



Centre for Housing Research  
AOTEAROA NEW ZEALAND

Kāinga Tipu

# CENTRE FOR HOUSING RESEARCH 06/07 ANNUAL REPORT



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**THE CHRANZ MISSION** The mission of the Centre for Housing Research, Aotearoa New Zealand – Kāinga Tipu (CHRANZ) is to: “Invest in rigorous, independent and relevant housing research to support policies and practices that meet New Zealand’s changing and diverse housing needs through sustainable, affordable, good quality and responsive housing opportunities.”

The CHRANZ approach to housing research takes in a holistic view, embodied in its Māori name Kāinga Tipu. In this sense, the word “housing” embodies both dwellings and wider living environments.

#### STRATEGIC GOALS

CHRANZ is the leader in setting priorities in housing research and is an effective investor in rigorous, independent and relevant housing research.

1

CHRANZ will grow housing research capacity.

2

CHRANZ will encourage public, private and third sector stakeholders to invest in housing research.

3

CHRANZ will develop a sustainable organisational model.

4

CHRANZ will promote the use of housing research findings by public, private and third sector stakeholders in the housing sector.

5

ACHIEVEMENTS IN 2006/07	
	<ul style="list-style-type: none"> <li>■ Delivered a robust, policy-relevant, housing research programme.</li> </ul>
	<ul style="list-style-type: none"> <li>■ CHRANZ's recognition by key stakeholders as a credible and leading housing research provider.</li> </ul>
	<ul style="list-style-type: none"> <li>■ CHRANZ-commissioned research identified:           <ul style="list-style-type: none"> <li>- There are specific options that can be taken to significantly improve <b>household energy efficiency</b> in New Zealand, increase the associated benefits and reduce adverse environmental effects.</li> <li>- There are several priorities for New Zealand to be better placed to meet significant current unmet housing needs and increased future demand for <b>accessible housing</b> for people of all ages with moderate to severe disability that affects their mobility.</li> <li>- There is a growing "<b>intermediate housing market</b>" of working households in the Auckland region that are unable to purchase a dwelling at the lower quartile house price (up from 20,400 households in 1996 to 54,900 households in 2006, an increase of 169 percent) and a shortage of affordable and secure accommodation for poorer households confined to the private rental market.</li> <li>- The decline in <b>home ownership</b> evident over the 1991 to 2001 period has continued over the 2001 to 2006 period, with the overall rate of home ownership falling from 67.8 percent in 2001 to 66.9 percent in 2006. The younger age groups, those between 20–40 years of age, experienced the greatest declines in their share of owner-occupier tenure across both periods.</li> <li>- The overall <b>home ownership rate</b> is projected to fall by 5.0 percent to 61.9 percent between 2006 and 2016. However, the rate of change is expected to vary between regions.</li> <li>- The number of <b>owner occupier households</b> is expected to increase by 43,010 and <b>renter households</b> by 151,890 between 2006 and 2016. The strongest growth in both owner occupier and renter households is projected to occur in the Auckland Region.</li> <li>- A majority of <b>councils</b> in New Zealand rate <b>housing affordability</b> as a very significant problem, but think they are relatively helpless. Councils directly provide 14,036 dwellings, mostly (95.3 percent) for older people. However, there is interest amongst a third of councils in taking a more active leadership role in addressing the challenge of affordable housing in their region. This will require a multi-pronged approach that involves local and central government, and provides for flexible approaches that are responsive to the circumstances and needs of different areas.</li> <li>- While the <b>community housing sector</b> is still in its infancy, opportunities exist for growing and developing the sector as either a niche provider of social housing or diversifying into mainstream social housing and providing <b>affordable housing</b> solutions. In both cases, considerable governance and management capability-building will be needed to realise these opportunities.</li> </ul> </li> </ul>



**CHAIRMAN'S REPORT** Since its establishment in 2003, CHRANZ has addressed critical housing research lacunae in order to support the implementation of effective housing policy and practices in New Zealand. In meeting this role, the CHRANZ Board appreciates the on-going support of the Housing New Zealand Corporation (HNZC) Board.

The CHRANZ Board emphasises prudent governance, a strategic focus and the delivery of a high quality, relevant, housing research programme. Successful collaboration with many agencies and individuals across the New Zealand housing research and policy community is fundamental to CHRANZ meeting its strategic goals.

Although commanding modest funds, CHRANZ's targeted research programme has successfully drawn key housing stakeholders in New Zealand into CHRANZ's circle, and its commissioned research makes a growing and recognised contribution to housing policy debates. This is increasingly the case as New Zealanders' preference to invest in housing comes under public and policy scrutiny, and as housing affordability becomes a prominent issue.

