



Section 17a Social Housing Workshop

Tuesday 3 December 2024

MARTIN
JENKINS



Section 17a

Delivery of Services

Local Government Act 2002

“A local authority must review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions.”



Purpose of today's session

Reflect on Council's current approach to community housing.

Understand housing needs in Timaru, in the context of the evolving local and national landscape.

Remember, today is NOT about making a decision.



What Will Be Covered Today

Public Session

- **The Current Situation**
- **Local Government's Role in Housing**
- **Poll**

Public Excluded Session

- **Recap and Financials**
- **Speakers from the Sector**

The current situation



Council's Portfolio stats



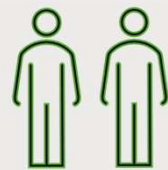
236

Community Housing units



0

vacant studio units



9

couples



227

single tenants

\$22M

Portfolio rateable value

\$42M

Portfolio market value

\$1.73M

Rental income

(currently funds full operating costs)

\$1.49M

Cost to deliver housing
services



**Council's
Portfolio
locality**

Timaru

148 units

134 single & 14 studio units

Temuka

56 units

39 single & 17 studio units

Pareora

6 units

6 single units

Pleasant Point

6 units

2 single & 4 studio units

Geraldine

20 units

20 single units

Financials – LTP 24-34

LTP 24-34		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Housing - OPEX											
1.1 : Revenue		1,629,493	1,743,557	1,865,326	1,954,809	2,046,633	2,140,753	2,236,531	2,337,105	2,439,235	2,546,442
1.2 : Expenses		(1,491,136)	(1,552,972)	(1,625,213)	(1,658,086)	(1,694,973)	(1,750,242)	(1,787,987)	(1,831,585)	(1,893,247)	(1,944,553)
2600 : Depreciation		(163,073)	(167,240)	(185,700)	(185,700)	(185,700)	(198,513)	(198,513)	(198,513)	(210,821)	(210,821)
4230 : Finance Costs Internal		(141,923)	(150,433)	(165,254)	(164,750)	(173,662)	(185,224)	(189,139)	(205,066)	(223,731)	(244,411)
2401 : Operating expenses		(1,025,628)	(1,048,192)	(1,076,422)	(1,105,481)	(1,129,772)	(1,153,546)	(1,176,596)	(1,200,163)	(1,223,006)	(1,246,263)
4220 : Allocations		(160,512)	(187,107)	(197,838)	(202,155)	(205,840)	(212,959)	(223,739)	(227,844)	(235,689)	(243,058)
3052 : PPE Revaluation - (Oth Comp Inc)		0	32,263	0	0	60,092	0	0	69,394	0	0
Surplus		138,356	222,848	240,113	296,723	411,751	390,512	448,544	574,914	545,988	601,889
Asset value in CVR - at cost	14,883,572	15,313,572	15,750,282	16,069,464	16,315,702	16,567,368	16,824,324	17,086,685	17,179,765	17,274,709	17,371,453
Asset value in CVR - WDV	10,794,356	11,061,283	11,330,753	11,464,236	11,524,774	11,590,741	11,649,184	11,713,033	11,607,600	11,491,724	11,377,647
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Housing - CAPEX		430,000	436,710	319,183	246,238	251,666	256,956	262,361	93,080	94,944	96,744
M168 - Convert 3 Bedsits to 2 One Bed Flats - Temuka then Pleasant Point		125,000	125,000								
M167 - Reroof Clyde St, Cameron Courts Temuka, Huffey Street, Clyde Carr Cres, King St, Pleasant point		150,000	153,300	156,975	160,590	164,130	167,580	171,105			
M169 - Upgrades - Painting Outside and Inside		80,000	81,760	83,720	85,648	87,536	89,376	91,256	93,080	94,944	96,744
15 - Flats 1 General Healthy Homes and General Capex Works - Capital Renewal		75,000	76,650	78,488							
Borrowings		2,735,150	3,004,620	3,138,103	3,307,852	3,528,082	3,782,782	4,101,313	4,474,612	4,888,215	5,361,177

- Deep dive into the financials in the Public Excluded section including option for an alternative financial model.

Timaru District – housing summary

Timaru has

48,900

residents.

There are

19,500

households and


4,980

do not own their homes.

22.9%

of the population are over the age of 65.

