

Assistance to Housing Independence

Summary Report

**Sector and Stakeholder – Customer Intelligence
Research and Forecasting**

Housing New Zealand Corporation

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Executive Summary

Purpose

- 1 This report provides the findings of tenants participating in the Assistance to Housing Independence programme. The purpose of the analysis was to track the pathways of tenants to housing independence, assess the effectiveness of the programme, and note lessons learned.
- 2 The aims of the analysis are to:
 - track tenant progress through the pathway to housing independence
 - assess the incentives in assisting tenants to move.
- 3 This report presents findings from 5 September 2011 to 30 June 2012 of tenants enrolled in the Assistance to Housing Independence programme.
- 4 Note, this report also provides a summary of key findings from the commencement of the programme to its cessation as a standalone project in June 2012.

Findings

- 5 Five hundred and seventy tenants agreed to participate in the Assistance to Housing Independence (AHI) programme.
- 6 Most tenants who agreed to participate were motivated to start or were already on the journey to housing independence when approached to be a part of the AHI programme.
- 7 Fifty-eight percent of tenants in the AHI programme were under-utilisers¹ while 41 percent were market renters².
- 8 Under-utilisers were more likely than market renters to opt out of the AHI programme after making an initial agreement.
- 9 Seventy-eight percent of tenants chose to remain in the AHI programme and not opt out after initially agreeing to participate³.
- 10 One in eight tenants in the AHI programme achieved housing independence⁴.

¹ A tenant is an under-utiliser when two or more bedrooms are recorded in RENTEL as being unoccupied or unused. Under-utilisers are also known as under-occupiers.

² Tenants that are market renters are those who pay the assessed market value for renting a state house. These tenants either chose to have no household income assessment or have had an annual household income assessment to determine the rent payable for state housing but have failed to meet the income related rent criteria. For the purposes of the AHI programme, all market renters are assumed to no longer be living in need, and when the situation arises where one is in need they are placed through a Needs Assessment.

³ An initial agreement to participate in the AHI programme is a signed consent form by the tenant at the initial point of meeting the AHI Advisor that has been entered into the Corporations computer system

⁴ Housing independence refers to anyone who has moved from the current place of residence to another. This move could be from one state house to either another state house or any non-state house.

- 11 Most tenants who remained in the AHI programme progressed from their initial point on the pathway to somewhere else on the pathway to housing independence.
- 12 The AHI programme was successful at helping tenants to:
 - progress along the pathway to housing independence
 - moving some tenants to smaller state housing or non-state housing.

Background

- 13 On 5 September 2011, Housing New Zealand introduced the Assistance to Housing Independence (AHI) programme. This programme used the approaches and processes developed from the test phase⁵. The aim of this was to increase the effectiveness of state housing provision by focusing on tenants who were no longer in need to free up social housing for high need customers (BN/11/009).
- 14 The test phase (a pilot) of the Assistance to Housing Independence project ran from October 2010 to February 2011, and focused on a few Auckland, Hamilton and Hasting tenants. This project intended on moving tenants who were either no longer in need (market renters) or no longer required large houses (under-occupied). By moving tenants out of state houses enabled houses to be freed up for customers in need for the duration of need.
- 15 The test phase of the AHI project indicated that with the right approach and the ability to assist tenants who no longer needed their current state house, the Corporation may then be able to move tenants on to free up state houses for those in greater need. Given that the Corporation could only run this type of project within the bounds of existing permissions, it could only be run as a research trial, where tenant consent was a requirement of participation.
- 16 The AHI programme was based upon research and evaluation undertaken for the test phase. The results from the test phase identified that there was a clear “pathway to housing independence” which demonstrated that tenants were able to achieve housing independence with support from Housing New Zealand (see figure one).⁶

