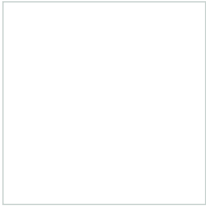




ANNUAL REPORT

2003 | 04

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

1

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

2

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

3

CHRANZ’s secretariat will be professional, efficient and effective in its delivery of organisational services to the CHRANZ Board.

4

ACHIEVEMENTS IN 2003/04	
	<ul style="list-style-type: none"> ■ Managed housing research investments totalling \$384,476 (plus gst)
	<ul style="list-style-type: none"> ■ Published the results of seven housing research reports, which included identification of: <ul style="list-style-type: none"> - major trends in the New Zealand housing market - key challenges for accommodation options for older people in New Zealand - important research gaps in the housing evidence base
	<ul style="list-style-type: none"> ■ Awarded five New Researcher Development Grants for postgraduate research into housing related issues
	<ul style="list-style-type: none"> ■ Established the CHRANZ website
	<ul style="list-style-type: none"> ■ Launched the CHRANZ Housing Research Database for public use
	<ul style="list-style-type: none"> ■ Established a housing research stream in the Ministry of Social Development's Social Policy, Research and Evaluation Conference 2004
	<ul style="list-style-type: none"> ■ Developed working relationships with housing sector stakeholders

Since its appointment in August 2003, the CHRANZ Board has focused on the delivery of a robust, relevant housing research programme.



CHAIRMAN'S REPORT Decent societies require unconditionally sufficient appropriate housing that underpins physical well-being, a strong economic performance, constructive social inclusion and a sustainable environment. Providing decent housing demands deep understanding of the changing technical, social and policy dimensions of housing. An understanding of the strong connections between housing outcomes and social, economic and environmental outcomes is also required.

A similar understanding is needed by central and local government, housing agencies, private sector participants active in the housing market and community representatives. Comprehensive, integrated, high-quality housing research is fundamental to that understanding. CHRANZ has been established to meet this challenge. In meeting this challenge, the CHRANZ Board gratefully acknowledges the support of the Housing New Zealand Corporation (HNZC) Board.

Since its appointment in August 2003, the CHRANZ Board has focused on prudent governance, a strong strategic focus and, above all, the development and delivery of a robust, relevant housing research programme.

CHRANZ's 2003/04 research programme comprised scoping research that was seen by the CHRANZ Board as a strategic investment. The recommendations emerging from this research will provide the framework for a two to three year strategic housing research programme relevant to all housing sector stakeholders. This programme will also complement the broad direction set out in the recent discussion paper BUILDING THE FUTURE: TOWARDS A NEW ZEALAND HOUSING STRATEGY by providing an evidence base that will ensure policy initiatives and interventions are related to the realities of the housing market.

In implementing its research programme, the CHRANZ Board has drawn on its sector-wide experience and strong commitment to high quality, internationally benchmarked research outputs. Our vision for CHRANZ is that it will be the pre-eminent champion and funder of rigorous, independent and relevant housing research in New Zealand.

While investment in funding research is one of CHRANZ's core roles, it will also contribute to improved co-ordination of research, identification of opportunities for leverage and building and maintaining long-term housing research capacity.

CHRANZ sees potential for major gains in the New Zealand housing research effort, policy and practice through these activities. This will require collaboration across the whole New Zealand housing policy and housing research community. The established and developing working relationships between CHRANZ and housing stakeholders bode well in this regard.

In conclusion, the CHRANZ Board has, in its first year, set in place the essential foundations necessary to achieve the CHRANZ mission. This has been made possible by the energy and commitment of CHRANZ board members and staff. CHRANZ looks to the future with enthusiasm and confidence, dedicated to the delivery of a strategic, policy-relevant, housing research programme.

Over the twelve months to 30 June 2004,
CHRANZ managed a total investment of
\$384,476 (plus gst) in housing research.



MANAGER'S REPORT CHRANZ has moved quickly from its establishment phase to becoming fully operational. It is now expanding its business activities with expenditure in the 2003/04 financial year of \$482,954.

In response to the priorities and directions set by the CHRANZ Board, our expenditure has focused on three key outputs: Housing Research Investment, Housing Research Promotion and Organisational Services. Our achievements in these areas have been underpinned by CHRANZ's expanding relationships and partnerships with housing sector stakeholders.