In 2006/07, its fourth year of operation, CHRANZ delivered a number of key achievements, in particular, a robust, policy relevant, housing research programme and an increased level of investment in housing research through project based funding partnerships with government agencies. CHRANZ is widely recognised by key stakeholders as a credible and leading housing research provider.

The requirement for a sustainable organisational model necessary to achieve the CHRANZ mission was seen by the CHRANZ Board as the priority strategic issue in the 2006/07 year and beyond. Good progress has been made on this front, captured in the findings of an independent review of CHRANZ commissioned by the HNZC Board. The key findings of the review were as follows:

- Self-funding is not an achievable objective for CHRANZ, given the public good component of the housing research funded. CHRANZ's future funding should be based on three sources: (i) funding direct from HNZC; (ii) an amount included in the HNZC's NDOC Appropriation Housing Policy Advice; and (iii) co-funding for research from various government agencies including HNZC.
- CHRANZ should remain a semi autonomous body with a management board. This is based on CHRANZ's unique capacity to scope the research agenda, broker and co-ordinate research priorities across agencies, facilitate the nexus between researchers and policy makers, disseminate research findings and commission research aimed, primarily, at informing policy debate and development.

In conclusion, I wish to acknowledge the commitment and efforts of CHRANZ Board members and staff. In particular, I wish to recognise the contribution of two CHRANZ Board members stepping down this year – Professor Robin Kearns, University of Auckland, and Sam Knowles, CEO, Kiwibank.



**MANAGER'S REPORT** CHRANZ has improved and expanded its activities, with expenditure in the 2006/07 financial year of \$935,000 (GST inclusive). CHRANZ's focus has remained on housing research investment, housing research promotion and building housing research capacity.

#### HOUSING RESEARCH INVESTMENT

Over the twelve months to 30 June 2007, CHRANZ managed fourteen housing research investments to the value of \$1,195,250 (GST inclusive). These investments were delivered across CHRANZ's 2005/06 and 2006/07 financial years, with CHRANZ contributing \$797,500 and project-based funding partners contributing \$397,750.

CHRANZ's new 2006/07 housing research projects included:

- Local Government and Affordable Housing
- Affordable Housing: The Community Housing Sector in New Zealand
- Housing, Employment and Regional Development: An Issues and Scoping Paper Applied to the Northland and Canterbury Regions
- Children's and Young People's Housing Experiences: Issues and Scoping Paper
- Census 2006 and Housing in New Zealand
- Changing Patterns of Home Ownership in New Zealand, 1991 to 2006
- Economic Impact of Immigration on Housing in New Zealand 1991–2016.

#### HOUSING RESEARCH PROMOTION

CHRANZ continues to make progress on promoting CHRANZ, publishing and disseminating research results and building interest in housing research more generally. However, more effective dissemination of research results is achievable, subject to resource constraints. CHRANZ's goal to promote housing research is supported by:

- providing free copies of research reports on the CHRANZ website ([www.chranz.co.nz](http://www.chranz.co.nz))
- adding to CHRANZ's research bulletin series
- updating of CHRANZ's housing research database
- the provision of quarterly Chairman's letters to housing sector stakeholders
- the annual launch of CHRANZ's Annual Report and research programme.

#### HOUSING RESEARCH CAPACITY

CHRANZ has contributed towards building housing research capacity in New Zealand. Housing research capacity has grown as a result of CHRANZ's expanded research programmes and the promotion of multi-disciplinary research teams, including private sector providers, tertiary academics, policy specialists and international housing researchers. CHRANZ's New Researcher Development Grants (NRDG) and Community-Based Research Pool (CBRP) programmes have also allowed for some growth.

#### RELATIONSHIPS AND PARTNERSHIPS

CHRANZ continues to develop and leverage its working relationships with housing sector stakeholders. While CHRANZ has consolidated its strong networks within government agencies and its overall relationships across the housing sector (researchers, community sector, local government and private sector) are good, the latter are more mixed and require further development.

TERRENCE ASCHOFF

MANAGER

CHRANZ

**RESEARCH INVESTMENTS** CHRANZ's key objectives were to:

- set housing research priorities
- invest in rigorous, independent and relevant housing research
- invest in the development of housing research skills among new researchers and organisations and individuals active in the community-based housing sector.

## RESEARCH PRIORITIES

The CHRANZ Board's 2006/07 housing research priorities were:

### ■ The New Zealand Housing System

This includes the future of home ownership, affordable housing and housing stock suitability.

