of sustainable community and whānau enterprises.

8.2 Whānau Wellbeing Outcomes Achieved

Increased financial literacy

All whānau attended SKO training. As a result, all whānau have benefited from it in terms of improved understanding of their personal financial situation and where necessary developed a plan to improve their financial circumstances towards home ownership. All of the whānau interviewed started their journeys with an amount of debt. The SKO training made them all realise how debt was the central barrier to home ownership. One Port Nicholson whānau had more than $20,000 worth of debt, however with the help of the SKO facilitator, the debt was quickly reduced after following their financial plan over 18 months. The plan was stepped up to then save for a $50,000 deposit. The goal was reached through financial sacrifices and reducing the household budget for a short term:

> *"Sorted opened my eyes, I didn't think I was going to be ready....by the end of the 8 weeks (SKO training), learnt about budget, learning about past mistakes and how valuable it is to have a home.....[the SKO facilitator] gave me confidence that I could do it [buy a home] despite my journey up to that point.....on settlement day, my debt was zero." (Whānau)*

Despite being out of the SKO training, this whānau continues to have financial goals to buy the house outright from Port Nicholson within the next three to five years. The agreement with Port Nicholson allows both parties to review the arrangement each year to assess circumstances, equity, and goals.

Whānau have confidence and a sense of purpose

Whānau spoke about having a sense of purpose since being part of Te Ara Mauwhare. Whānau have become goal orientated and focused on debt reduction and improving their whole outlook. Whānau who shared their personal journey as part of this evaluation spoke about changing their former behaviours of working week to week paying bills and living in a state house to being more focused on achieving their goals.

> *"I wake up now with a different outlook on life for me and my tamariki.....I really had no idea I could afford a home....I have financial goals now." (Whānau)*

Whānau are self-managing

Te Ara Mauwhare has empowered whānau to manage themselves and their financial affairs. The skills acquired through the SKO programme, the navigators and the Māori organisations have assisted whānau to make decisions to improve their wellbeing.

> *"Te Tihi have been great. Without them wouldn't have been on this journey. Helped through Te Tihi to achieve things that I wouldn't have been able to do it. Changes in my own family and kept you in a steady place." (Whānau)*

One whānau had an asthmatic child, and since being in their new home the child does not get asthma or experience any respiratory problems. The whānau are no longer worried about the child getting sick all the time, as the mother had to take leave without pay to look after the child.

> *"I haven't had a day off for ages since we moved here. My boy doesn't get his asthma." (Whānau)*

Whānau have a strong sense of belonging...

Whānau spoke about being empowered as a result of being part of the decision-making process about their homes. Within set budgets, Te Tihi supported whānau to select features and fittings of their houses allowing whānau to feel empowered and build a real sense of ownership of their homes.

> *"I think I am so used to be on the receiving end of things, and being told rules or filling out application forms, and here's Te Tihi asking us what we want in our houses. I'm just happy about getting a warm house." (Whānau)*

One whānau is painting their fence and intends to build vegetable gardens.

> *"I couldn't and wouldn't normally do this, but I am so proud of our home, I have the children helping too." (Whānau)*

Increased security

Whānau feel safe, secure and warm now that they are in their homes. Parents spoke about having heated and insulated spacious homes compared to their previous private or state homes that were not insulated, or part of a larger complex of units. One whānau spoke of their tamariki having their own bedrooms and feeling secure in their surroundings. In their previous home, the tamariki slept in a bedroom with other whānau members.

Whānau spoke of their new backyards, and room to relax with the whole whānau.

> *"Growing wahine and boy and mum need their space. For their own ability to thrive they need space to thrive.... this house has created space for this to happen." (Whānau)*

Increased household income

Whānau increased their household income in response to achieving their financial goals. Three whānau members secured permanent employment to increase their income, reduce debt and service a mortgage. This allowed whānau to reach their financial goals faster.

> *"So I worked two jobs for 18 months, seven days a week, did savings most of that time." (Whānau)*

Another whānau increased their part-time hours to service the mortgage.

