

# **Collected Stories of Housing New Zealand Customers**

**Author: Dr Patricia Laing**

**Housing New Zealand Corporation**

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This report was prepared by Dr Patricia Laing  
Housing New Zealand Corporation.

**Contact for further details:**

Dr Patricia Laing, Senior Analyst, Customer Intelligence Research and Evaluation  
DDI 04 439 3141

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## Introduction

- 1 Customer Intelligence Research and Forecasting (CIRF) is often asked for customers' stories. The stories are used:
  - to inform the design of new products and services
  - for the purposes of training front line staff to implement new products and services
  - to illustrate quantitative reports.
- 2 When CIRF receives a request for stories that illustrate 'customer profiles' the interviews that were the basis for research and evaluation reports are the sources. Stories that are relevant and useful are constructed from the interviews and therefore describe the perceptions and experiences of Housing New Zealand's customers. The stories about the reasons people applied for a property and debt include both Housing New Zealand's and the customers' sides of the story. In some instances there is quite a lot of agreement about what happened that resulted in a story being told. Sometimes the administrative record complements the stories customers told. In most instances we have let the stories stand as the customer's perspective and not undertaken the time-consuming task of examining Housing New Zealand administrative records to see what they say on the topic. We have now accumulated sufficient stories for this collection.

## Sources

- 3 The research and evaluation reports that have been drawn on as sources for this collection are publically available if more information is required. Some of the stories were prepared for the reports and then not included. They are:

*The Options and Advice Outcomes Evaluation* (December 2011) Prepared for Housing New Zealand by Patricia Laing, Melanie Onyando, Melodie Gribben and Antony Kennedy

*The Healthy Housing Outcomes Evaluation* (May 2007) Prepared for Housing New Zealand by Janet Clinton, Faith Mahony, Rebecca Broadbent, Chris Bullen, and Robin Kearns from Auckland University's Faculty of Medical and Health Sciences and the Centre for Health Services and Policy.

*Assistance to Housing Independence: Report on the 12 month follow up of Test Phase tenant participants* (December 2011) Prepared for Housing New Zealand by Patricia Laing from Customer Intelligence, Research and Forecasting, Chris Daly from PS Services, and Judy Paulin from Social Research and Evaluation.

*KiwiSaver Home Ownership Package Process Evaluation* (June 2011) Prepared for Housing New Zealand by Patricia Laing and Chris Ou from Customer Intelligence, Research and Forecasting, and Heather Nunns from Analytic Matters Ltd.

- 4 A major source of stories is the research for the Housing Pathways Longitudinal Study of Housing New Zealand Tenants and Applicants:

*Longitudinal Study of Corporation Tenants and Applicants: Initial findings from Wave One research undertaken in Porirua* (January 2010) Prepared for Housing New Zealand by Patricia Laing, Jan MacKay, Franziska Pfitzner, Laurie Porima, Kirsten Smiler, Rome Vailini and Peggy Fairbairn-Dunlop with Heather Nunns.

*Housing Pathways of Housing New Zealand Tenants and Applicants: Findings from Wave One of the longitudinal study undertaken in South Auckland in November 2009 (February 2013) Prepared for Housing New Zealand by Patricia Laing, Andrea Knox and Luke Smith from Customer Intelligence, Research and Forecasting.*

*Housing Pathways of Housing New Zealand Tenants and Applicants: Findings from Wave One of the longitudinal study undertaken in Christchurch in March 2010 (March 2013) Prepared for Housing New Zealand by Patricia Laing, Louise Kendall and Luke Smith from Customer Intelligence, Research and Forecasting.*

*Housing Pathways Longitudinal Study: Reasons for applying for Housing New Zealand properties (Working Paper 1) (June 2013) Prepared for Housing New Zealand by Patricia Laing, Louise Kendall and Luke Smith.*

*Experiences of debt among Housing New Zealand tenants and applicants: Insights from the Housing Pathways Longitudinal Study (September 2013) Prepare for Housing New Zealand by Andrea Knox.*

## **Confidentiality and anonymity of participants in the stories**

- 5 The methods of data collection and analysis in all of these research and evaluation reports have either been approved by an ethics committee or follow the SPEaR best practice guidelines. The use of the stories for this collection is within the intentions of the research and evaluation to which customers gave consent to participate. The stories take the form they are presented in to protect the anonymity and confidentiality of the people who shared them. Names and some other small details may have been changed to ensure people's anonymity and confidentiality.
- 6 The interviews from which these stories have been written were audio-taped and most of them were transcribed before being analysed for the source reports.

