

# Wellington Housing Trust

**STRATEGIC PLAN 2012 - 2017**



# Strategic Plan

2012 - 2017

**"We celebrate the vision of the Wellington Housing Trust, who have a heart for the people, who are driven by aspirations to invest in a community that enables access to appropriate and affordable housing for all."**

Hon Tariana Turia, Minister for the Community and Voluntary Sector, on Wednesday 18 February 2009 at the Stoke Street project opening.

## **WELLINGTON HOUSING TRUST**

### **Vision**

Everyone has access to an appropriate, affordable, quality home.

### **Mission**

To be the leading provider and partner of community housing in our region, by:

- providing affordable, appropriate, quality community housing to meet housing need
- advocating to central and local government on policy and funding issues that affect the provision of community housing
- working with other agencies to enable the efficient and effective use of our combined resources

### **Customer statement**

To contribute to achieving our vision the Trust provides its services to people on a low or moderate income in Wellington region who have a housing need that is not being met by other housing providers.

### **Values**

In all its activities the Trust operates in ways that are:

- Sustainable – ensuring an affordable, safe, efficient, healthy housing stock
- Empowering – working with our customers in ways that are inclusive, participatory and uphold human rights
- Innovative – tailoring solutions to meet specific needs
- Approachable – acting as a landlord with a human face
- Cooperative – working positively with other agencies to find solutions to housing needs

## OUR STRATEGY

Our three key strategic goals are Better Services, More Homes, and Strong Advocacy.

### Better services

We have a culture of continuous quality improvement for everything we do. We work with our customers to ensure that their housing meets their needs. We will continue to strengthen our operational infrastructure in order to provide quality homes and services.

#### **2017 Goal - All homes and services meet the Trust's quality standards**

Achieved by evidence of:

- 90% satisfaction level in relation to our housing services in surveys of customers
- 80% of homes continue to meet our high property standards, and plans are in place to improve the remainder
- Best practice accreditation or equivalent by 2017

### More homes

We will increase the number of homes we can provide to meet housing need. We will achieve this with innovative and proactive approaches to funding, leveraging off government investment, and partnerships and support that will enable us to expand our housing stock in a financially sustainable way.

#### **2017 Goal – The Trust will manage 500 homes**

This will be achieved through:

- Growth of a regionally focused organisation
- Management of assets and stock transferred from third party organisations
- Management of assets and stock on behalf of third party organisations
- Identification and increase of funding sources into WHT
- Maximising the use of all current resources
- Leveraging initiatives such as home ownership schemes and mixed developments

### **Strong advocacy**

We believe passionately in community housing and will continue to provide leadership in areas that support the growth of community housing. Our research and advocacy role has been an essential part of who we are since the day the Trust was formed, and we will continue to advocate for access to affordable housing for all and the growth of the community housing sector.

#### **2017 Goal - The Trust aims to influence policy outcomes**

Achieved by evidence of:

- Submissions that have advocated for community housing
- Annual plan and other submissions to local and central government agencies
- Support and leadership of community stakeholder groups

## **CRITICAL SUCCESS FACTORS**

The critical success factors that support the Trust to be the regional community housing organisation of choice are:

- All activity meets and operates within the Trust's values, and supports our housing and service standards
- An increase in the number of homes year on year
- Our support improves future opportunities for our customers
- A sustainable funding model that supports growth in assets and efficient use of all resources
- An effective communication and stakeholder management strategy that fosters strategic relationships

## **OUR VISION**

**“Everyone has access to an appropriate, affordable, quality home.”**

The Trust will be the leading partner to government and other agencies for developing and providing community housing in the Wellington region.

We will develop innovative financing solutions to achieve quality social and housing outcomes. Our recent housing developments are examples of how we achieve these outcomes.

There are many benefits to government partnering with our organisation including better economic outcomes for their investment; the flexibility to provide a range of solutions and products; the ability to respond effectively to local housing needs; and the ability to leverage off the goodwill of the wider community.