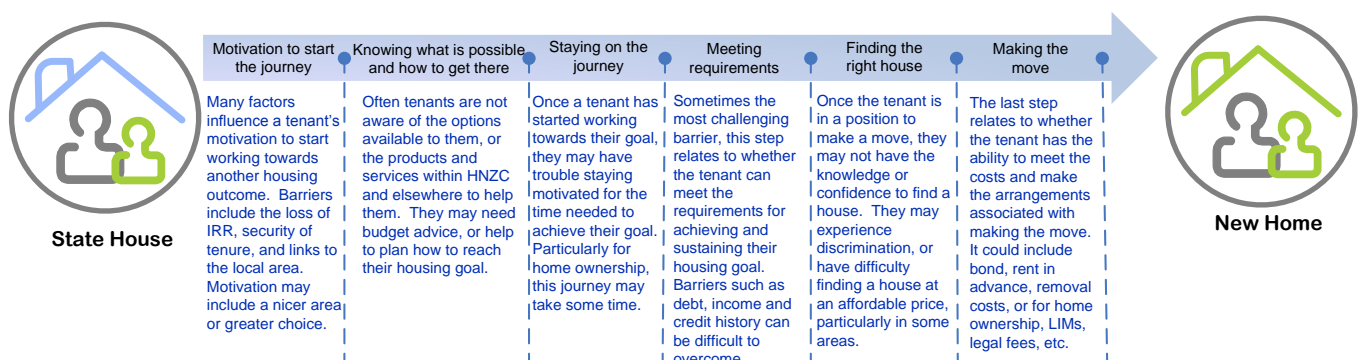


Figure 1 Tenants pathway to housing independence

⁵ Laing, Patricia, Ingrid van Aalst and Judy Paulin (2011) Incentives Project: Findings from the test phase research and evaluation. Paper prepared for Housing New Zealand Corporation.

⁶ Appendix A provides background information in the incentives linked to the stages on the pathway to housing independence.

17 Stages identified in the AHI test phase contributed to developing the “pathway to housing independence”. The stages are:

- motivation to start the journey
- knowing what is possible and how to get there
- staying on the journey
- meeting requirements
- finding the right house
- making the move.

Each stage incorporates a subset of parameters identifying where tenant participants are located on the pathway to housing independence.

18 The first stage, *motivation to start the journey* to housing independence, identified tenants who were happy to engage in conversations and consider moving to other housing options when approached by AHI Advisors. Some reasons for why tenants were motivated to move or transfer to another housing option were:

- paying market rent for state house
- moving to a safer place in the area
- moving away from gangs that may recruit their children
- an opportunity to find out about other housing options that were previously considered as unachievable
- a chance to learn about home ownership and the potential of owning a home
- a desire to be a positive role model by taking steps towards independence from the Corporation
- a desire to have a state house more suited to their needs
- a desire to move to a smaller state house in order to free up a larger house for a family in need of assistance.

19 The second stage, *knowing what is possible and how to get there*, identified tenants who were assisted to learn about their housing options and provided with information about the products and services available for them to achieve their housing aspirations. Educational assistance is provided to tenants from the second stage onwards.

20 The third stage, *staying on the journey*, identifies tenants who are provided with active assistance by staff when committed to working towards achieving housing aspirations. This ensures that tenants stay motivated while resolving and making steps towards achieving their housing goals. For example, the AHI advisor maintains contact with participants to keep them motivated and to assure them that the time it takes to reach their housing goals is worth the wait.

21 The fourth stage, *meeting requirements*, identifies tenants who are meeting requirements that are clearly laid out and agreed to with AHI Advisors, and are achievable for them to reach their housing aspirations. These tenants are working on reducing the barriers in their lives that prevent them from reaching housing independence. For example, paying off debt and establishing a savings plan.

22 The fifth stage, *finding the right house*, identifies tenants who have overcome the barriers to housing independence and are in a position to attain and sustain their

housing goals. These tenants are taking moves to find another house that best suits their needs. Assistance is provided to help find a suitable house and to overcome obstacles such as discrimination and housing affordability.

- 23 Assistance provided to tenants by AHI Advisors included:
- working with real estate agents
 - searching the internet for places to let
 - working with potential landlords
 - supporting the bank process for home ownership.
- 24 The sixth stage, *making the move*, identifies the point where tenants are ready to move. This is where financial assistance if necessary can be provided by the Corporation to tenants for bond, rent advance, removal costs or costs associated with moving into home ownership.
- 25 Finally, tenants who achieve housing independence by either being transferred⁷ to a more suitable state house or moving to another housing situation, independent of the Corporation.
- 26 The incentive concepts explored in the Assistance to Housing Independence project test phase, and included in the AHI programme are:
- Education: Providing tenants with tailored information about options and affordability information to assist them towards their housing goals.
 - Active assistance: Providing tenants with tailored assistance towards their housing goals, for example, setting up appointments with banks.
 - Financial assistance: Providing reimbursement to remove financial barriers to moving up to a ceiling amount.
 - Housing Action Plans: Tenants and Housing New Zealand staff create a mutual⁸ plan to enable the tenant to reach their housing goals with the support of AHI Advisors.
- 27 The incentives explored were linked to stages on the pathway to housing independence that were developed during the test phase. Education is offered from the very beginning and continues to the end. Active assistance is offered once the tenant is committed to staying on the journey. Financial assistance becomes relevant only when the tenant has found the right house and is making the move. The Housing Action Plan is used to document the assistance provided at each stage, and the time it takes for the tenant to move from one stage to another.
- 28 The “pathway to housing independence” framework (identified in the pilot) supported the use of Housing Action Plans⁹. Formerly, these had most commonly been used as case management tools to deal with tenant issues that required more intensive engagement by the Corporation e.g. managing debt, dealing with damages.