## **Customers' stories about Options and Advice Service**

- 7 The Options and Advice stories have been based on transcripts of interviews that informed the evaluation of the service. They were not published in the evaluation reports.

## **'Housing New Zealand property not for me'**

- 8 Dan lived in private rental accommodation in Auckland. He received superannuation. He attended the Options and Advice Session at the Neighbourhood Housing Unit because he was exploring his housing options. Of his current rental property he says: *This belongs to a person that we've become very good friends...quite a delightful situation. But it's just that I feel like I am leaning on her to some degree because I feel she's keeping the rent down to keep me (laughter).* Dan is still in the same rental accommodation as he was before he went to the Options and Advice Session. He has lived in the area for a long time and this particular property for eight years.
- 9 The prompt which sent Dan to the Options and Advice session was receiving a letter from Work and Income saying they were going to review his Accommodation Supplement. Housing New Zealand was one option to explore. Another option Dan checked out was Council housing but he said: *I run into the problem of waiting lists, I'm not an easy person to wait, I'm not patient.*

- 10 The Options and Advice presentation was in a Neighbourhood Housing Office to a small group of people. Although the presentation was hurried, Dan was happy with it. At the end of the presentation he received some papers explaining the available housing options and from reading these papers he became more aware of the options he had. He noted that Housing New Zealand was not for him.

### **‘Choice, what choice?’**

- 11 Arthur lived in Dunedin and had experienced issues with money, difficult neighbours and crime. As a consequence of this he started looking for other places to live. He said:

*I knew from the Housing New Zealand information that, that through Housing New Zealand, if you're a beneficiary your rent is what, 25% of your income or something like that?... My rent here is 50% of my income. That has a big effect, like in the winter time, no heating, I can't afford it... Also previously I'd had an impression, actually it's a correct one in some suburbs, that it wasn't worth going to Housing New Zealand because their properties are rubbish and their tenants are bad people, that's the impression I had been given... But since then I've, other people I've known, friends people like that, I've been to their places and they're with Housing New Zealand and I've thought, "Gosh this is okay, I'll try for this myself." And some of these are people who are in a better position than me anyway and I thought, "Well hey if they can get a Housing place, I'll have a go." And that's why I went, yeah.*

- 12 Arthur had an issue with the way Housing New Zealand “abuses the word choice” in the Options and Advice presentation. He remembers that he and a married couple heard the presentation together for about five minutes. He reported the next step as follows:

*And after the flip chart thing, she said, "Okay I want to talk to you in private, who came here first?" And I came last so I said, "Okay I'll go outside," and she talked with the couple and then later on she called me in and gave me a, talked at me for five minutes basically. I mean look, if I wasn't in need, I would have complained to her supervisor, yeah. But the issue with choice, we've discussed there's options in there indicated your preferred option, no I did not. She ticked it for me, she indicated my preferred option for me, she told me what my preferred option was. And it's like where I'm coming from, I mean I went there quite well prepared, I went there after going around private rentals, I went there after going to the real estate agents*

- 13 Arthur said he would not have turned up at Housing New Zealand if he had not come down in the world. He had looked at the private market and found that it was too expensive. When he came to Housing New Zealand it was because he knew could not afford anything else. He felt exasperated with the way he had been treated and said: *[S]he gave me brochures printed out by the real estates as well (laughter) of places that I already know I can't afford. So I think they need to do some work around choice.*

### **Learning about transfers**

- 14 Kate went to her local Neighbourhood Housing Unit to ask them for a transfer and was sent to an Options and Advice seminar with a group of people. She asked them about a transfer to a larger Housing New Zealand house. Kate said:

*And they went through all of the situation about how if the ages of the kids and all that. And I've asked them ... if I wanted to go in private rental would that affect my application for a transfer for Housing New Zealand? They told me yes it will. The reason why I asked them that because I wanted to see if I could go to a four bedroom house for now, because it's quite crowded and my girls need their space. And, just to wait for until I get that transfer, but they said no I can't... so I went through and I applied for a transfer and I told them that I was still living in a Housing New Zealand home, so I'm still waiting.*