We know that community housing in New Zealand can and should be providing housing on a larger scale and taking a broader role in meeting housing needs. International research and experience shows that growing the not-for-profit housing sector is a successful way of increasing the supply of social and affordable housing. To do this community housing providers need the support of government and other funding organisations. We leverage off government grants with borrowings and other funding to build on government investment and provide more homes.

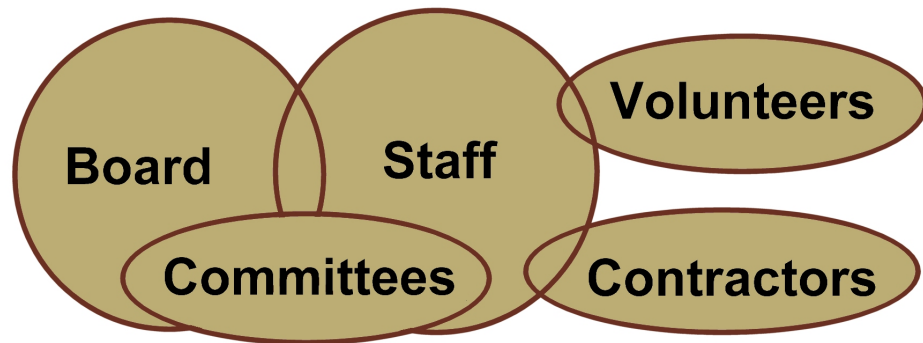
## **WHO WE ARE**

The Trust is a not-for-profit social enterprise that has been providing long term affordable housing to people on low and moderate incomes since 1981. We currently have 26 homes in Wellington.

The Trust is a charitable trust registered with the Charities Commission. We have Trustees who are elected to the Board and who have extensive skills and experience from diverse backgrounds. They are responsible for the governance and strategic direction of the Trust.

A team of three staff are employed to manage the day to day operations of the Trust and our housing services. They are supported by a team of volunteer and external contractors who are engaged as required.

## OUR TEAM



### **The Board of Trustees**

The Trust is governed by a Board of nine Trustees; the Chairperson is Paul Scholey.

### **Operations**

The Trust employs a Director, Alison Cadman, who is responsible for the day to day management of the Trust's operations, and two other members of staff.

Learn more about our Board and Team on our website at [www.wht.org.nz](http://www.wht.org.nz).

### **Members, volunteers and supporters - special thanks**

Members, volunteers and supporters have played an important role in the Trust's success since our establishment in 1981.

Anyone is welcome to become a member or supporter of the Trust, and information on how to get involved with the Trust can be found on our website at [www.wht.org.nz](http://www.wht.org.nz).

## **OUR PARTNERS**

### **Financial support**

WHT offers special thanks to the following organisations for their generous support of our work:

- Bank of New Zealand
- Housing New Zealand Corporation
- Community Organisation Grants Scheme
- Wellington City Council
- Lion Foundation
- The G Trust
- Trust House

### **Services support**

#### **Wellink Trust**

Wellink provides supported accommodation for people with mental illness in two of our homes.

#### **Others**

The Trust works with numerous other social service agencies that work alongside our tenants and provide them with the support they want and need.

#### **Governance Support**

- Becker & Co, Barristers and Solicitors
- DLA Phillips Fox

#### **Advocacy Support**

- Community Housing Aotearoa (CHA)
- Wellington Housing Forum
- Regional Community and Social Housing Working Group

# Strategic Plan Background Document 2012

**"We celebrate the vision of the Wellington Housing Trust, who have a heart for the people, who are driven by aspirations to invest in a community that enables access to appropriate and affordable housing for all."**