⁷ Tenants who have transferred that are not part of the AHI programme are not counted as part of the AHI programme.

⁸ The focus was on the tenant taking responsibility for the vast majority of actions except with regards to HNZN agreeing to financial support on a case by case basis.

⁹ A plan created by Housing New Zealand staff with agreement by tenants that mutually plans the tenants housing goals and how to achieve these goals with support by AHI advisors.

Method and Design

- 29 The target population consists of tenants who are under-utilising their property or paying market rent for state housing, and living in either Auckland, Hamilton, Hawkes Bay or Wellington. These criteria were used to identify tenants who the Corporation believed would benefit from achieving housing independence or moving to a smaller state house.
- 30 The Assistance to Housing Independence (AHI) programme began in September 2011. The programme required AHI Advisors to contact tenants who met the following criteria:
- under-utilising a state house or
 - paying market rent, and
 - reside in Auckland (including East Auckland which was not included in the test phase), Hamilton, Hawkes Bay (including Napier which was not included in the test phase) or Wellington (which was not included in the test phase).
- 31 Contacted tenants who agreed to be a part of the AHI programme were visited by an AHI Advisor. This Advisor discussed with tenants the programme, housing aspirations, and any interest associated with moving to a more suitable state house or to another housing option.
- 32 During the visit, AHI Advisors obtained formal confirmation from tenants who made the choice to participate in the AHI programme by having them complete a consent form. They also requested tenants to identify the stage that they considered themselves to be at on the pathway to housing independence¹⁰. This initial point enables pathway movement to be measured.
- 33 Enrolment into the AHI programme commenced when AHI Advisors entered tenant details into the Housing Action Plan. This was after the home visit and a consent form has been completed.
- 34 AHI Advisors continued to maintain contact with tenants in the programme to provide support, assistance when required and incentives to stay motivated.
- 35 Regular contact enabled AHI Advisors to record and monitors the progress of tenants along the pathway to housing independence while providing tailored assistance to maximise the likelihood of tenants reaching housing independence.
- 36 A Housing Action Plan (HAP) was the main tool used to record actions to which both Housing New Zealand staff and tenants agreed to in the AHI programme.
- 37 Any changes to the pathway status of tenants or assistance provided to tenants for the AHI programme is captured in RENTEL. This enabled movement to be measured along the pathway to housing independence, regardless of direction.
- 38 The analysis covers the records of tenants who agreed to be a part of the Assistance to Housing independence programme from September 2011 to the programme closure in June 2012.

¹⁰ Tenants may start at different places on the pathway to housing independence. They may also move through some stages more quickly than others, and sometimes they may retrace their steps or skip some stages.

- 39 Tenants have the opportunity to opt out of the AHI programme at any stage without question.
- 40 Tenants who began the journey on the pathway to housing independence but chose later to no longer be a part of the AHI programme have opted out.
- 41 The desired outcomes is to have tenants:
- moving in a positive direction along the pathway of housing independence
 - moved to a non-state house
 - moved to a smaller state house¹¹.

Results

- 42 The records showed that 570 tenants initially agreed to participate in the Assistance to Housing Independence programme (AHI).
- 43 The findings are presented according to tenant status at the end of the programme under the following sub-headings:
- tenants who opted out
 - tenants who did not opt out.
- 44 The findings presented under the sub-headings are further broken down into the categories of under-utilisers or market renters. Table one shows opt out, stayed and moved tenants who are under-utilisers and market renters.

Table 1 Final tenant status by housing status

Category	Opt-out	Stayed	Moved	N*	Total
Under-utiliser	90 (27.2%)	196 (59.2%)	44 (13.3%)	1 (0.3%)	331 (58.1%)
Market Renter	34 (14.7%)	167 (45.5%)	29 (12.5%)	3 (1.3%)	233 (40.7%)
N*	2 (28.6%)	4 (57.1%)	0 (0%)	0 (0%)	6 (1.2%)
Total	126	367	73	4	570

* N refers to a missing record in either the category or housing status

Tenants who opted out

- 45 This section covers tenants who chose to opt out of the Assistance to Housing Independence (AHI) programme after initially agreeing to participate in the programme. A further distinction is made according to under-utilisers and market renters.
- 46 Twenty-two percent of tenants had opted out of the AHI programme. The reasons for opting out were not captured. Of these, 71.4 percent were under-utilisers.
- 47 Market renters accounted for 27 percent of those tenants who opted out of the AHI programme. Of these opt outs, 61 percent of tenants had an unrecorded household type.