### **'I felt really positive that we were going to get a house'**

- 15 Ann attended an Options and Advice session in South Auckland with five other people. The reasons that she wanted to apply for a Housing New Zealand property were because she and her partner had been evicted from their private rental property and they were currently out of work.
- 16 The presenter went through what was happening in Housing New Zealand waiting lists and the availability of properties. About which Ann took some notes. She was also the person who asked a few questions such as: *"When will we hear back from them? How long? Are there any other things we needed to do?"*
- 17 Ann visited the manager in the office, and rang to get confirmation of the process and timing in the week following her attendance at the Options and Advice Session. The same week Ann received a letter for an interview to do a needs assessment in four weeks' time. Ann successfully completed her application and was confirmed on the waiting list. Within four weeks of her confirmation on the waiting list she received a phone call to go and have a look at a couple of places. She said: *"I've picked out one of the places in Clendon which I am very grateful about."*
- 18 Of Options and Advice Ann said: *"I felt positive that I was going to get a place because of the situation that we're in. So yes, I definitely had an understanding of the whole thing."*

### **Applicants' life stages**

- 19 The stories presented below describe different life stages and circumstances of applicant households. They are based on interviews undertaken as part of the Housing Pathways Longitudinal Study.

#### **Single parent with infant, European, 18-30 years, B priority**

- 20 Sue grew up in a Housing New Zealand property in Porirua East. She had rented privately for two years in Porirua when she found out she was pregnant. The baby's father disappeared shortly after her son was born so she has had to rely on her parents for support who lived close by.
- 21 Sue's rental is a three bedroom ex-state house that has not been well maintained. The house is damp due to external leaks from rotting timber. The windows don't close properly which makes Sue nervous about intruders. Sue doesn't want to complain to the landlord about the poor maintenance because she is scared he will increase the rent.
- 22 Sue has a congenital heart condition and suffers from anxiety. She is on medication for depression. She knew that living in a damp house was not good for her health,



but she put up with it because of the cheap rent. However now that the baby has arrived she wants a safe and warm home: "I want a better house because I want to keep him healthy, I want to keep him strong."

- 23 Sue would like a Housing New Zealand property somewhere close to her parents. She is very attached to Porirua East where she grew up. Moving to another private rental property which is in better condition is not an option because Sue can't afford a higher rent. She has had some bad experiences living with flatmates so she doesn't want to house-share again. She has a poor credit rating due to past debts which she is still paying off. She regards her poor credit rating as another barrier to getting a better rental property. Moving in with one of her parents isn't an option because her sister and her family have moved in with their mother, and her father doesn't have the space.
- 24 Sue has been on the waiting list since March 2009. She was very complimentary about the needs assessor, but feels aggrieved at the way she was treated by another staff member at the neighbourhood unit:

*She made me feel like I wasn't worthy enough. That I wasn't poor enough. That I wasn't in the right criteria to have a house. I applied for one, and then I haven't heard anything back since you guys rang me yesterday. I don't know where I am on the waiting list, I don't know if I'm gonna get a house, I don't know if I'm not, I don't know if I'm A priority, or F priority....But I just thought, there were, she could've been a bit more compassionate to what I had said. I know she has to be professional, but it seemed like I was just another person on a list of people that she had to see that day. Another person she had to try and find housing for. Another person that wasn't gonna get a house. And she was quite blunt about it.*

### **Couple with children, Pacific, 41-50 years, B priority**

- 25 Mr and Mrs A have eight children, ranging in age from four months to 19 years. They arrived in New Zealand in 2007 under the Samoa Quota Scheme. Mr and Mrs A saw New Zealand as offering a better life and future for their children. They owned their own home in Samoa which they built with the help of family. Mr A had a taxi business.
- 26 On arriving in New Zealand, the family stayed with relatives in Auckland for two months – there were 14 people living in the house. Mr A found a job in Wellington as a bus driver. Despite not having any family living in the area, Mr and Mrs A decided to live in Porirua East because they had heard that private rentals were cheaper than in other areas. The first house they rented was a four bedroom house costing \$280 per week. They had to move when the house was sold. They are now renting a three bedroom house (plus sleep out) for \$270 per week. Mr A's wage is the only income for the family (other than Work and Income support) so money is tight.
- 27 Mr and Mrs A's relatives encouraged them to apply for a Housing New Zealand property because their rent would be cheaper. They applied in mid 2008 and are a 'B' priority. They want a five bedroom house in Porirua East so that their children don't have to move schools. Mr and Mrs A see themselves living in a Corporation property for the next ten years.