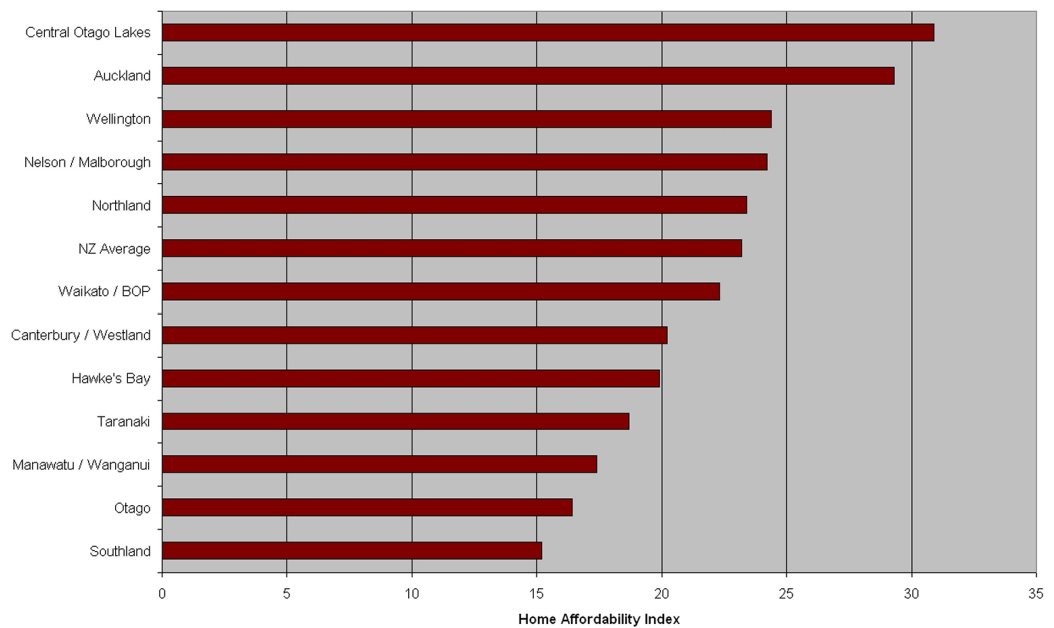
Hon Tariana Turia, Minister for the Community and Voluntary Sector, on Wednesday 18 February 2009 at the Stoke Street project opening.