¹¹ It is assumed that when a tenant transfers from one state house to another, then they move to a more suitable state house that better matches their need.

48 Table 2 shows the initial and final positions of tenant opt outs for the pathway to housing independence.

Table 2 Opt outs - Initial and final stages on the pathway to housing independence

HAP Journey	Motivation to start the Journey	Knowing what is possible and how to get there	Staying on the Journey	Meeting requirements	Finding the right house	Making the move	Unspecified	Total
Initial (a)	93	8	1	0	0	0	24	126
Final (b)	29	38	17	10	15	17	0	126

a) The first place that the tenant said they were at on the pathway to housing independence at the beginning of having a Housing Action Plan.

b) The last place that the tenant said they were at on the pathway to housing independence.

49 Thirty percent of tenants opted out at knowing what is possible while 23 percent of tenants opted out at the motivation to start the journey.

50 Nearly fourteen percent of tenants opted out at making the move to another house; and, their primary barriers to housing independence were other, financial and finding the right house.

51 Tenants that opted out of the Assistance to Housing Independence programme have moved through the pathway at different rates and have moved from their initial point. One in four tenants (25.4 percent¹²) who opted out of the programme were at the stage of finding a house and ready to make a move.

Tenants who did not opt out

52 This section covers tenants who have agreed to participate in the Assistance to Housing Independence (AHI) programme, and either remained in the programme until its closure or moved to more suitable housing.

53 Four hundred and forty-four (77.9 percent) tenants chose to stay in the AHI programme and be assisted on their journey to housing independence or to another state house that better suits their needs.

54 The findings are presented according to tenants status at the end of the programme under the following sub-headings:

- tenants who did not move
- tenants who moved.

Tenants who did not move

55 Three hundred and sixty-seven (64.4%) tenants were still in the AHI programme when it was closed in June 2012. These tenants had not reached the point on the pathway to be able to move from their current state house.

¹² The percentage is 32 divided by the number of tenant opt-outs (n = 126).

- 56 Fifty-three percent of tenants who had not moved by the end of the AHI programme and remained in the programme were under-utilisers.
- 57 Table 3 shows the initial and final positions of under-utilisers for the pathway to housing independence.

Table 3 Stayed - under-utilisers initial and final stages on the pathway to housing independence¹³

HAP Journey	Motivation to start the Journey	Knowing what is possible and how to get there	Staying on the Journey	Finding the right house	Making the move	Unspecified	Total
Initial (a)	143	25	18	1	0	9	196
Final (b)	65	28	77	15	5	6	196

- a) The first place that the tenant said they were at on the pathway to housing independence at the beginning of having a Housing Action Plan.
- b) The last place that the tenant said they were at on the pathway to housing independence.

- 58 More than a fifth of under-utilisers knew what they had to do to make a move when they joined the AHI programme.
- 59 Seventy-three percent of under-utilisers were motivated to move to a smaller state house after agreeing to participate in the Assistance to Housing Independence programme.
- 60 Over half of tenants who under-utilise their properties moved from their initial position and moved towards housing independence.
- 61 Forty-six percent of the tenants who remained in the AHI programme were market renters. These tenants were motivated to move from state housing to non-state housing.
- 62 Table 5 shows the initial and final positions of market renters' pathway to housing independence.

¹³ As there were no participants who were reported as being at the *meeting requirements* stage either initially or finally, that column was excluded from the table.

Table 4 Stayed - Market renters initial and final stages on the pathway to housing independence¹⁴

HAP Journey	Motivation to start the Journey	Knowing what is possible and how to get there	Staying on the Journey	Finding the right house	Making the move*	Unspecified	Total
Initial (a)	140	17	0	1	0	9	167
Final (b)	45	43	65	3	3	8	167

a) The first place that the tenant said they were at on the pathway to housing independence at the beginning of having a Housing Action Plan.

b) The last place that the tenant said they were at on the pathway to housing independence.