HOUSING RESEARCH INVESTMENT

Over the twelve months to 30 June 2004, CHRANZ managed a total investment of \$384,476 (plus gst) in housing research. This was a combination of research contracted in the 2002/03 financial year that was not completed until the current financial year and new investments made in 2003/04.

CHRANZ's 2003/04 investments in housing scoping research were aimed at identifying a set of housing research projects addressing a range of related topics. These included: housing costs and affordability; financial circumstances and tenure choice; the impact of economic, social and environmental changes on housing in New Zealand's non-metropolitan regions; and the economic, social and environmental impacts of the New Zealand housing market. Identification of these research projects was designed to assist CHRANZ to develop a clear focus for its housing research activities in 2004/05 and beyond.

HOUSING RESEARCH PROMOTION

CHRANZ has made progress on four fronts in its efforts to promote the take up of housing research findings by housing sector stakeholders. These include:

- The establishment of the CHRANZ website (www.chranz.co.nz)
- The establishment of the CHRANZ housing research database
- The dissemination of published research
- The establishment of a Housing Stream in the Ministry of Social Development's Social Policy, Research and Evaluation Conference 2004.

ORGANISATIONAL SERVICES

CHRANZ's key business documents (strategic, business and communication plans) have been established. CHRANZ has also maintained, and where necessary, improved its internal processes, operations, capabilities and services. A particular focus was placed on ensuring that CHRANZ's contracting processes for commissioning and managing research services were robust and able to stand external scrutiny.

RELATIONSHIPS AND PARTNERSHIPS

The support provided by policy and research advisors from relevant government agencies and others with an interest in housing related issues has been encouraging. This support has taken many forms including the provision of advice on the development of CHRANZ's 2003/04 research programme, active participation in various housing research projects and providing feedback on the final drafts of research projects.

CHRANZ has also benefited from a positive and proactive response from research providers. The research delivered to CHRANZ has been of a very high quality, involved collaboration across research organisations and demonstrated that these organisations have an ongoing commitment to housing research in New Zealand. The response of the research community, in an historically diverse and fragmented housing research market, is critical to CHRANZ delivering on its research programme.

TERRENCE ASCHOFF

MANAGER

CHRANZ

RESEARCH INVESTMENTS CHRANZ's key objectives were to:

- Set housing research priorities against an established research priority framework
- Invest in rigorous, independent and relevant housing research
- Invest in the development of housing research skills among new, developing researchers

RESEARCH PRIORITIES

The CHRANZ Board's 2003/04 housing research priorities were:

- The changing structure of the housing sector in New Zealand
- The future of home ownership in New Zealand

Both priorities remain areas of interest for CHRANZ in the future. These priorities were reached following consideration of six key components of the housing sector that capture the major housing issues and the changing housing environment. These components are:

- i. The access that all New Zealanders have to affordable housing of an appropriate standard. This recognises the importance of having genuine tenure options;
- ii. The needs of vulnerable populations for suitable and reliable housing;
- iii. The changing attitudes of New Zealanders to tenure;
- iv. The patterns of public and private investment in the residential market and the economic flows generated in the housing sector;
- v. The roles of, and opportunities for, alternative providers of housing and the significance of partnerships aimed at facilitating this alternative provision;
- vi. Urban and rural housing performance and the significance of neighbourhood design and planning.

INVESTMENT IN HOUSING RESEARCH

The housing research delivered by CHRANZ during the 2003/04 financial year was a combination of housing research projects initiated by its predecessor, the Establishment Board, and newly commissioned scoping research. The latter was seen as a strategic investment by the CHRANZ Board.

The results and recommendations emerging from the following research provides the framework for a two to three year strategic housing research programme relevant to all housing sector stakeholders. The programme will contribute towards the development of CHRANZ's investment in housing research, and to better inform housing policy and practice over the next five years.