### ■ Linking Housing and Social, Economic and Environmental Outcomes

This includes investigating connections between housing, labour markets and education and the development of sustainable settlements.

## INVESTMENT IN HOUSING RESEARCH

CHRANZ managed fourteen housing research projects over the last year. Seven of the research projects were begun in late 2005/06 (\$855,250 – GST inclusive), and seven were newly commissioned research projects (\$340,000 – GST inclusive). CHRANZ leveraged its new research investments through the establishment of project-based co-funding partnerships to the value of \$105,000 (GST inclusive).

## RESEARCH PROJECTS

PROJECT AND DESCRIPTION	RESEARCH PROVIDER	2006/07 INVESTMENT*
<p><b>The Impact on Housing Energy Efficiency of Market Prices, Incentives and Regulatory Requirements</b></p> <p>This research investigates the effect of prices, incentives and regulations on energy efficiency within households and recommends options that will further encourage greater levels of residential energy efficiency.</p>	<p>Taylor Baines and Associates</p> <p>Published October 2006</p>	\$75,000 <sup>1</sup>
<p><b>Māori Housing Experiences: Emerging Trends and Issues</b></p> <p>This research investigates Māori housing experiences and aspirations to identify emerging trends and issues.</p>	<p>Family Centre Social Policy Research Unit</p> <p>Published October 2006</p>	\$120,000 <sup>2</sup>
<p><b>Housing Supply in the Auckland Region 2000–2005</b></p> <p>This research investigates supply-related constraints that may have inhibited housing expansion in Auckland over 2000–2005.</p>	<p>Motu Economic &amp; Public Policy Research</p> <p>Published April 2007</p>	\$132,250 <sup>3</sup>
<p><b>The Future of Home Ownership and the Role of the Private Rental Market in Auckland</b></p> <p>This research investigates how the Auckland Region's private rental market might adjust to cope with the projected fall in home ownership rates.</p>	<p>DTZ Research</p> <p>Published April 2007</p>	\$120,000 <sup>4</sup>
<p><b>Housing and Disability: Future Proofing New Zealand's Housing Stock for an Inclusive Society</b></p> <p>This research aims to assist the housing and disability sectors to optimise housing access for the growing numbers of people who will be managing severe or moderate disability over the next 25 years.</p>	<p>Centre for Research Evaluation &amp; Social Assessment</p> <p>Published May 2007</p>	\$108,000 <sup>5</sup>
<p><b>Pacific Housing Experiences: Emerging Trends and Issues</b></p> <p>This research investigates the housing experiences and aspirations of Pacific people in New Zealand, developing trends and issues and potential solutions to current and future housing problems.</p>	<p>Koloto &amp; Associates</p> <p>Published August 2007</p>	\$115,000 <sup>6</sup>

## RESEARCH PROJECT DETAILS, CONTINUED

PROJECT AND DESCRIPTION	RESEARCH PROVIDER	2005/06 INVESTMENT*
<p><b>Affordable Housing in the Bay of Plenty Region: A Solutions Study</b></p> <p>This research investigates the links between housing, work, infrastructure and regional development in the Western Bay of Plenty (WBOP) and Eastern Bay of Plenty (EBOP) sub-regions. The research recommends responses to identified housing stress in the BOP regions focused on more proactive local government policies, increasing market efficiencies and the accelerated development of a third sector for community housing.</p>	Capital Strategy and SGS Economics and Planning Published August 2007	\$185,000 <sup>7</sup>
<p><b>Local Government and Affordable Housing</b></p> <p>This research assesses the current and potential contribution of local government towards addressing housing affordability problems.</p>	CRESA and Public Policy and Research Published August 2007	\$70,000 <sup>8</sup>
<p><b>Affordable Housing: The Community Housing Sector in New Zealand</b></p> <p>This research assesses the current and potential contribution of the community housing sector towards addressing housing affordability problems being experienced in New Zealand.</p>	Capital Strategy and SGS Economics and Planning To be published September 2007	\$75,000
<p><b>Housing, Employment and Regional Development: An Issues and Scoping Paper Applied to the Northland and Canterbury Regions</b></p> <p>This research assesses key housing, demographic, economic and infrastructure features of the Northland and Canterbury Regions. Priority housing research projects for the regions are also identified.</p>	Scott Phillips Ltd Published August 2007	\$30,000
<p><b>Children's and Young People's Housing Experiences: Issues and Scoping Paper</b></p> <p>This research investigates the connections between children's and young people's social and economic outcomes and their housing circumstances. The research also identifies priority research projects in this area.</p>	Public Policy and Research Published August 2007	\$25,000
<p><b>Census 2006 and Housing in New Zealand</b></p> <p>This research provides an analysis of housing market trends based on the 2006 census and makes projections to 2016.</p>	DTZ Research Published August 2007	\$30,000 <sup>9</sup>
<p><b>Changing Patterns of Home Ownership in New Zealand, 1991 to 2006</b></p> <p>This research explores the way in which the fall in home ownership in New Zealand between 1991 and 2006 has been experienced by different household types, age (of respondent), household income and location.</p>	Scott Phillips Ltd Due September 2007	\$30,000
<p><b>Economic Impact of Immigration on Housing in New Zealand 1991–2016</b></p> <p>This research examines the short- and long-term economic impacts of immigration on housing demand and supply in New Zealand from 1991–2016, with a focus on the Auckland Region.</p>	Business and Economic Research Ltd Due September 2007	\$80,000 <sup>10</sup>

