



Centre for Housing Research
AOTEAROA NEW ZEALAND

Kāinga Tipu

ANNUAL REPORT 2002
2003

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Together, we can create an effective
research and information platform from
which to develop effective housing policy,
practice and provision.



On 1 July 2002, Housing New Zealand Corporation (HNZC) set up the Centre for Housing Research, Aotearoa New Zealand (CHRANZ) under the initial management of an Establishment Board.

Twelve months later, it is a pleasure to report that CHRANZ has achieved a number of significant milestones. Today, the organisation has a robust governance and management structure, a clear set of research and investment priorities, and a strong foundation of relationships with and within New Zealand's research community. It has also invested in several major research projects that will deliver important and highly relevant source information for future work in the housing sector.

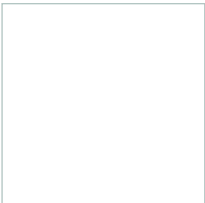
In establishing, funding and supporting CHRANZ, HNZC has recognised housing's vital contribution to New Zealand's future well-being, and the importance of undertaking research in this dynamic and complex sector. Our increasingly diverse population brings with it a new set of housing demands. If we are to meet those demands – through the public, private and community housing sectors – all stakeholders in the sector need to better understand:

- The extent to which New Zealanders can access affordable housing of an acceptable standard
- The wide range of housing needs among vulnerable population groups
- New Zealanders' changing attitudes towards housing, particularly home ownership and renting
- The patterns of public and private investment in the residential market and the economic flows the housing sector generates
- Opportunities for public, private and community sector collaborations in providing housing
- The performance and adequacy of housing in urban and rural environments.

CHRANZ has a mandate to develop and invest in the rigorous and independent research required to deliver this information. It is an invaluable opportunity to make a real contribution to New Zealand's knowledge society, firmly based on a framework of partnership and collaboration with our private, public and community sector stakeholders. Together, we can create an effective research and information platform from which to develop effective housing policy, practice and provision – and build a broader base of capable and experienced housing research providers.

It has been both a privilege and a challenge to be a member of the CHRANZ Establishment Board. With a focus on moulding the organisation's structure, processes, policies and investment priorities, the Board and the Centre Manager have also had to ensure the organisation continued carrying out its core function – investing in and promoting housing research. That this has been achieved is a testament to the team's commitment to and support of CHRANZ. I look forward to seeing the organisation become an important contributor to New Zealand's social, economic and environmental future.

CHRANZ – a focus for housing research



In December 2001, the Board of Housing New Zealand Corporation (HNZC) made a commitment to establishing and supporting an organisation that would instigate and fund independent housing research in New Zealand. This decision was reached after extensive consultation with interested community groups and other organisations, together with a review of HNZC's need for housing research.

The initiative reflects an extensive demand for housing research in New Zealand. Funds allocated to this important field of endeavour have traditionally been limited, with a relatively small pool of 'housing experts' available to undertake the research. In establishing Centre for Housing Research, Aotearoa New Zealand (CHRANZ), HNZC aims to 'kick start' the sector, with an expectation that the Centre will become increasingly independent through attracting funding support from other stakeholders and directing an increasing proportion of its income to research investment.

ESTABLISHING CHRANZ

In April 2002 HNZC appointed Brett Lineham as Centre Manager for CHRANZ's establishment phase. In November 2002 an Establishment Board was also set up, charged with developing:

- CHRANZ's long-term governance structure
- The organisation's operational policies and procedures
- Specifications for a permanent Centre Manager
- A permanent Board structure and composition.

The Establishment Board members are:

- Kay Saville-Smith – Establishment Board Chair
- Robin Henderson – Minister of Housing appointee
- Rau Hoskins
- Robin Kearns
- Sam Knowles – appointed 1 December 2002
- Shane Munn
- Campbell Roberts
- John Roper
- Sam Sefuiva
- Raewyn Stone
- Maryan Street – HNZC appointee.

The Centre Manager and the Establishment Board will cease their establishment work on 25 August 2003, when a new permanent Board and management will take responsibility for CHRANZ, its team and its housing research work.