## THE LOCAL HOUSING ENVIRONMENT

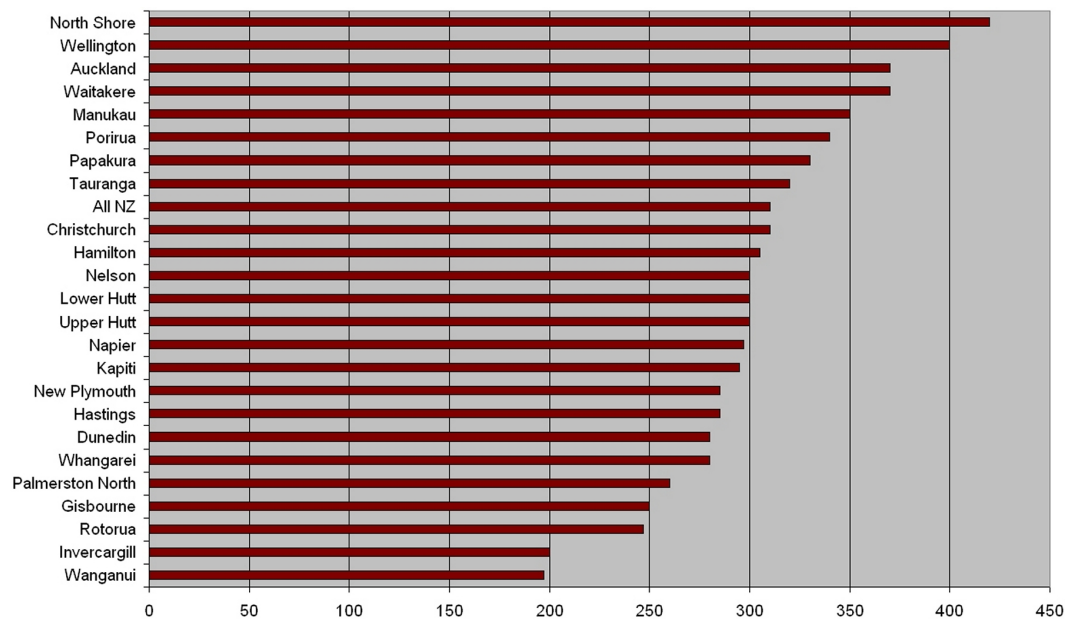
### The increasing cost of housing

Between 1996 and 2006 house prices in Wellington rose 163% - the highest increase of any city in NZ. [1]

According to the Massey University Home Affordability Report of March 2011 Wellington is the third most expensive region in terms of home affordability.



According to the Massey University Real Estate Analysis Unit's report 'NZ Residential Rental Market March 2011' Wellington weekly median rents are the second highest in the country - only slightly behind North Shore City rents. While other cities have had a softening of weekly rents Wellington rents have remained stable.



“The cost of renting in the private sector has risen faster than household incomes. This has particularly affected people on lower incomes living in areas of greatest demand, such as central Hutt and Wellington.” [2]

### Housing needs are growing

In August 2006 Housing New Zealand and Wellington City Council completed the report “Wellington City Housing Needs Assessment”. The needs assessment found that:

“The number of household with housing needs is projected to increase by 3,310 between 2006 and 2026. This is an annual increase of 166 households per annum. The growth in support required can be met through the provision of additional social housing stock or alternatively the accommodation supplement. If no additional social housing units are supplied over the next 20 years, social housing providers will be supporting 33 percent of households in need in 2026, compared with 44 percent in 2006 and 50 percent in 2001. To maintain their level of support, at a ratio of assisting 44 percent of households in need, an additional 1,452 units would need to be added to the social housing portfolios in Wellington City over the next 20 years, or 73 units per annum.” [3]

[1] Darroch Research. Quoted in *Home and Housed: A Vision for Social Housing in New Zealand*. Housing Shareholders Advisory Group, 2010.

[2] *Wellington Hutt Valley Regional Strategy 2005-2008*. Housing New Zealand, 2005.

[3] DTZ New Zealand, and Stimpson & Co. *Wellington City Housing Needs Assessment*. Housing New Zealand, 2006.

## Housing needs are changing

The Wellington region, like most metropolitan areas of New Zealand, is experiencing a change in housing demand.

### Social housing: who needs what? [1]



Larger Homes

Larger ethnic families



Smaller Homes

Ageing population  
Late household formation  
Family break-up



Supported Homes

Ageing population  
Mental health service users returning to the community  
Ex-prisoners

## A solution

One solution to a housing demand that is both growing and changing is to build new affordable housing.

Housing New Zealand and local councils cannot, on their own, meet the growing demand for affordable housing: they don't have enough money.

New Zealand needs to learn from the rest of the world and look for creative ways to achieve more housing solutions to meet a range of needs. New Zealand needs a strong vision to grow the community sector and a strategy to achieve this. Without a vision we believe the rich potential of the sector to provide more innovative and creative solutions to the growing housing needs will continue to be lost.

[1] Wellington Hutt Valley Regional Strategy 2005-2008. Housing New Zealand, 2005.

## **WHAT IS COMMUNITY HOUSING AND WHY IT WORKS**

Community housing is the provision of affordable housing to lower and moderate income groups by non-government, not-for-profit organisations.

### **The advantages of community housing**

#### **A proven model**

International studies have shown that growing the community housing sector is a successful way of increasing the supply of low-cost housing stock. Over the last few decades many countries, including Australia, Canada, the UK and the USA, have increased the size of their community housing sectors.

#### **Better value for money**

Unlike state and public housing organisations the community housing sector can access funding from a range of private and public resources. It has the capacity to borrow against the properties it owns and is well-placed to attract support from other partners.