## Reasons tenants and applicants applied for properties

28 The following stories have been selected to illustrate common combinations of reasons for applying for a Housing New Zealand property. The administrative records of their SAS assessments are included to indicate how applicants' reasons for applying are translated into a priority rating on the waiting list. The stories are taken from the report, *Housing Pathways Longitudinal Study: Reasons for applying for Housing New Zealand Properties* (June 2013).

### South Auckland applicant who applied for multiple reasons

29 This story describes the circumstances that led a sole mother of five children, who identified as Māori and Pacific, aged between 18 and 30 years, to apply for a Housing New Zealand property. This applicant was confirmed on the waiting list with an A priority. The reasons for applying that she identified during her interview were 'family', 'overcrowding', 'security', and 'health and disability'. Table 1 summarises administrative data for this applicant related to SAS eligibility criteria.

**Table 1** Administrative record for South Auckland applicant who applied for multiple reasons

SAS criteria	Rating	Comment
Affordability	1	None
Adequacy	1	None
Suitability	4	4 bedrooms required
Accessibility	2	Entitled to WINZ advance of \$1496.44, have furniture & no savings, difficult to access suitable & affordable home due to lack of funds
Sustainability	3	Size/type is unsustainable due to the health and the risk to the customer is serious-support letter on file

30 Table 1 shows that the applicant was assessed as having the highest level of need for 'suitability' (4 out of 4) as they had a deficit of four bedrooms in their house at the time of applying. The applicant was also assessed as having a high 'sustainability' need, citing health reasons.

31 This single mother with five children moved out of a Housing New Zealand property in which she had lived for three years because:

- there were holes in the wall that had been there since she had moved in
- the house was cold and damp, and her young children kept getting sick and having to be hospitalised
- the house was too small
- the layout of the house made it difficult to supervise the children
- there were cockroaches that she had tried unsuccessfully to eradicate.

32 She moved into her mother's Housing New Zealand property that was smaller, and overcrowded it with her other sisters, so that there were four adults and 11 children

in a two and a half bedroom house. Housing New Zealand presented her mother with an eviction notice for overcrowding her house.

- 33 This applicant said she was receiving enough financial support and that the reasons she was applying for a Housing New Zealand property were because of her mother's eviction notice, and as she said:

*Overcrowded, and my children getting sick, more sick, 'cause it's too damp in the room with the changing over, things might change, but saying there is six of us in a room, my five children and myself. It can get a bit smelly with four babies, different smells. And where my room is based I've got the front door and the toilet, everything comes into my room, the outside smell and the toilet smell.*

- 34 She needed a place of her own where she could bring up her family that was still close to her mother and sisters so they could support one another. She wanted a house that had enough bedrooms, was warm, where the layout enabled her to supervise her children easily, and where there were no cockroaches.
- 35 Housing New Zealand staff had shown her a number of houses and one she had accepted but a few days before she was interviewed she had handed back the keys because no stove had been installed (she couldn't afford to pay for takeaways until a stove was installed), and there were cockroaches.

### South Auckland tenant who had applied for multiple reasons

- 36 This story describes the circumstances that led a Pacific couple aged between 18 and 30 years to apply for a Housing New Zealand property before having their first child. As applicants they had a B priority rating on the waiting list. The reasons that they identified for applying during their interview were 'financial', 'family', 'overcrowding' and 'security'. Table 2 summarises administrative data for this tenant related to SAS eligibility criteria.

**Table 2** Administrative record for South Auckland tenant who had applied for multiple reasons

SAS criteria	Rating	Comment
Affordability	1	None
Adequacy	1	None
Suitability	3	2 bedrooms required
Accessibility	3	Applicants would have severe difficulty accessing private rental due to lack of funds
Sustainability	3	No permanent accommodation and current living situation is not sustainable

- 37 Table 2 indicates that the tenant was assessed as having a high need (3 out of 4) for 'suitability', 'accessibility', and 'sustainability'. While the couple was not assessed as having any financial need, the comments indicate that they were living in overcrowded, temporary accommodation and that they would struggle to access a private rental property.