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- .01 KAY SAVILLE-SMITH
- .02 JOHN ROPER
- .03 SHANE MUNN
- .04 CAMPBELL ROBERTS
- .05 ROBIN KEARNS
- .06 MARYAN STREET
- .07 SAM KNOWLES
- .08 RAEWYN STONE
- .09 RAU HOSKINS
- .10 ROBIN HENDERSON
- .11 SAM SEFUIVA

We 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 MISSION AND ROLE

The CHRANZ mission 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 organisation has two key roles:

To **invest in housing research** by:

- Developing housing research investment priorities
- Encouraging private, public and third sector housing stakeholders to invest in housing research
- Funding research activities within the housing research investment priorities through:
 - i. Key research programmes
 - ii. Scoping and limited budget grants
 - iii. New Researcher Development grants
 - iv. Sector facilitation grants.

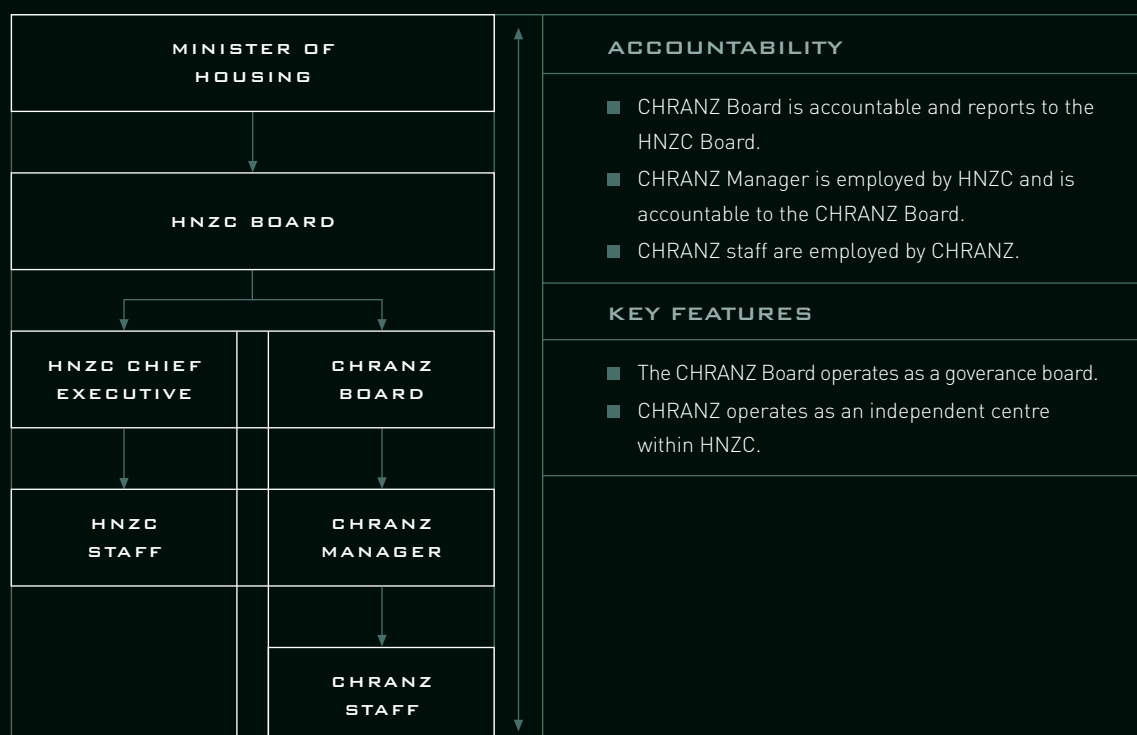
To **promote housing research** by:

- Disseminating the findings of research that CHRANZ commissions or funds
- Promoting researcher engagement and skill development in housing research
- Promoting the use of housing research findings by people and organisations in the public, private and voluntary sectors
- Promoting increased investment in housing research.

THE CHRANZ ACCOUNTABILITY STRUCTURE

During its establishment period and into the medium term, CHRANZ remains an HNZC entity, with the HNZC Board ultimately accountable for its activities. However, independent responsibility for CHRANZ's governance, strategic direction and investment decisions was delegated to the Establishment Board for the establishment phase and will be passed on to the permanent Board.