\* GST inclusive

## NOTES

1. Building Research provided co-funding of \$37,500 from the Building Research Levy.
2. Te Puni Kōkiri provided co-funding of \$60,000.
3. HNZA provided co-funding of \$50,000 and the Department of Building and Housing provided co-funding of \$32,250.
4. Auckland Regional Council provided co-funding of \$10,000.
5. The Office for Disability Issues provided co-funding of \$33,000.
6. The Ministry of Pacific Island Affairs provided co-funding of \$40,000.
7. The Department of Labour provided co-funding of \$30,000.
8. Auckland Regional Council provided co-funding of \$10,000.
9. Building Research provided co-funding of \$20,000 from the Building Research Levy.
10. The Department of Labour, Workforce Research and Evaluation, provided co-funding of \$75,000.

## NEW RESEARCHER DEVELOPMENT GRANTS

To encourage the development of new housing researchers, CHRANZ awards New Researcher Development Grants to support post-graduate research into housing-related issues.

PROJECT	RESEARCHER	2006/07 INVESTMENT*
The Assessment and Evaluation of Emerging Trends in Supported Independent Accommodation	Max Reid Victoria University	\$2,500**
The Impact of Sustainable Development on the Built Form of Urban Areas	Suzanne Vallance Lincoln University	\$2,500**
Participatory Processes of Designing and Building Our Home Environment	Andrea Ricketts Victoria University	\$5,000**
Constructing and Maintaining a Central Element of New Zealand Culture and Economy: DIY (Do-it-Yourself) Home Renovation, Maintenance and Repair	Michael Mackay Lincoln University	\$2,400
Understanding the Factors/Considerations that Contribute to Decisions on Residential Redevelopment	Kirsty van Reenen University of Otago	\$1,300
Affordable Housing for Mental Health Service Users	Andy Colwell Massey University	\$1,000
An Exploration of the Unexpected Barriers to and Solutions for Secure Home Tenure for People in Unstable Rental Accommodation	Lesley Hickey Unitec	\$5,000

\* GST inclusive \*\* Funding from 2003/04, 2004/05 and/or 2005/06 financial years

**COMMUNITY-BASED RESEARCH POOL**

In an effort to increase its contribution towards building housing research capacity, the CHRANZ Board has established a Community-Based Research Pool. The research funding is to support organisations and individuals involved in community-based housing to develop their research skills and interests in housing.

The following research is currently being undertaken:

<b>PROJECT</b>	<b>ORGANISATION</b>	<b>2006/07 INVESTMENT*</b>
An examination of the extent to which differing types and levels of support, and connectedness to neighbourhood and community, enhances the ability of people with a mental illness to maintain tenure in rental housing	ComCare Christchurch	\$5,000**
Researching the housing needs of mental health consumers in Kapiti	Kites Trust Wellington	\$4,900**
Research investigating the support needs of homeless households in Nelson	Jane Worthington Nelson Housing Trust	\$1,400

\* GST inclusive \*\* Funding from 2005/06 financial year



**RESEARCH PROMOTION** CHRANZ's key objective was to promote the use of housing research findings by housing sector stakeholders.