> *"I was working 20 hours per week and increased to 30 hours." (Whānau)*

Creating Cohesive Communities

All trials are effectively creating new communities of whānau. These new communities, are intended to bring a sense of cohesion, sharing and security. Te Tihi created a community of whānau through their monthly homeowners' hui, and the development of the kawa and tikanga agreement between them and the new house owners.

Port Nicholson is of the view that if hard work is done to build cohesive communities now, you will see the positive change through generations.

> *"Communities are a subset of a bigger community – support them, then the bigger community is better off. Some of those that say no, don't understand the consequence, and how much it would hold back an entire community. By housing people now, future benefits of intergenerational change. Immediate impact." (Staff)*

Whānau have a strong sense of belonging in Wainuiomata. Two new whānau who live side by side have tamariki aged the same who regularly play together and have positive relationships. The two whānau get on really well. Prior to this home, one of the whānau lived in a busy street, and that home never provided the same opportunities for the tamariki, whereas these homes are located in a cul de sac road, and the setting is safer for tamariki.

> *"It's so easy for us living next to each other. Kids play together, safe back yards and loving homes." (Whānau)*

As part of the Port Nicholson trial, one whānau member has taken up learning te reo Māori as there are local lessons. This whānau would not have had the confidence to go there but living in this community papakāinga has given her confidence to learn te reo Māori as it is amongst other iwi members.

Connection with whakapapa, tikanga and reo Māori

Since living in Te Puna Wai papakāinga, one whānau reconnected with whānau members of their iwi and learnt about their whakapapa. This has been life changing for whānau to reconnect with their tūrangawaewae.

> *"Didn't realise the impact until we moved here, being with whānau and big positive things for my kids. Most truest form is living on my whenua – it's experiencing it. Living here rather than some random property somewhere else." (Whānau)*

9 Critical Success Factors

Understanding whānau they support

Māori organisations implementing the rent-to-own PHO models have a close understanding of the whānau that are engaged in Te Ara Mauwhare. Through supporting whānau they have had to have a deep understanding of the whānau, and any underlying issues impacting on their financial situation. Having this close relationship between the parties can overcome hurdles, result in more direct communication with each other and facilitate assistance where needed.

> *"Seen these whānau in last three years, prove their situation, and working hard, feel anxious for a couple of them...you get to know them bit more intimately." (Staff)*

Relationships with key stakeholders

Māori organisations have initiated new relationships with organisations in the housing development sector that they would not have experienced without Te Ara Mauwhare. Māori organisations have established relationships with local councils, NZ Housing Foundation, developers, builders, Te Puni Kōkiri, Te Tūāpapa Kura Kāinga and project management consultants. These relationships have developed and flourished over the years to leverage their collective knowledge and share information to progress their PHO models.

> *"Good relationship with TPK, honest with each other. The relationship developed over the course of the project. Great working relationship with (them) ." (Staff)*

Port Nicholson whānau spoke highly of the relationship they had with NZ Housing Foundation and the advice and support provided. NZ Housing Foundation demystified the application process for whānau and gave sound advice to increase whānau chances of a successful bank application loan.

> *"I was taught how to get over the line with the bank with having $10,000 in debt – [NZ Housing Foundation] showed me that the bank will look at my recent financial behaviour of reducing debt." (Whānau)*

Many of the whānau highly praised the support that NZ Housing Foundation provided, and how that support changed their lives through securing bank finance.

Increased employment of Māori

Social procurement was an underlying preference causing some Māori organisations to employ Māori on their TAM trials. This was undertaken through contracts with building contractors, suppliers and other professionals that every person working on the TAM trial was firstly local, and secondly Māori. For one of the contractor's tender, the Māori organisation was allowed two weeks prior to the formal tender going public so that the Māori organisation could advertise the positions with their networks to encourage the employment of Māori.

Increased knowledge of housing development

While some Māori organisations were well versed in property development, for others, it was a steep learning curve. The Māori organisations have increased their understanding of infrastructure, finance and government processes around housing development. They have developed relationships with housing developers, council, community housing providers and housing project management consultants.