KEY DRIVERS OF CHANGES IN THE STRUCTURE OF THE HOUSING SECTOR

- Government involvement
- Significant demographic changes
- Increased availability of credit

PROJECT AND DESCRIPTION	RESEARCH PROVIDER	2003/04 INVESTMENT*
<p>Review of Statistical Housing Data</p> <p>To improve the availability of baseline information about the New Zealand housing sector, this review provides a tabulation of the primary statistical data available and identifies opportunities to improve the uptake and availability of housing data.</p>	<p>Business and Economic Research Limited (BERL)</p> <p>September 2003</p>	<p>\$13,400**</p>
<p>The Changing Structure of the Housing Sector in New Zealand</p> <p>A detailed analysis of the housing sector and changes in it over the last twenty years.</p>	<p>DTZ Research</p> <p>May 2004</p>	<p>\$82,250**</p>
<p>The Impact of Financial Circumstances and Tenure Choice</p> <p>The development of a research programme addressing the relationship between financial circumstances and tenure choices for those New Zealanders in the 18 – 40 year old cohort.</p>	<p>BERL</p> <p>June 2004</p>	<p>\$30,000</p>
<p>Housing Costs and Affordability in New Zealand</p> <p>The identification and scoping of the key issues associated with housing costs and affordability in New Zealand.</p>	<p>DTZ Research</p> <p>June 2004</p>	<p>\$30,000</p>
<p>Scoping Bi-Directional Impacts of Economic, Social, Environmental Changes and the New Zealand Housing Market</p> <p>The identification of a set of housing research projects addressing two related topics: the impact of economic, social and environmental changes on housing in New Zealand's non-metropolitan regions; and the economic, social and environmental impacts of the New Zealand housing market.</p>	<p>Motu Economic and Public Policy Research</p> <p>July 2004</p>	<p>\$60,000</p>
<p>Accommodation Options for Older People in Aotearoa/New Zealand</p> <p>An analysis of the housing situation of older people (aged 65 and over) in New Zealand and the housing options which are open to them, both at the present time and in the future. Special attention is given to people in the low socio-economic groups, Māori, Pacific People and women.</p>	<p>New Zealand Institute for Research on Ageing (NZiRA) and BERL</p> <p>June 2004</p>	<p>\$168,826</p>

*GST exclusive ** Funding from 2002/03 Financial Year

NEW RESEARCHER DEVELOPMENT GRANTS

PROJECT	RESEARCHER	2003/04 INVESTMENT*
An Analysis of Leaky Home Stigma Impacts on Residential Property Values	Song Shi Massey University February 2004	\$6000**
Housing and Related Social Conditions of the Tongan Community Living in Otara	Mosese 'Alatini University of Auckland March 2004	\$6000**

* Gst exclusive ** Funding from 2002/03 Financial Year

INVESTMENT IN DEVELOPING HOUSING RESEARCH SKILLS

To encourage the development of new housing researchers, CHRANZ allocated five New Researcher Development Grants to support postgraduate research into housing related issues. Grants for the following research topics will be taken up in the 2004/05 financial year:

- The aspirations and decision-making processes among (potential) first homeowners (25 – 35 years) in the Auckland region.
- The housing experiences of a refugee migrant group in Christchurch.
- The home of exile: housing, gender and the Auckland Ethiopian refugee community.
- The assessment and evaluation of emerging trends in supported independent accommodation.
- The impact of sustainable development on the built form of urban areas.

KEY CHANGES IN THE STRUCTURE OF THE HOUSING SECTOR

- Significant reduction in government's direct involvement
- Rapid escalation in housing values in main centres compared with the rest of the country
- Escalation of household housing costs as a percentage of income
- Decline in home ownership affordability
- Increase in the number of private-rented dwellings
- Changes in the social housing sector – stock numbers and delivery
- Changes in the regulatory framework for planning and building
- Financial market deregulation
- Intensification of development, particularly in Auckland and Wellington
- Changes in household composition

<p>ACCOMMODATION OPTIONS FOR OLDER PEOPLE IN AOTEAROA/NEW ZEALAND</p>	<p>Key Challenges:</p> <ul style="list-style-type: none"> ■ The need to maintain and upgrade mainstream housing (owner-occupied and rented) so that 'ageing in place' remains viable ■ The need to develop a range of alternative housing options to meet special needs, whether these be care needs, social or cultural preferences
<p>HOMEOWNERSHIP, RENTERS, AFFORDABILITY AND LAND</p>	<ul style="list-style-type: none"> ■ The period 1981 to 1991 saw home ownership rates nationally actually increase by 2.4 percentage points to 73.8%, while the period 1991 to 2001 saw a 5.9 percentage point decline to 68.0%. ■ Mortgage costs for households with mortgages have increased from 14.3% of household income in 1988 to over 20.7% in 2001. ■ Total housing costs for renters have increased by 166% since 1987 whilst their income increased by 59%. ■ Affordability across a range of measures has reduced for both owner occupiers and renters in New Zealand over the last fifteen years. Affordability has reduced most significantly for those in rental tenure. The decline in affordability, across both owner occupier and rental tenure, has been most marked in the Auckland Region. ■ Of the various components (labour, materials and land) that go into the New Zealand house, it has been land value appreciation that has been by far the most significant contributor to housing cost increases over the last ten years.