38 The tenant interviewed was a Tongan woman who lived with her husband and their child who was nine months old. She had migrated from Tonga in 2006 because the unemployment in Tonga was high and she could not find a job. When she arrived in Auckland she stayed with her parents. Seventeen people lived in this three bedroom house which was a private rental property. After this she moved to an aunt's place and lived in another private rental property which housed 13 people in a four bedroom house. She was concerned about security because:

*Back at my parents' house there is someone who stole something from our house. Just taking our own blanket from wire outside ... But we are afraid if that person would suddenly come inside to our house sometime, but we don't know.*

39 The participant and her partner applied for a Housing New Zealand property because they wanted a place of their own in which to bring up the family they planned, and somewhere that was not overcrowded. They could not afford a private rental property. They thought it would be safe but sometimes this young mother feels unsafe left alone without the company of her family.

**Porirua tenant who had applied for ‘financial’ and ‘family’ related reasons**

40 This story describes the circumstances that led to a Māori couple in the age bracket 31-40 years with children to apply for a Housing New Zealand property. As applicants they had an A priority rating on the waiting list. The start date of this couple's tenancy was September 2004. The reasons that they identified for applying during their interview were ‘financial’ and ‘family’. Table 3 summarises administrative data for this tenant related to SAS eligibility criteria.

**Table 3** Administrative record for Porirua tenant who had applied for ‘financial’ and ‘family’ reasons

SAS criteria	Rating	Comment
Affordability	4	IRR will alleviate financial strain
Adequacy	1	None
Suitability	4	4 bedrooms required
Accessibility	1	None
Sustainability	3	Eviction notice to take effect from 8/9/04

41 Table 3 shows that the tenant was assessed as having very high need (4 out of 4) for ‘affordability’ and ‘suitability’, and a high need (3 out of 4) related to the ‘sustainability’ of their current accommodation. The notes indicate that the tenant was under significant financial strain, overcrowding their private rental and had been given an eviction notice.

42 The husband told their story:

*Initially when we went to look for somewhere to stay when we first arrived we went private rental. I came down here to Wellington to go to music school. I have been here for about 21 years. But I came here for my music and to be with my brothers*

*and cousins. My father said for me to come back and live close to him. He just wanted his mokos close to him. That's why we turned to HNZ so we could get a cheap place for my family. Man that place was cold. We stayed there for about 3 years and then we went back to Ratana for a time then we came back to Wellington rented for a while privately and then when I was working at the Ministry of Education they had a restructure and it was about that time we moved into this house. The rent here is easy for us. We're both working. We really want to buy this house because it is close to things we like. Do you know if they are selling these houses?*

### **Christchurch tenant who had applied for 'financial', 'family' and 'security' related reasons**

43 This story describes the circumstances that led to a European single parent in the age bracket 31-40 years, with an adult child 18 years or over and four younger children, to apply for a Housing New Zealand property. As an applicant this single parent had a B priority rating on the waiting list. The reasons that were identified for applying during their interview were 'financial', 'family' and 'security'. Table 4 summarises administrative data for this tenant related to SAS criteria.

**Table 4** Administrative record for Christchurch tenant who had applied for 'financial', 'family' and 'security' related reasons

<b>SAS criteria</b>	<b>Rating</b>	<b>Comment</b>
<b>Affordability</b>	2	low income /pse rental
<b>Adequacy</b>	1	None
<b>Suitability</b>	1	3 bedrooms required
<b>Accessibility</b>	1	Has found housing pse / WINZ paid bond of \$795 which she is paying back
<b>Sustainability</b>	3	Been assaulted - believes ex's friends are doing it - wants out of area

44 Table 4 indicates that the tenant was assessed as having a high need (3 out of 4) related to 'sustainability' – that they had been assaulted and felt unsafe living in the area.

45 This single mother has moved around a lot with her four children, aged between five months and 12 years. She grew up in a Housing New Zealand property and when her parent separated they moved into separate Housing New Zealand properties. She has spent time between rentals with both of them. She lived in a Housing New Zealand property and was shifted because the property was demolished. Her partner left his job, she couldn't pay the rent and was evicted by Housing New Zealand. She went to stay with her mother and then an aunt both of whom were living in Housing New Zealand properties.