> *"[We] were naïve..... about building the houses....wouldn't start something from scratch (again)...need a good balance with visionary, creative with the detailed people...really hard nosed people, and that's not us, we are in here to support whānau, that's our vision.....everyone in this space (housing development) is in for profit...we have learnt a lot about this space." (Staff)*

Other Factors

Over the course of the TAM trials, Māori organisations learnt more about how to operate a successful housing development project. Most of the Māori organisations said that they would not do anything too differently, however they identified other important factors for future investments in progressive home ownership models. These are:

1. Invest sufficient time to assess each PHO model to determine how much risk your organisation is willing to assume and manage.

2. Appoint a project team with relevant expertise including:
   a. legal, structuring and finance skills (investment management) including designing the finance of the project and sourcing funding
   b. project management skills for contracting, contract management and delivery of the homes
   c. managing of any iwi interface alongside the housing development.

3. Offering land for the housing development as a starting point is a win for government and for the organisation.

4. Understand your whānau cohort before you determine the PHO model you want to use, including their financial circumstances, ability to service a mortgage and ability to increase household income.

5. If you have a choice on where the housing development will be, assess the benefits of its location, i.e., iwi land, district plans, future infrastructure, proximity to schools, etc.

6. Before you start building, work out which homes should be built first, i.e., the ones that have been partially funded by Government, rather than the ones that are yet to be sold.

7. Collect baseline information on your whānau cohort so that you can track the achievement of whānau wellbeing outcomes. This rich data can be used to seek and access more funding for your project.

> *"For this development there is complexity of the financials. These developments require that sort of brain. The financials and required skills should not be underestimated in the development." (Staff))*

10 Conclusion

Te Ara Mauwhare is one of a suite of Government solutions that addresses Māori housing affordability and state housing waitlists. As such, the results should be viewed in the context of the wider Māori housing investment strategy and results.

There are learnings from TAM that Te Tūāpapa Kura Kāinga can apply to the Progressive Home Ownership Fund to support iwi and Māori organisations. The need for specialist expertise, a key relationship manager to work with whānau and the ability to acquire the land are some of the factors that can go a long way to saving time and money in the establishment phase. These factors can also inform non-Māori housing initiatives.

Iwi and Māori organisations in this trial have indicated their interest to apply for funding through the Progressive Home Ownership Fund. The difference is that the funds through this programme are repayable, and not recyclable as with TAM.

The formative and summative evaluation findings provide a baseline report for where TAM is currently at, based on the voices and experiences of whānau and Māori organisations. Future monitoring and evaluation work should focus on building the evidence base by using the whānau wellbeing outcomes and measures, alongside Māori organisations building their own theory of change, and outcome measures. This measurement work will support Māori organisations to build a strong position to 'speak to' current and future funders, that seek to invest for outcomes and social and collective impact. Additionally, a survey to collate quantitative information could provide data on the number of whānau achieving outcomes and will build on the findings of this summative evaluation. Longitudinal research will help provide rich data about whānau progress over time moving from previous state housing to their own homes. The six trials included in the summative evaluation could be used as a sample pilot cohort for a longitudinal research project.

As a trial, Te Ara Mauwhare has been a success. Although some participants are yet to see the homes, we have evidenced the achievement of positive outcomes for whānau and Māori organisations. These outcomes include, securing employment, building of quality homes, increased whānau confidence, increased motivation, and increased financial literacy. Many lessons along the way will help to refine the PHO models and give whānau confidence that they can achieve home ownership.

Te Ara Mauwhare has planted that seed in whānau and communities that home ownership is achievable. Te Ara Mauwhare has supported whānau, who thought home ownership was unattainable, and shown them that through knowledge, determination and motivation, home ownership can be achieved.

It is important that Government does not lose sight of those whānau who completed SKO but did not progress to home ownership. These whānau still require navigational support, as Te Taiwhenua, Ka Uruora and Te Tihi have shown. The whānau need other alternatives while they continue to work towards improving their housing and financial circumstances. The SKO formative evaluation established that these whānau still increased their financial knowledge and improved their debt levels. Te Taiwhenua and Te Tihi will continue to monitor and oversee these whānau, as they are clients of their wider Whānau Ora, social and health services.