For example, in Australia, for every dollar spent by the government, housing agencies attract an extra 25 to 30 percent from private, philanthropic and local government sources.

Community housing organisations can also utilise volunteers and operate with a minimum of bureaucracy.

This means the sector can house people more cheaply and provide better value for money.

#### **Flexible**

The sector is not confined to property for rent. A number of affordable housing schemes, including home equity, rent to buy, and shared homeownership can also be provided.

The sector can also address specialised housing needs or work closely with organisations that do.

#### **Independent**

The sector is less subject to political influence than either state or local authority-owned housing providers.

#### **Community orientated**

Organisations in the sector are either community-driven or work closely with communities. They have a greater chance of identifying the needs of specific communities and working with them to find appropriate solutions.

The community housing model is more inclusive than private or public sector models and places greater importance on tenant participation.

As well as the provision of housing the sector can also engage in activities that generate

social and economic capital. These include brokering more effective access to community services, supporting social and economic participation by tenants, and supporting local economic initiatives.

### **Social**

The sector can reduce the stigma attached to private renting and social housing provision.

### **Better outcomes for tenants**

Overseas research shows that community housing organisations achieve better outcomes for tenants. This is due to a number of factors including the provision and facilitation of support services that enable tenants to sustain successful tenancies.

## WHAT WE DO

Wellington Housing Trust provides affordable housing that is connected to our extensive local networks of service providers.

Our customers come from a diverse range of backgrounds and have a diverse range of needs.

We facilitate support for people who are re-establishing their lives, creating opportunities for stability, for economic prosperity and for good social outcomes. Our services consider the needs of individuals and their communities, and our services vary from person to person and from place to place.

We take our commitment to our customers to heart and have established a Tenants Advisory Group. The purpose of the group is to act as a link between customers and the Trust's Board. It is important that the Trust's customers have input into the policies, procedures and guidelines that affect them.

Trust representatives visit our customers every three months checking how they are, along with a property and repairs and maintenance check. We survey current tenants annually in order to measure their levels of satisfaction with their homes and the services we coordinate. Satisfaction ratings from our customers are high.

### Financial sustainability

We have been operating since 1981 and from our experience know that we have to be financially responsible and sustainable. At all times we operate in a prudent and businesslike manner and we are financially accountable. Any surplus that accrues is retained for future housing development. Our operational costs are self sustaining.

As a charitable trust we apply for grants from philanthropic trusts, lotteries and other funding agencies. The Trust also gets support from members with donations of money and labour. Support from central government comes in many forms, including low interest loans and more recently, funding from the Housing Innovation Fund administered by Housing New Zealand Corporation (HNZC).

Our rentals are set at 70% of market. However due to the high market rents in Wellington our rent setting policies are flexible. This flexibility ensures that our rents are affordable for our customers.

### **Partnerships, support and sponsorship**

We attract private sector support and the Trust works in partnership with private sector organisations. For example:

- Our bank gives us a discounted interest rate in exchange for all our business.
- Our insurance is discounted because we purchase insurance collectively with other agencies.
- We receive discounted services from other professionals, such as legal and valuation services, in exchange for our continued business.

We plan to do more partnering with the private sector, such as working with property developers to obtain more properties, and are developing our relationship with Wellington City Council with the aim of partnering in future housing projects.

### **Advocacy**

We believe passionately in community housing and will continue to provide leadership in areas that support the growth of community housing. Our research and advocacy role has been an essential part of who we are since the day the Trust was formed, and we will continue to advocate for access to affordable housing for all and the growth of the community housing sector.

Following the publication of our 'Networking and Collaboration Analysis Report' in 2006 the Trust was instrumental in setting up the Wellington Housing Forum, a group that brings organisations together to improve housing situations for people with unmet housing needs in Wellington. The forum achieves this through information sharing, networking, education, advocacy, lobbying and collaboration.