46 She applied for her current property because she had broken-up with her partner. While she wanted to be close to family she didn't want to live in the same house. She tried private rental and took in boarders to help pay the rent but she got sick of

them, told them to leave, and then she couldn't pay the rent. She said "*the other house I was living was really cold and horrible and they put it on the market, so...*"

## Christchurch new tenant who applied for 'financial' and 'family' related reasons after the Canterbury earthquakes

47 This story describes the circumstances that led to a European man in the age bracket 18-30 years who has his five year-old son living with him from Friday to Sunday. He is described as a new tenant because his tenancy start date was after 1 July 2011. As an applicant he had an A priority rating on the waiting list. The reasons they identified for applying during their interview were 'financial' and 'family'. Administrative data for this applicant is set out in table five.

**Table 5** Administrative record for Christchurch new tenant who applied for 'financial' and 'family' related reasons after the Canterbury earthquakes

SAS criteria	Rating	Comment
Affordability	4	SAS Calculation at 24/5 - for 2 bedroom
Adequacy	1	None
Suitability	3	2 bedrooms required
Accessibility	3	customer would have difficulty accessing PSE based on local knowledge. Work and Income advances \$440. No furniture/whiteware
Sustainability	3	Financial - in deficit in outgoings: CSP & WINZ repayts

48 Table 5 shows that the tenant was assessed as having a very high affordability-related need for assistance (4 out of 4). The tenant was also assessed as:

- living in an overcrowded property (3 out of 4 'suitability')
- being unlikely to be able to access lower quartile private rental (3 out of 4 'accessibility')
- likely to struggle to sustain their current accommodation as their outgoings were greater than their income (partially due to repayment of debt; 3 out of 4 'sustainability').

49 This single father was going to buy a house for his family but he lost everything in the first of the Canterbury earthquakes, and now is starting again from scratch. He had moved around a lot with his father as a child. As an adult he had previous experience of living in a Housing New Zealand property, and applied this time because:

*[L]ike it was a last option thing ... After I lost the business and the marriage I was staying on mates' couches for two years sort of thing. And injuries due to my back ...had to go up to Burwood Pain Management... And that's when I rung up and basically organised the house.*

## Tenant segment: high and complex needs

- 50 The story presented here is based on a home visit with a participant in the Healthy Housing Programme. For more information about this programme see *The Healthy Housing Outcomes Evaluation* (May 2007).

## Market renter with high and complex needs

- 51 A Samoan couple had two children who were terminally ill. The children were disabled to the point where they were mostly bedridden. The father was employed in a well-paid job. The family were renting in the private rental market but had not saved enough money to purchase their own home. The landlord was not prepared to modify the house to the extent that the family needed. A family member had come out from Samoa to assist with the care of the children.
- 52 The family applied to Housing New Zealand with the support of the children's medical staff and were provided with a property for which they paid market rent. Housing New Zealand modified the house to the family's requirements as part of the Healthy Housing Programme. These modifications included a hallway wide enough for a wheel chair, an easy access bathroom, and bedrooms that could accommodate hospital beds and oxygen tanks along with other equipment. The house was modified in such a way that it could be converted back to a convention house once this family no longer needed it.

## Tenant segment: Low income and or social needs

- 53 The first story in this section is based on an interview undertaken as part of the Assistance to Housing Independence project. (See *Assistance to Housing Independence: Report on the 12 month follow up of Test Phase participants* (December 2012)). The second two stories are based on interviews with participants in Wave One of the Housing Pathways Longitudinal Study. (See *Longitudinal Study of Corporation Tenants and Applicants: Initial findings from Wave One* research undertaken in Porirua (January 2010).

## Downsizing to smaller Housing New Zealand property

- 54 Betty first registered her interest in moving to a smaller house some three years ago, and agreed to participate in the AHI test phase because "*nothing was happening*" and she was ready to move.
- 55 Her AHI Advisor showed her a few options – some pensioner places, which she didn't like, and a house that hadn't been looked after and was too far from amenities. Then she was shown her new place, a small two-bedroom cottage with a back garden, and liked it straightaway – when she first walked in it had a warm feeling about it.
- 56 As well as being shown a range of houses, a removal firm was organised and paid for by the AHI Advisor. The financial assistance made a big difference to her ability to move because removal expenses were a barrier – they are expensive, as Betty learned when she had previously enquired about them.
- 57 Betty had lived for 36 years in her previous house. She thought she might get upset when it was time to move, but didn't and hasn't looked back. She has cleaned up her garden, planted new lawn and trimmed trees back to let light in – something she

enjoys doing. The bus and train is handy. It is easier to walk to interesting places, and she is walking more often now. She loves her new home.