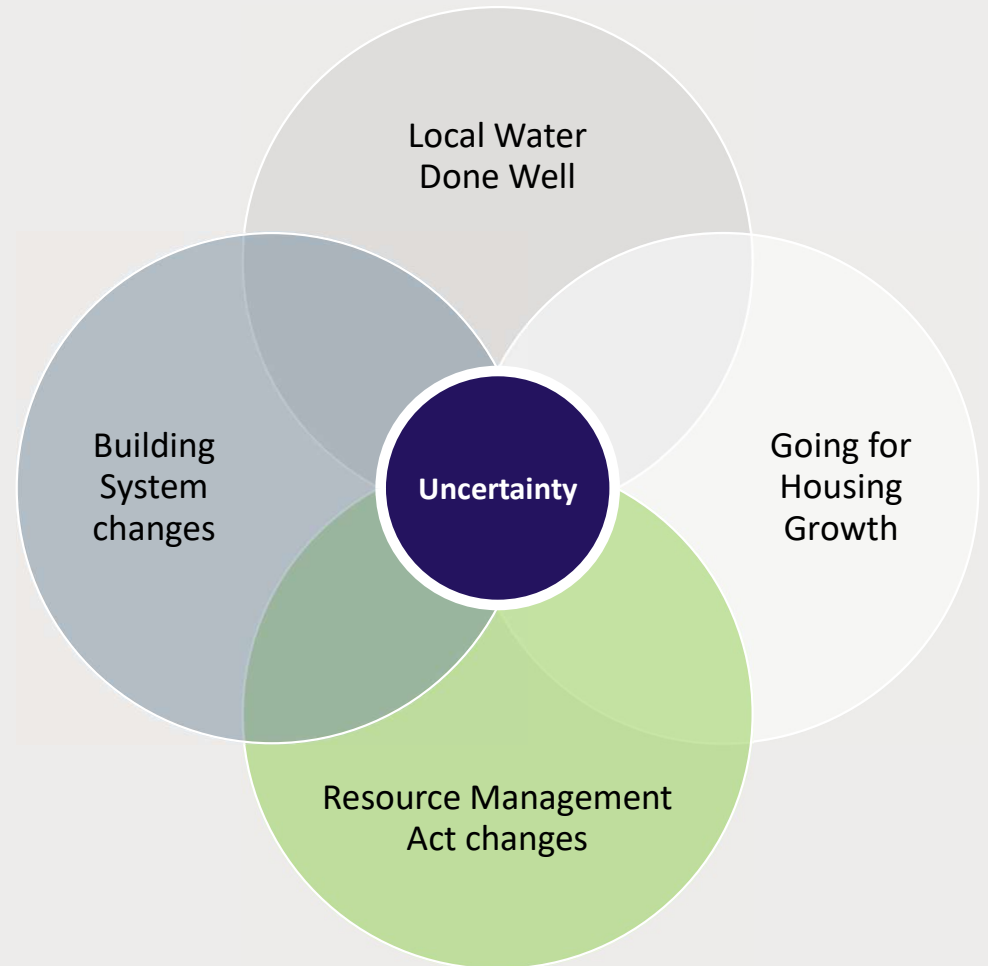
	There are only 4 transitional houses in the Canterbury region outside Christchurch.				The lower-quartile sales price is \$415k, and the median sales price is \$495k.	
		Kāinga Ora provides 425 homes in Timaru. There are no community housing providers.			There were 30 building consents per 10,000 people in Timaru in the last year.	
The number of households in severe housing deprivation in Timaru is 24 per 10,000.	Less than 9 households are receiving Emergency Housing Special Needs Grants in Timaru.	There was an 18% decrease in housing register applicants over the last year – sitting at 22 applicants per 10,000 people.		Lower-quartile weekly rent was \$400 in Timaru, with average weekly rent at \$458.		The ratio of median sales to median income is 7 – this is in the bottom half of all councils.
				26% of households' rent is equal to, or more than, 40% of income.		
Rough sleepers	Emergency and transitional housing	Social housing	Assisted rental	Market rental	Progressive home ownership	Full home ownership



The government does not subsidise council housing, but does pay a subsidy to registered community housing providers and their tenants

- **Local authorities fund their own council housing – without central government support.**
- **Local authorities cannot access the income-related rent subsidy or operating supplement.**