The Trust publication 'Are we really serious about the Community Housing Sector?' (2007) is a proposal to increase funding to the Community Housing Sector.

## **OUR SERVICES**

The Trust works alongside a number of other social service agencies to ensure that our customers have the support and services they want and need.

Overseas research and our own experience in NZ show that community housing organisations achieve better outcomes for tenants. This is due to a number of factors including the provision and facilitation of support services that enable tenants to sustain successful tenancies.

We believe in creating mixed communities to avoid high concentration of people with complex needs.

## **OUR HOMES**

Our homes are diverse and include inner city apartments, new townhouses as well as villas in other suburbs.

We provide quality homes that our customers want. We ensure that our assets are managed effectively and contribute to the Trust's financial solidity.

## CASE STUDY - THE 2008 NEWTOWN DEVELOPMENT

With the support of Housing New Zealand's Housing Innovations Fund and the addition of private sector support, the Trust built six quality townhouses with two, three and four bedrooms.

The Trust contributed 26% of the cost of the project, as land and finance, and HNZN provided a 25 year loan with 10 years interest free. We also received a conditional grant to assist us with the development costs.

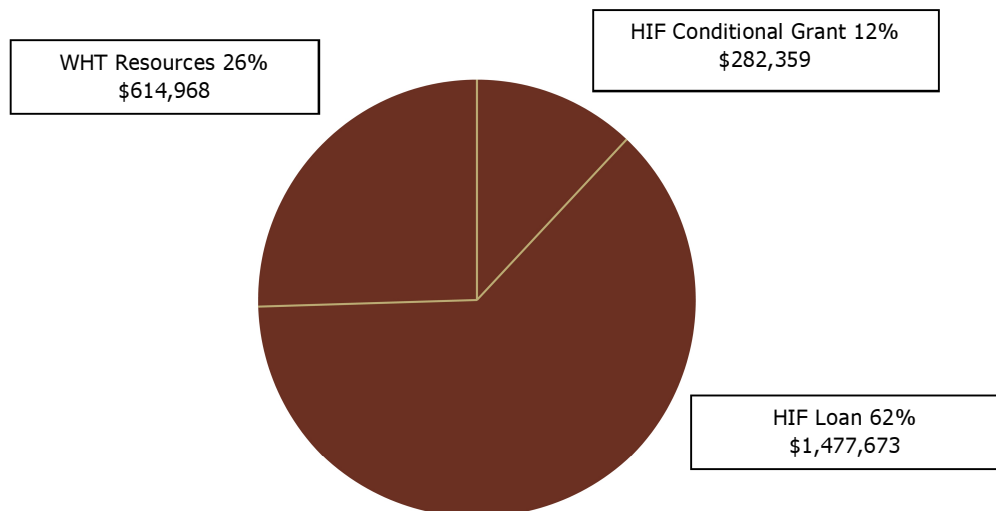
It was important to us that the homes were inexpensive to live in. Insulation installed was above the required standards, efficient heating systems and other features like thermal curtains (and planting) were key consideration in the design to support this goal.

The tenants at Stoke Street come from many different cultures and backgrounds and have diverse reasons for needing community housing.

At the opening of the development, the Minister for Community and Voluntary Services, Tariana Turia, said "The model provided by the Trust is one which gives a brilliant example of social housing."