For an investment of $9 million and with the intention to recycle this equity for future whānau currently in public housing, Government can be assured that for a small investment TAM will continue to reduce dependency on public housing for future generations of whānau, and will free up places on the growing National Housing Register.

Appendices

1. Interview Consent Form for Summative Evaluation
2. Whānau Wellbeing Outcomes, Measures, and Indicators for Māori Housing
3. Te Puni Kōkiri Cost Benefit Analysis of Te Ara Mauwhare (April 2021)

Appendix 1: Interview Consent Form

Te Ara Mauwhare Evaluation

Huitanguru 2021

Tēnā koe

We are undertaking an evaluation of the Te Ara Mauwhare housing programme. We would like to interview you to better understand your programme, capture learnings and any improvements for future housing programmes for whānau. Below is a form asking you whether you want to participate in an interview with me at a time and place convenient to you. Participation is voluntary.

Ka nui te mihi

I understand that:

- ☐ My participation is voluntary, and I can withdraw at any time.
- ☐ My name or identifying information will not be included in the evaluation without my permission. If I work for an organisation, the type of organisation I work for may be identified.
- ☐ My relationship with Te Puni Kōkiri will not be affected through my participation.
- ☐ With my permission, the discussion may be audio recorded, and may be transcribed.
- ☐ If it is recorded, I have the right to request a copy of the audio or transcript of my discussion.
- ☐ Digital recordings, notes, and summaries will be stored securely with Te Puni Kōkiri. Hard copies of stored information will be destroyed after three years.

I have read the information sheet and consent form and been given the opportunity to ask questions. I give my consent to participate in this evaluation.

Name _____

Signature _____

Date _____

Can you please scan or take a photo and email back to us.
If you have any pātai, you can call us.

Appendix 2: Whānau Wellbeing Outcomes, Measures and Indicators for Māori Housing

	Well-being Outcomes	Domain areas	Indicators – only if applicable
Social	**Whānau are confidently participating in Te Ao Māori**	• Speaking te reo Māori • Proficiency • Speaking te reo in the home	• % Te reo speakers • % Whānau/households in which Te reo Māori is spoken in the home • % Learning te reo
		• Knowledge of pepeha • Mātauranga • Access to cultural knowledge	• % Whānau that have knowledge of the pepeha of the whānau • % Whānau having access to someone to support with cultural skills • % Believe they have acquired enough mātauranga / knowledge of whakapapa to teach others/children • % Participate in the transfer of te ao Māori knowledge
		• Participating in cultural activities	• % Participating in cultural activities • % Feel they have the opportunity to participate in cultural activities
		• Visiting marae • Connection to marae • Marae state of repair	• % Attended ancestral marae in last 12 months • % Living within 30 minutes' drive of ancestral marae • % Feel strongly connected to ancestral marae • % Marae functioning well (in good state of repair)
		• Iwi registration • Rights and advocacy	• % Registered with an iwi • % Confident in organisations upholding their rights • % Satisfied that advocacy efforts are consistent with tribal history and values
	Whānau are cohesive, resilient and nurturing	• Contact with whānau and friends • Strong whānau relationships • Nurturing, abuse-free environment • Support	• % Extent of contact with whānau and friends • % Feeling lonely • % Whānau/family get along well with one another • % Getting support in times of need • % Whānau/family that give care to older/younger members • % Whānau/family satisfied with the amount of time spent intergenerationally • % Whānau/family provide a nurturing environment