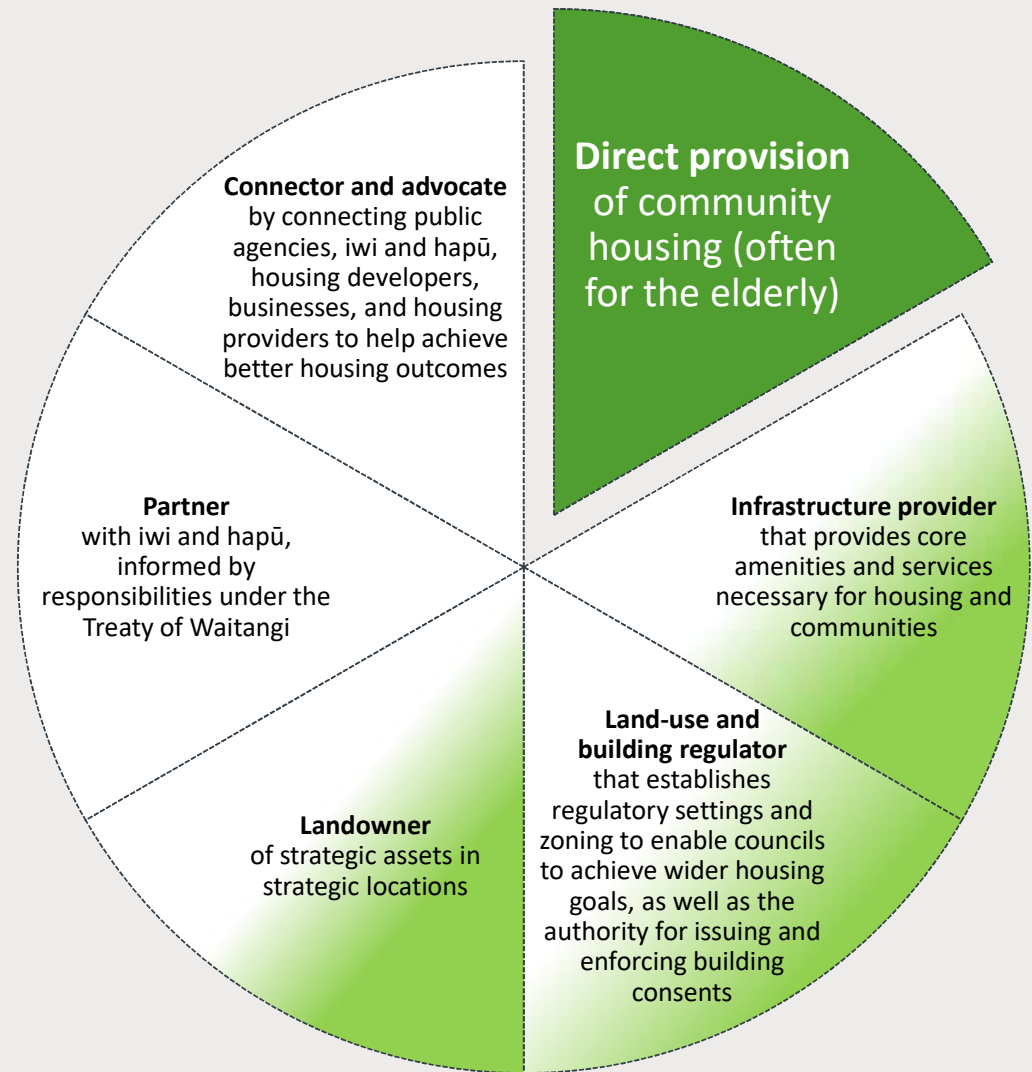
**The wider Local
Government
reform
programme
creates
complexity and
opportunity**



Local government's role in housing



Councils can play many roles to influence housing outcomes



These roles can be applied across the housing continuum - for example:

*TDC play a role in areas noted in green

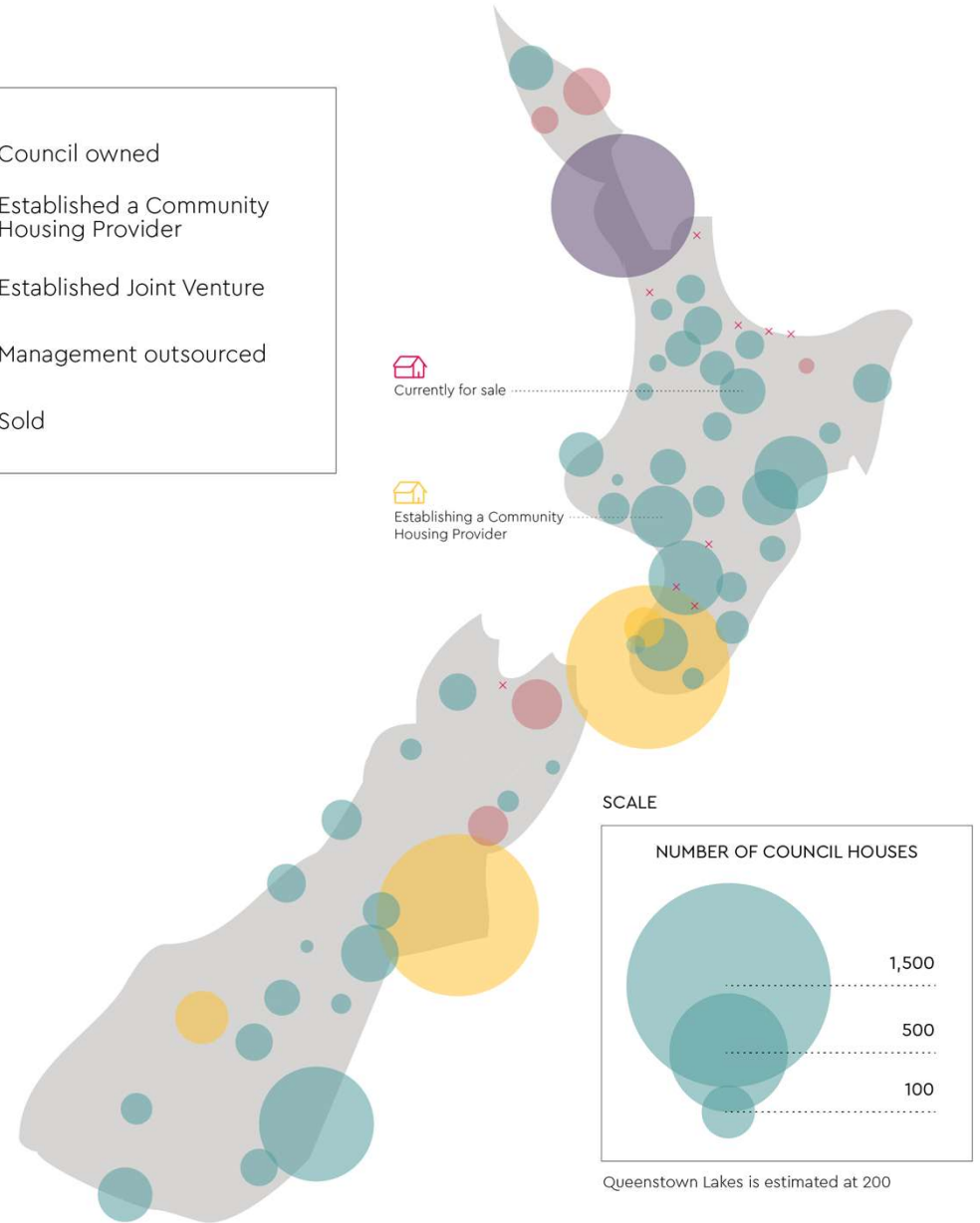
<i>Direct provision</i>			Council housing		Providing affordable rentals	Providing shared equity products	
<i>Landowner</i>			Working with a community housing provider		Leasehold arrangements		
<i>Connector and advocate</i>	Working with (and potentially funding) local providers						
<i>Partner</i>						Partnership with iwi on home ownership products	
<i>Infrastructure provider</i>							Providing enabling infrastructure
<i>Land-use and building regulator</i>							Providing enabling land-use rules
Role of Council	Rough sleepers	Emergency and transitional housing	Social housing	Assisted rental	Market rental	Progressive home ownership	Full home ownership

Direct provision of community housing (often for the elderly)

Many councils are considering the future of their role in direct provision

KEY

- Council owned
- Established a Community Housing Provider
- Established Joint Venture
- Management outsourced
- Sold



There are levers that you can pull to change the performance and focus of your housing services

Expand into more products

Optimise the portfolio or use alternative delivery mechanisms

Refine focus

CUSTOMER
FOCUS



Who do you want to provide housing to?

SCOPE OF
HOUSING
SERVICES



What housing services do you want to provide?

DELIVERY
MECHANISMS



Who delivers your housing services?

FUNDING



What funding mechanisms can you adjust?

COMPOSITION
OF THE
PORTFOLIO



What housing assets do you want in your portfolio?

DEMAND
SIDE
INTERVENTIONS



What support do you want to provide to households to rent or own?

SUPPLY SIDE
INTERVENTIONS



How can you enable development of affordable housing?

Poll



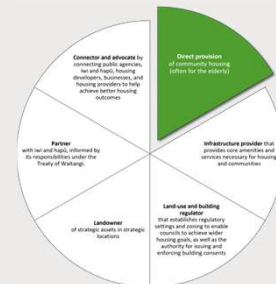
Scan Me!



Q1

What are the three primary roles that the Council currently plays to influence housing outcomes in Timaru?

- Connector and advocate
- Partner
- Land-owner
- Land-use and building regulator
- Infrastructure provider



Refer to:

Q2

What top three areas across the housing continuum are the Council focused on?

- Rough sleepers
- Emergency and transitional housing
- Social housing
- Assisted rental
- Market rental
- Progressive home ownership
- Full home ownership

Refer to:



Discussion



Move to Public Excluded