RESEARCH PROMOTION: CHRANZ's key objective was to promote the take up of housing research findings by housing sector stakeholders.

OUTCOMES

While CHRANZ's research promotion is in its infancy, four key outcomes have been achieved. These include:

1. The launch of the CHRANZ website in December 2003. With an average of 500 visitors a month, this is CHRANZ's key communication platform for providing the following information:
 - The results of CHRANZ commissioned housing research reports and postgraduate research reports (seven research reports and two postgraduate reports at August 2004).
 - Details of housing research work in progress.
 - Links to CHRANZ's Housing Research Database, NZ statistics, housing reports and analysis, New Zealand key stakeholders and users, and international housing research sites.
 - Corporate publications such as CHRANZ's Annual Report and Quarterly Chairman's Letter to Housing Sector Stakeholders.
2. The launch of the CHRANZ Housing Research Database in May 2004. The database is updated on a quarterly basis and provides a central repository of bibliographic references to housing research carried out in New Zealand since 1990, for use by the housing policy and research community.
3. The dissemination to housing sector stakeholders of published copies of: THE CHANGING STRUCTURE OF THE HOUSING SECTOR IN NEW ZEALAND (DTZ Research, May 2004); and SUPPORTED ACCOMMODATION OPTIONS FOR OLDER PEOPLE IN AOTEAROA/NEW ZEALAND (NZiRA and BERL, June 2004).
4. The establishment of a Housing Stream in the Ministry of Social Development's Social Policy, Research and Evaluation Conference 2004.

THE CHRANZ BOARD: The permanent CHRANZ Board was appointed in August 2003 when the work of the Establishment Board ceased. The new Board took responsibility for CHRANZ, its staff and its housing research work.

In 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 has been delegated to the CHRANZ Board.

The CHRANZ Board is accountable to, and reports to the HNZC Board. The CHRANZ Manager is employed by HNZC and is accountable to the CHRANZ Board.

CHRANZ is currently funded by HNZC and is seeking alternative sources of funding for the future. A Memorandum of Understanding between the HNZC and CHRANZ Boards defines mutual roles and responsibilities, the level of HNZC support (research and organisational funding, plus access to administrative and support services), and is intended to contribute to the strengthening of the relationship between the two organisations.

The CHRANZ Board members were all appointed on 25 August 2003, and are:

Prof Nigel Haworth, Chairman	University of Auckland	Term: three years
Mr Brian Donnelly	New Zealand Housing Foundation	Term: three years
Dr Robin Kearns	University of Auckland	Term: one year
Major Campbell Roberts	The Salvation Army, Auckland	Term: two years
Ms Maryan Street	HNZC Board	Term: three years
Mr Sam Knowles	Kiwibank, Wellington	Term: two years
Prof David Thorns	Canterbury University	Term: three years
Ms Raewyn Stone	Manukau City Council	Term: one year
Mr Rau Hoskins	Design Tribe and Unitec, Auckland	Term: two years

.01 .02 .03



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- .01 PROF NIGEL HAWORTH
- .02 MR BRIAN DONNELLY
- .03 DR ROBIN KEARNS
- .04 MAJOR CAMPBELL ROBERTS
- .05 MS MARYAN STREET
- .06 MR SAM KNOWLES
- .07 PROF DAVID THORNS
- .08 MS RAEWYN STONE
- .09 MR RAU HOSKINS

FUNDING AND FINANCIAL INFORMATION

	2003/04 (\$000)	2002/03 (\$000)
FUNDING		
Appropriation	152.0	
HNZC	331.0	428.7
EXPENDITURE		
Output Class One – Research Investment	272.3	204.5
Output Class Two – Research Promotion	5.0	50.3
Output Class Three – Organisational Services	205.7	173.9
TOTAL EXPENDITURE	483.0	428.7

NOTES.

- (1) This financial information does not constitute a financial statement and has not been audited.
(2) GST exclusive.
(3) Appropriation for research investigating Accommodation Options for Older People in Aotearoa/New Zealand.

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