### **“This place has been good to me - I love it here”**

- 58 Ripeka is a sole parent aged 65-74 years who grew up on her marae before moving to Wellington. She moved into her Housing New Zealand house in Porirua with her three young children when it was newly built in 1968. The house was one of the first to be completed. Ripeka has vivid memories of the new house and the neighbourhood springing up around them. She can even recall the date she moved in. The property was ideal for her young children – there was plenty of room at the front and back for them to play. Her husband joined the family when he was released from prison.
- 59 In the early 70’s Ripeka and her husband tried twice to get a transfer to a property in Wellington but they didn’t have any luck. After that Ripeka gave up asking and decided to stay in Porirua. Her husband died in 1989.
- 60 Two of Ripeka’s adult children live in Porirua East. Ripeka looks after some of her mokopuna after school until their mother picks them up after work. Sometimes mokopuna sleep over in the weekend. She jokes that her mokos turn up for “short stays with little warning”. One of her mokopuna - Keri who is nine years old - lives with her. Even though Ripeka says her whanau can be “too damn close sometimes” she admits that “having my mokos around” is the best thing in her life.
- 61 Ripeka has fond, strong connections to her house and neighbourhood: “I like the place. I like the house. I like the area. All my friends are here, so why move?” The house is close to the shops and Keri’s primary school. Ripeka feels safe walking home at night from the bus stop or from housie.
- 62 Although Ripeka “loves” her house, she has two complaints about it. The house isn’t in the right position for the sun. The main bedroom doesn’t get any sun and is freezing. Ripeka uses the smallest bedroom because it’s the only one that gets the sun. The other problem is that the front and back doors are very exposed to the weather – the front door gets the northerly and the back door the southerly. Ripeka asked Housing New Zealand for a porch but she was told there was no money to do it. The house has been redecorated four times in the forty years she has lived in it – but the colours have all been “stink colours”.
- 63 Despite not getting a porch, Ripeka feels OK about the service she gets from the Housing New Zealand: “When I go down there and I ask for something, then they explain it which is good, they really do...Oh I find them pretty good, alright”.
- 64 Looking after the big yard at the back of the house is becoming more of a problem for Ripeka now she’s getting older. Despite this Ripeka doesn’t want to move – she jokes that the only time she will move is when “they carry me out feet first”.

### **“This has been a wonderful house and still is”**

- 65 Fred and Shelia are in the 75+ age group. They moved to Porirua East in 1967 into a new housing New Zealand unit when Shelia was expecting their second child. They had been living in an old house in Petone (owned by the Public Trust) that was about to be demolished. At first, they hated the area and some of their neighbours



were always arguing and fighting. They asked for a transfer back to the Hutt Valley but were turned down.

- 66 After about five years Housing New Zealand offered the family a new three-bedroom house that was being built in the new area of Porirua East which they were “thrilled” about. By this time they were feeling more settled – they had got to know people through their son’s sport. Sheila had become involved with her children’s school and then got a job at the school.
- 67 Fred and Shelia have seen many changes in the forty years they’ve lived in the area. When they first moved into their current house there was no roading or paving. There was only one school and no parks and other facilities for children. In the early years most of the families were Palagi. The neighbourhood became more multi cultural with the arrival of families from the Pacific Islands. Unlike the early days when most residents worked, Fred and Shelia think the majority of locals are unemployed. More recently they’ve observed the closure of local facilities such as the Post Office and shops, and the physical deterioration of the local mall.
- 68 Fred and Shelia feel safe in their neighbourhood and have good neighbours who are long-time residents like themselves. Shelia said: “if anything ever happened to Fred I wouldn’t have any worries about staying here on my own. Cause those people next door, they’re fantastic neighbours”. Their local health centre is just up the road and there is a regular bus service to the Porirua town centre.
- 69 Fred and Shelia take a great deal of pride in their home and have looked after it well. They use to do their own wall papering and they laid carpet through the house. Apart from repainting, nothing had been done on the house for thirty eight years by Housing New Zealand. About a year ago the house was refurbished (with a new kitchen and wood burner), insulated, redecorated and re-carpeted.
- 70 The best things in the couple’s life are their grandchildren and their good health: “because...we’re both pretty fit and well”. Fred is an avid gardener but now he’s in his late 70’s he’s finding the garden too big to manage.
- 71 Fred and Shelia are worried that Housing New Zealand might ask them to move out of their home into a smaller property which they may not like. Although they’re aware that there are families who need a three-bedroom house, they’re adamant they’re not moving “cause you know...we have had a lot of good times in this house, you know, and it’s been a really nice house...it’s absolutely lovely”.
- 72 Fred and Shelia describe Housing New Zealand as “always obliging” and responsive when things have gone wrong.