### Six homes – a bargain!

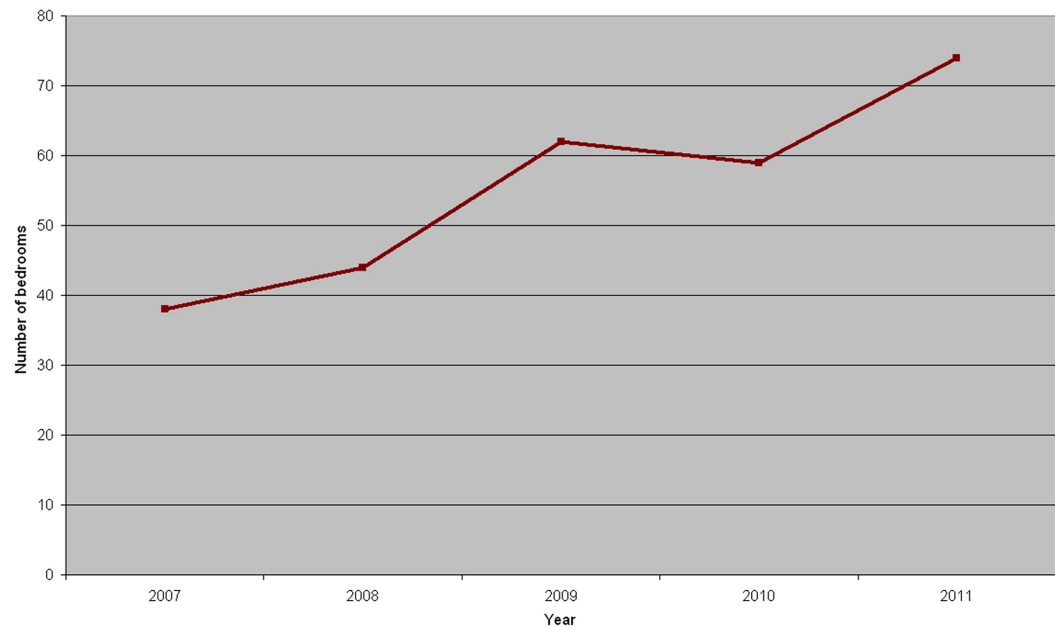
The Trust's Stoke Street project, funded by HNZN's Housing Innovation Fund (HIF), had a market value at completion of \$2,375,000.



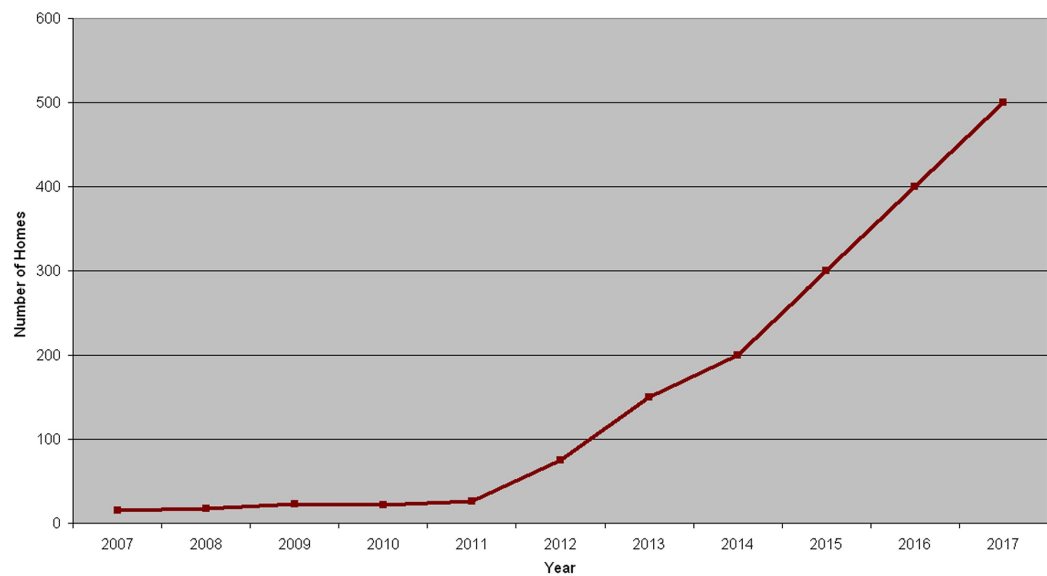
Of the \$1,760,032 funding provided by government for this project \$1,477,673 (84%) will be paid back. For the cost of the grant, and the cost associated with lending the money, the government gets six new social housing units. Could government achieve this by any other means? We don't think so.