The CHRANZ-HNZC Board accountability structure is designed to support CHRANZ's independence while recognising HNZC's own accountabilities. Formally agreed during the establishment phase, it is illustrated in the diagram below.



In its establishment phase during 2002/03, the CHRANZ Board and Centre Manager have been required to develop and implement future-focused governance, management, operational and procedural frameworks while at the same time actively investing in housing research.

We have worked towards three key objectives:

- **Governance and management:** establishing robust governance and management structures
- **Research investment:** securing funding for research; establishing housing research investment priorities; investing in those that provide a platform for increased housing research in the future; and investing in housing research skills
- **Research promotion:** promoting housing research within the research community.

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□ GOVERNANCE AND MANAGEMENT

Our key governance and management objectives were to:

- Establish an effective governance, management and accountability structure for CHRANZ
- Specify an output class structure that will allow CHRANZ to manage its finances and activities efficiently
- Size the organisation and set a framework for allocating funding between overheads and research investment
- Identify and brand CHRANZ and the research in which it invests to promote both housing research and the organisation's independence
- Establish effective mechanisms for managing the research investment process.

GOVERNANCE, MANAGEMENT AND ACCOUNTABILITY

The Establishment Board and HNZC Board have agreed on a governance and accountability structure designed to:

- Recognise the parties' mutual interests in the Centre
- Establish an appropriate accountability relationship
- Recognise and codify HNZC's support for the Centre
- Express HNZC's desire for Centre financial independence in the future
- Express CHRANZ's independence in relation to priority setting and research investment.

The two Boards have also collaborated in developing a Memorandum of Understanding, with ratification timed for the CHRANZ Ministerial launch on 25 August 2003. And the Establishment Board has developed recommendations for the permanent CHRANZ Board's structure, roles and composition, which were provided to the HNZN Board in June 2003.

OUTPUT CLASS STRUCTURE

The Establishment Board has developed an output class structure that focuses on CHRANZ's core activities and clearly separates its research investment and promotion activities from those related to management and governance. The output classes are:

- Research Investment
- Research Promotion
- Organisation Services.

ALLOCATING FUNDING

In developing the budget framework and allocations for 2003/04, the Establishment Board has been committed to maximising the funding directed to research investment and minimising governance and management costs.

IDENTIFYING AND BRANDING CHRANZ

The CHRANZ name, acquired during the establishment phase, is intended to reflect the organisation's:

- Difference from other research investment bodies
- Research independence
- Strong commitment to New Zealand.

Te Kauhoe Wano facilitated the development of CHRANZ's Māori name – 'Kāinga Tipu' – which is an interpretation rather than a literal translation of the English name.

The Māori name recognises that research challenges in housing go beyond individual houses to include neighbourhoods and rural settlements. The reference to 'land' with 'kāinga' (which translates as the sky – all that is above the land) is particularly important because of its spiritual and cultural significance as well as its role in the physical placement of a dwelling. By incorporating 'tipu', the name also stresses the importance to the Centre of the dissemination of knowledge, especially in relation to the knowledge of healthy settlements for all people – with 'kāinga' reflecting on housing and 'tipu' capturing the sense of growth and learning.

SETTING MECHANISMS FOR RESEARCH INVESTMENT MANAGEMENT

The Establishment Board has implemented four categories of research investment:

- **Key Research Programmes – Commissioned Research:** This category covers research commissioned to provide information on the Centre's key research priorities. The research will usually be policy-related, be allocated larger budgets than other research categories and may well be part of a multi-year research programme.
- **Scoping and Limited Budget Projects:** This category covers small budget projects of a limited duration. The scoping work will often be associated with key research programme work.
- **New Researcher Development Grants:** In line with its aim to widen the housing research done in New Zealand and the range of researchers available to undertake it, the Establishment Board has offered a number of grants to graduate researchers in tertiary educational institutions to support their housing-related research work. These grants are also expected to be offered in 2003/04.
- **Sector Facilitation Grants:** This small fund enables the Centre to respond positively to requests for limited funding to support activities complementing its research work. It is envisaged that the fund will be replenished each year.