#### **OUTCOMES**

1. The CHRANZ website ([www.chranz.co.nz](http://www.chranz.co.nz)) remains a key communication platform. The following information was provided:
  - The results of CHRANZ-commissioned housing research reports and post-graduate research reports
  - Details of housing research work in progress
  - Links to CHRANZ's housing research database, New Zealand Statistics, housing reports and analysis, key stakeholders and users, and international housing research sites
  - CHRANZ's 2005/06 Annual Report and quarterly Chairman's letter to housing sector stakeholders.
2. CHRANZ launched its 2005/06 Annual Report and 2006/07 research programme to housing sector stakeholders in October 2006.
3. CHRANZ added to its series of research bulletins:
  - CHRANZ Research Bulletin 01, October 2005; Housing Tenure Aspirations and Attainment
  - CHRANZ Research Bulletin 02, February 2006; The Future of Housing in New Zealand
  - CHRANZ Research Bulletin 03, February 2006; Regional Housing Markets in New Zealand: House Prices, Sales and Supply Responses
  - CHRANZ Research Bulletin 04, August 2006; Affordable Housing in the Nelson, Tasman and Marlborough Regions: A Solutions Study
  - CHRANZ Research Bulletin 05, October 2006; The Impact on Housing Energy Efficiency of Market Prices, Incentives and Regulatory Requirements
  - CHRANZ Research Bulletin 06, October 2006; Māori Housing Experiences: Emerging Trends and Issues
  - CHRANZ Research Bulletin 07, March 2007; The Future of Home Ownership and the Role of the Private Rental Market in the Auckland Region
  - CHRANZ Research Bulletin 08, May 2007; Housing and Disability: Future Proofing New Zealand's Housing Stock for an Inclusive Society.
4. CHRANZ prepared the fact sheet Affordable Housing in New Zealand for the National Summit – Affordable Housing, 30 October 2006, Wellington.

Free copies of CHRANZ-commissioned research, research bulletins and details on work in progress are available on the CHRANZ website ([www.chranz.co.nz](http://www.chranz.co.nz)).



**THE CHRANZ BOARD** The CHRANZ Board was first appointed in August 2003, with reappointments being made between 2005 and 2007.

CHRANZ is a semi-autonomous body with the HNZC Board ultimately accountable for its activities. However, the CHRANZ Board is responsible for CHRANZ's governance, strategic direction and investment decisions. The CHRANZ Board is accountable to the HNZC Board. The CHRANZ Manager is employed by HNZC and is accountable to the CHRANZ Board.

CHRANZ receives core funding from HNZC and seeks to secure further funding from other agencies. A Memorandum of Understanding between the HNZC and CHRANZ Boards defines mutual roles and responsibilities, and the level of HNZC support (research and organisational funding, plus access to administrative and support services).

The CHRANZ Board members are:

		<b>Term</b>	<b>Term Ends</b>
Prof Nigel Haworth, Chairman	University of Auckland	Three years	25 August 2009
Mr Brian Donnelly	New Zealand Housing Foundation	Two years	25 August 2008
Prof Robin Kearns	University of Auckland	Three years	25 August 2007
Major Campbell Roberts	The Salvation Army, Auckland	Two years	25 August 2008
Ms Susan Huria	HNZC Board	One year	2008
Replaced by Ms Sandra Lee			
Mr Sam Knowles	Kiwibank, Wellington	Two years	25 August 2007
Prof David Thorns	Canterbury University	Three years	25 August 2009
Ms Raewyn Stone	Manukau City Council	Three years	25 August 2007
Mr Rau Hoskins	Design Tribe and Unitec, Auckland	Three years	25 August 2008

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.01 PROF NIGEL HAWORTH

.02 MR BRIAN DONNELLY

.03 PROF ROBIN KEARNS

.04 MAJOR CAMPBELL ROBERTS

.05 MS SANDRA LEE

.06 MR SAM KNOWLES

.07 PROF DAVID THORNS

.08 MS RAEWYN STONE

.09 MR RAU HOSKINS

<b>FUNDING AND FINANCIAL INFORMATION</b>				
	2006/07	2005/06	2004/05	2003/04
	(\$000)	(\$000)	(\$000)	(\$000)
<b>FUNDING</b>				
Appropriation	274.0	159.0		152.0
HNZC	613.2	510.0	548.0	331.0
<b>EXPENDITURE</b>				
Output Class One – Research Investment	599.6	367.0	254.0	272.3
Output Class Two – Research Promotion	57.6	30.0	22.0	5.0
Output Class Three – Organisation Services	277.7	302.0	272.0	205.7
<b>TOTAL EXPENDITURE</b>	<b>935.0</b>	<b>699.0</b>	<b>548.0</b>	<b>483.0</b>

**NOTES**

- 1 This financial information does not constitute a financial statement. The financial processes and results of CHRANZ have been audited as part of the audit of the Housing New Zealand Corporation Group financial statements audit. This financial information has not been audited in its own right.
- 2 All amounts are GST inclusive.
- 3 This financial information does not include co-funding from third parties paid to CHRANZ as income or paid directly to research providers. For example, \$47,859 of income (project co-funding) from the Office for Disability Issues and the Department of Building and Housing in 2006/07 is not included.

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