## OUR STRATEGY FOR GROWTH

Wellington Housing Trust has a vision to grow. In 2007 the Trust owned 15 properties with a total of 38 bedrooms. We now own 26 properties with a total of 74 bedrooms.



By 2017 our goal is to be managing 500 homes and to have expanded our area of operation to Porirua, the Hutt Valley and the Kapiti Coast. These goals will enable us to better meet housing need in the Wellington Region.



### **What do we mean by growth?**

Our growth strategy includes:

- Increasing the number of homes that we own and manage
- Increasing the range of affordable, quality housing options we offer, including low cost home ownership and potentially supported housing
- Expanding the geographical area where we operate to other parts of the Wellington Region, including Porirua, the Hutt Valley and the Kapiti Coast

### **Why do we need to grow the trust?**

By growing our housing stock and increasing our asset base we will not only be able to house more people in housing need but will also achieve economies of scale that will enable us to deliver even better tenancy and property management services.

Growing our equity also increases our ability to leverage additional finance, giving a greater ability to grow our housing portfolio.

Becoming a regional organisation is a key part of our growth strategy as there is substantial unmet housing need in the region, especially for people in intermediate housing need and groups with high housing needs such as refugee families, people suffering mental illness, and older people. These groups have housing needs that are not being met by either current social housing provision or the market in terms of access, affordability, or choice.

The Trust's aspiration is to meet as much of this need as possible and we believe that by growing the Trust in the ways described in this Strategy we will be better able to do this in the Wellington Region. Adopting a regional view will also enable us to be more strategic in the way we address housing issues.

### **Our values and growth**

Our values are at the core of everything we do and how we do it. We will ensure that our growth is driven by and aligned with our vision, mission and values.

One of our core aims is to provide appropriate, affordable, quality housing. Our growth strategy is based on the fact that any new housing that we acquire or develop must be appropriate for our customers and meet standards of quality and affordability. It must also be sustainable, meaning that it is located in areas where there is a clear demand for it, and be supported by suitable facilities and amenities.

All growth will be aligned with the Trust's strategic plan, and we will apply a robust financial appraisal and risk management approach to all decisions relating to development or acquisition of assets. In addition every individual project will need to demonstrate financial viability and sustainability on a standalone basis.

### Tenure mix

Our primary target group is people who cannot easily access home ownership or private rental housing owing to lack of affordability in these markets. This group is sometimes termed the intermediate housing market. These might be people who do not qualify for housing assistance from HNZA or councils, and do not earn enough to buy their own home and experience financial stress in the private market.

We also work with individuals, families and groups who have high or complex needs such as refugee families, people with disabilities and older people.

We recognise the importance and value of mixed communities. As part of our growth strategy we have adopted a policy that in any new build development we will offer a mixture of tenures as part of the overall scheme. As a rule of thumb, at least a quarter of any developments will be allocated as low-cost home ownership properties.

### Options for growth

As part of our growth strategy we will:

- Buy land for the development of new housing
- Buy existing properties of the type and in the areas where we have demand
- Explore opportunities for stock transfer from other social landlords, such as HNZA or local councils
- Explore the option of head leasing properties in areas of high demand with limited opportunities to purchase or develop new stock
- Explore options for the Trust to act as managing agents for other not-for-profit groups (for example, social services providers)
- Explore partnerships with other housing providers to encourage mixed communities and to compliment existing housing provision e.g. working with HNZA to provide home ownership opportunities in areas with high concentrations of state housing

### Organisational capacity to support growth

The Trust recognises that in order to grow we will need to have the necessary organisational capacity, both in terms of people and systems. We will identify the Trust's ongoing capacity needs as part of our annual business planning process and will develop strategies to meet these needs accordingly.