The processes required to manage the investment process will continue to evolve. To date, the Establishment Board has used a combination of commissioning, invitations for proposals (which allow the research community to generate innovative approaches to researching priority issues) and grants. Criteria and processes for assessment have also been established.

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□ RESEARCH INVESTMENT

Our key research investment objectives were to:

- Secure additional funding beyond that provided by HNZA
- Establish a framework of research priorities for the medium term and investment priorities for the 2002/03 year
- Invest in housing research priorities that would provide a platform for increased housing research activity in the future
- Invest in the development of housing research skills among new, developing researchers.

SECURING ADDITIONAL FUNDING

CHRANZ successfully contested for funding of \$171,000 from the Cross-Departmental Research Programme for research related to older people's accommodation.

SETTING A FRAMEWORK OF RESEARCH PRIORITIES

In February 2003 the Centre agreed on an Interim Statement of Research Priorities, which consisted of:

- A statement of the principles guiding its housing research investments
- A framework for structuring CHRANZ's investment priorities.

The principles guiding the organisation's housing research investments are:

- Invest in a balanced research set
- Focus on research that is likely to:
 - Maximise opportunities for improved access to housing among those groups most likely to be excluded from the operation of current housing markets or vulnerable to poor housing outcomes
 - Help community-based and private sector as well as public sector organisations with an interest in housing to operate effectively and maximise housing benefits in the housing sector
- Fill gaps in the housing research platform unlikely to be filled by others.

The research priority framework is structured around six key components of the housing sector:

- Access
- Vulnerable populations and housing demand
- Tenure
- Housing investment
- Housing providers and investors
- Housing performance in urban and rural environments.

The research priorities for these components are set out in the table opposite.

Access	<ul style="list-style-type: none"> ■ Regional patterns and determinants of affordability. ■ Access barriers to: <ul style="list-style-type: none"> – Rental housing – Home ownership. ■ Innovations to increase access for vulnerable groups. ■ Impacts of policy settings on vulnerable groups' access to housing.
Vulnerable Populations and Housing Demand	<ul style="list-style-type: none"> ■ Mapping changing housing need among vulnerable groups. ■ Barriers to access for: <ul style="list-style-type: none"> – Māori – Pacific peoples – Young people – Older people – People with special needs. ■ Regional impacts of domestic and international migration on housing demand. ■ Impacts of policy settings on the availability of housing for vulnerable groups.
Tenure	<ul style="list-style-type: none"> ■ Determinants of tenure choice. ■ Determinants of tenure preferences. ■ Tenure aspirations of New Zealanders. ■ Alternative tenure structures to optimise housing outcomes for vulnerable groups. ■ Impacts of policy settings on tenure.
Housing Investment	<ul style="list-style-type: none"> ■ Patterns of investment and economic flows in the residential market. ■ Patterns of rental stock investment. ■ Alternatives for private investment in affordable and/or social housing. ■ Impacts of policy settings on home ownership and rental investment.
Housing Providers and Investors	<ul style="list-style-type: none"> ■ Opportunities for and barriers to the development of alternative providers of housing. ■ Innovative mechanisms for public, community and private partnerships in housing provision. ■ Local government and housing.
Housing Performance in Urban and Rural Environments	<ul style="list-style-type: none"> ■ Determinants of and opportunities to improve stock durability and maintenance. ■ Impacts of regulation, local government planning and practices on: <ul style="list-style-type: none"> – Sub-standard housing – Housing amenity. ■ Neighbourhood design and planning for optimal housing access, amenity and social and economic inclusion.

INVESTING IN HOUSING RESEARCH PRIORITIES

The research priority themes for 2002/03 were:

- The changing structure of the housing sector in New Zealand
- The future of home ownership in New Zealand, with a particular focus on understanding:
 - The determinants of tenure choice
 - The extent and nature of home ownership aspirations
 - Changing investment patterns in home ownership
 - The nature and feasibility of alternative pathways to home ownership for groups facing difficulties entering home ownership
 - Affordability
 - Barriers to and solutions for affordable, quality housing on rural Māori land.