- 63 Eighty-four percent of market renters were motivated to start the journey towards housing independence when contacted by AHI Advisors; and, a further 11 percent of tenants considered themselves as already working towards achieving housing independence from the Corporation when approached to participate in the AHI programme.
- 64 The pathway movements for market renters showed slight changes from the initial position to the final position in terms of 'finding a place' or 'making the move'. This shows that the AHI programme is working but may require a longer period of time to enable greater progression through the final stages of the pathway to housing independence.
- 65 In contrast, more under-utilisers had reached the stage of 'finding the right place' or 'making the move' compared to market renters. This difference may be due to the relative ease of transferring tenants versus assisting them into housing independent of the state.
- 66 Fifty-five percent of tenants who were on the journey to housing independence had identified finding the right house, financial resources and limitations of knowledge as the major barrier to reaching housing independence¹⁵.

Tenants who moved

- 67 This section covers tenants who participated in the Assistance to Housing Independence programme and were successful in attaining housing independence.
- 68 Seventy-three tenants in the AHI programme had achieved housing independence or had transferred to a state house that was more suitable to their needs. This represents 13 percent of tenants who had initially agreed to participate in the AHI programme.
- 69 Of the 73 tenants who had moved from a state house to either another state house or a non-state house, 44 (60%) were under-utilisers and 29 (40%) were market renters.
- 70 Table 5 shows the tenure destination of tenants who moved. Fifty-five percent of movements were to known tenure types and 45% were unknown. As a consequence,

¹⁴ As there were no participants who were reported as being at the *meeting requirements* stage either initially or finally, that column was excluded from the table.

¹⁵ The recording of barriers occurred at any point during the tenants participation in the AHI programme.

with the exception of home ownership, the proportions of people moving to new tenure types may be underreported.

- 71 Eleven percent of those people who exited move to home ownership. Twenty-one percent exited to private rental and 15% transferred to a more suitable state house.

Table 5 Tenure destination of tenants who have moved

Tenure Type	Vacated ¹⁶
Exit to private rental	15
Smaller state house	11
Family	4
Exit to home ownership	7
Other	2
Purchase tenancy	1
Unknown	33
Total	73

- 72 Forty-five percent of those tenants who had vacated had no information for the destination of where they moved.
- 73 Fifty-four tenants (74 percent) received financial assistance¹⁷ totalling \$62,856 to assist them with relocation expenses.
- 74 Tenants who moved into home ownership received greater levels of financial assistance than tenants who moved into private rental accommodation.

Conclusion

- 75 The overall number of tenants agreeing to participate in the Assistance to Housing Independence programme was 570. This was less than what the Minister expected, and may be a result of:
- AHI Advisors working part-time on the AHI programme, and having other competing priorities
 - staff changes to who worked on the AHI programme
 - service provided for the AHI programme by staff was known to be of short duration
 - impacts of the transformational change
 - the ratio of customers to advisors was much higher in the full programme than in the pilot programme, resulting in a less intense service per customer.
- 76 Tenants who agreed to participate in the AHI programme were motivated to start the journey to housing independence or to transfer to a more suitable state house that suited their needs when approached by AHI Advisors.

¹⁶ The number of vacancies and the tenant destination can not be reconciled with other tables due to incomplete entry of data.

¹⁷ While financial assistance was instrumental to the physical relocation of many tenants, the most significant enabler to achieving housing independence was the provision of information to tenants in the first place, i.e. many tenants had been unaware that there were viable housing alternatives.

- 77 Most tenants who remained in the programme progressed from their initial point on the pathway to somewhere else on the pathway to housing independence.
- 78 The AHI programme was successful at helping tenants to:
- progress along the pathway to housing independence
 - moving some tenants to smaller state housing or non-state housing.
- 79 Tenants who under-utilise their house by two or more bedrooms progressed through the pathway, and achieved housing independence more often than tenants who were market renters.
- 80 Twenty-two percent of tenants who initially agreed to participate in the AHI programme subsequently withdrew from the programme.
- 81 Approximately 13% of those tenants who commenced the AHI programme achieved housing independence or had transferred to a state house that was more suitable to their needs.
- 82 The Assistance to Housing Independence programme was closed on the 30 June 2012.

Lessons learned

- 83 Data capture and subsequent reporting were found to be problematic for this project. This was largely attributable to the transformation HNZA was undergoing during the AHI programme. However, lessons were learned that may still apply when the AHI processes are incorporated as part of Reviewable Tenancies. Some of these lessons include:
- future training of staff needs to place greater emphasis on what is required when entering information and updating information
 - a clear and agreed approach to documenting financial information
 - closer monitoring of data capture to pick up data issues earlier
 - an overall approach to data capture that would ensure all sources of data/ information was able to be linked without the need to re-enter information
 - further work on the mechanisms of support to enable tenants to achieve housing independence.