	Well-being Outcomes	Domain areas	Indicators – only if applicable
Human	Whānau are participating fully in society	• Societal systems	• % Voting in General Election • % Trust in government institutions • % Voting in Local Elections • % Voting in School Board trustee elections
		• Feeling discriminated against • Expressing identity • Spirituality/religion • Safety • Crime level • Participating in clubs/ community groups • Access to support/services	• % Discriminated against in last 12 months • % Acceptance of diversity • % Ability to be yourself in NZ / express identity • % Re-offending rate • % Participating in club or interest groups • % Volunteering • % Access to GPs / mental health services • % Feel safe in neighbourhood • % Feel/trust that their whānau/family is treated fairly • % Feel their whānau are able to live as Māori • % Feel their whānau/family has satisfactory access to all necessary services
		• ECE • Educational/Qualification attainment	• % Attending ECE • % Achieving NCEA • % Satisfactory access to ECE • % Truancy
	Whānau are leading healthy lifestyles	• Self-assessed health status • Drinking alcohol • Eating healthily • Doing physical exercise • Psychological distress	• % In good health (self-assessed) • % Drink alcohol to hazardous level • % Eat 3+ vegetables per day • % Physically active • % Experiencing psychological distress • % Whānau encourage healthy lifestyle choices
	Whānau are self-managing & empowered leaders	• Pathways to independence • Sense of purpose • Capability within whānau • Planning for emergencies • Control over their life • Home ownership • Housing stability	• % Feel control over their life • % Whānau/households that own or partly own their home • % Housing affordability / housing cost • % Living at same house for 5 years • % Feel a sense of purpose • % Believe have gained the skills/knowledge to adequately manage their lives • % Believe have gained the skills and knowledge needed to contribute to their whānau/family • % Whānau that are aware of the capability that exists in their whānau network • % Whānau have a household emergency plan • % Whānau/households have home contents insurance • % Aware of their rights and interests regarding assets held in common

	Well-being Outcomes	Domain areas	Indicators – only if applicable
Natural	Whānau are responsible stewards of their living and natural environment	• Quality of environment / sustainability • Land use • Kaitiakitanga	• Air quality • Water quality • Resource stocks • % Involvement in environmental planning or decision making (or access) • % Land development and productivity • Value of whānau landholdings
		• Quality of housing • Land type	• % Whānau/households which have a problem with dampness or mould • % Whānau/households which need housing repairs • % Homes are insulated • % Land type that housing is on (papakāinga)
		• Access to wāhi tapu and wāhi taonga	• % Whānau have access/opportunity to visit sites of significance
Financial/ Physical	Whānau are economically secure and successfully involved in wealth creation	• Income • Income adequacy • Savings/Net worth • Financial skills	• % Income adequate to meet everyday needs • Household income per person • Net worth • % Whānau/family have a retirement savings plan • % Believe they have the skills to adequately manage the financial situation for themselves and their whānau/family
		• Employment • NEET	• % Employment rate • % NEET • % Whānau/household have sufficient employment [‘underutilisation’ is available]
		• Business ownership • Business growth • Business opportunity	• Number of Māori / whānau business • % Self-employed • Turnover • % Exporting • % Increasing employees • % Whānau/household feel they would have the support needed to start a business

Appendix 3: Te Puni Kōkiri Cost Benefit Analysis of Te Ara Mauwhare

#	Iwi / Māori Organisation	Cost/house including infrastructure ($)	Total Cost ($)	ROI Multiplier adjusted for 75% grant	Total Benefit ($)	Net Benefit
1	He Korowai Trust	232,754	1,862,032	1.28	2,383,401	521,369
2	Te Tihi o Ruahine Whānau Ora Alliance	606,551	9,098,265	1.28	11,645,779	2,547,514
3	Port Nicholson Block Settlement Trust	400,000	4,000,000	1.28	5,120,000	1,120,000
4	Chatham Islands Partnership Housing Trust	615,158	3,075,790	1.28	3,937,011	861,221
5	Te Taiwhenua o Heretaunga	465,781	4,657,810	1.28	5,961,997	1,304,187
6	Ka Uruora Housing Trust	500,000	10,000,000	1.28	12,800,000	2,800,000
	Total		32,693,897		41,848,188	9,154,291

An additional benefit of the TAM trials is the delivery of 68 warm, safe, dry, secure houses. The societal return on investment (i.e., the benefit that accrues to society) from prior Te Puni Kōkiri work on Papakāinga housing, which can be seen as a reasonable comparison to the TAM houses delivered, was 1.28:1. The cost to Government and the iwi/Māori organisations of delivering the 68 TAM houses was $32.694 million, compared to a societal return on investment of $41.848 million when applying the Papakāinga multiplier. On this basis the homes delivered by the trials could be said to have a net positive societal return on investment of $9.154 million, i.e., the benefit that accrues to society because of the houses being delivered exceeds the cost of delivering the houses by $9.154 million.