The Centre also invested in two projects designed to help improve the understanding of New Zealand's research and housing information base:

- An interactive research directory of New Zealand housing-related research
- A description and cataloguing of statistical data related to housing generated in New Zealand, with a particular focus on time-series data.

A total of \$204,000 was invested in housing research in 2002/03. The major research projects and programmes funded were:

PROJECT AND DESCRIPTION	RESEARCH PROVIDER	2002/03 INVESTMENT	REPORTING DATE
Research and Researcher Database Establishing a database of research carried out in the past decade, cross-referenced to researchers involved in housing research.	Pippa Player	\$27,400	Completed
Review of Statistical Housing Data Preparation of an inventory and an assessment of the available statistical data, with a prime focus on time-series data, relating to the housing sector.	Business and Economic Research Ltd (BERL)	\$13,400	September 2003
Housing and Structural Adjustment An economic analysis of house prices through the 1980s and 1990s at regional council and territorial local authority levels, to aid understanding of the drivers of price changes.	MOTU	\$14,700	Completed
The Changing Structure of the New Zealand Housing Sector A detailed analysis of the housing sector over the last two decades, focusing on the sectoral trends and the implications of changing trends.	DTZ Research	\$92,500	March 2004
The Future of Home Ownership in New Zealand A policy-oriented analysis of the changing trends in home ownership and an assessment of the future implication of those trends.	Massey University	\$36,000	April 2004
New Researcher Development Grants Two grants to researchers working on 'Price Impacts of the Leaky Building Syndrome' (Massey University) and 'Housing Issues for the Tongan Community in Otara' (Auckland University).	Song Shi, Massey University	\$6,000	December 2003
	Mosese 'Alatini' Auckland University	\$6,000	December 2003

INVESTING IN HOUSING RESEARCH SKILLS

To encourage the development of new housing researchers, the Centre allocated two New Researcher Development Grants during the year. The recipients were:

- Mr Song Shi, a graduate researcher at Massey University, who is studying the price impacts of the leaky building syndrome
- Mr Mosese 'Alatini' of Auckland University, who is researching housing issues for the Tongan community in Otara, South Auckland.

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□ RESEARCH PROMOTION

Our key research promotion objectives were to:

- Promote new synergies between researchers to generate a stronger focus on housing
- Provide researchers with a better understanding of the range and scope of housing research undertaken in New Zealand.

PROMOTING SYNERGIES

The Centre Manager has promoted housing research within New Zealand's research community in a number of ways. These include:

- Chairing the Research Working Party of the Social Housing Strategy developed by HNZN
- Facilitating inter-sectoral, cross-agency and cross-discipline workshops with researchers, research agencies and research end users on topics such as:
 - Home ownership
 - The built environment
 - Accommodation for older people
- Presenting seminars to and visiting end users and researchers in local government, the universities and central government agencies
- Chairing a housing-related session in the 2003 Policy and Research Conference organised by the Ministry of Social Development
- Liaising with the Australian Housing and Urban Research Institute to facilitate research into a comparative analysis of housing agency efficiencies.

UPDATING RESEARCHERS ON RESEARCH

In 2002/03 CHRANZ developed a database of housing research carried out in New Zealand since 1990 and of active housing researchers. This is intended to become an interactive database accessible on the Internet.

FUNDING	(\$000)
Funding for 2002/03	\$413.8
EXPENDITURE	
Actual Expenditure 2002/03	(\$000)
Output Class One – Research Investment	
Key research programmes	152.4
Scoping and limited budget research	36.8
New Researcher Development Grants	12.0
Sector facilitation	3.3
Sub-total	204.5
Output Class Two – Research Promotion	
Research promotion with providers and stakeholders	7.7
Sector access to research-related information:	
– Publications	
– Media strategy	
– Conferences	32.0
Encouraging research investment	10.6
Preparation for CHRANZ Board launch	6.0
Sub-total	50.3
Output Class Three – Organisation Services	
Management and support	112.7
Governance	61.2
Sub-total	173.9
TOTAL EXPENDITURE	\$ 428.7