## Tenant segment: Independence potential

- 73 The two stories presented here are based on interviews with participants in the Assistance to Housing Independence project. (See Assistance to Housing Independence: Report on the 12 month follow up of Test Phase tenant participants (December 2012)).

### Iwi provides housing deposit

- 74 A Maori woman who is a solo mother has four children. Her eldest child has a disability. She works full time for an early childhood provider. Her son was in trouble with the police and they suggested she take time off work to “get him back on the straight and narrow”. Her work agreed to her having leave with out pay and have kept her position open for her to return to when she feels ready.
- 75 Currently she is on the Domestic Purposes Benefit. When she is working she has a low income including Working for Families payments. However, she and her children are members of the iwi, Kai Tahu and as a result can access funds for housing amounting to over \$30,000 for a deposit. Participating in the Assistance to Housing Independence Test Phase made her realise she needed to learn about home ownership, banks etc. She tried to access the Welcome Home First Steps home education course through the internet unsuccessfully.
- 76 She approached a friend who is a successful businessman who has introduced her to a bank and has been discussing her options with her. She is tossing up between purchasing the Housing New Zealand property in which she is currently living or seeking a similar house in the same neighbourhood.

### Moving to a private rental property

- 77 A Maori couple had three children and a fourth on the way. They were motivated to participate in the test phase of AHI because they wanted to move away from the gang presence in the neighbourhood to protect their young son.
- 78 The AHI project enabled the couple to learn about different housing options, and to start talking to one another. Twelve months after the first contact they said, “*We talked with one another for days about our housing aspirations, what was best for the children and what we wanted in the long term*”.
- 79 The couple worked with the AHI Advisor to find a place to rent that suited their needs. The AHI Advisor assisted with the real estate agents, provided a reference and organised the financial resources that made moving into a private rental possible for them.
- 80 Approximately six months into their first private rental tenancy the couple were given 21 days notice to move. They had drawn attention to the leaking roof. The landlord had no money to have the roof fixed and decided to move back into the property. The couple sought assistance from the real estate agent with whom they had a relationship. Their current landlord provided a reference. Work and Income provided the bond and rent in advance as a temporary solution and was paid back when reimbursed from the first tenancy.
- 81 The couple found another private rental property without Housing New Zealand support nearby, that was even better than the one in which they were living. The

family was very happy with the move and praised the information and support that Housing New Zealand had provided.

- 82 The couple were so impressed by the support they received from the AHI Advisor and the options available, that they shared their experiences with friends who lived in Housing New Zealand properties in their previous neighbourhood. This inspired others to move from state housing into private rental properties. The couple had suggested to their friends who moved into private rental that Housing New Zealand could assist them with finding the right place, and with financial assistance to make the move. However, the friends decided to check out other opportunities through Work and Income before approaching Housing New Zealand and as a result did not need AHI assistance.
- 83 When the researchers visited for the 12 month follow-up the whole family appeared more relaxed and confident. The garden and house were well-kept and the children were happy.

## Tenants' story about functional overcrowding

- 84 The stories in this section are based on interviews undertaken for the Housing Pathways Longitudinal Study.

### “It's just warmer in the lounge”

- 85 Ben is in the age group 41-50 years, He identifies as Maori and New Zealand European/ Pakeha and his tenure duration is less than two years. He found that the location of the house made it cold. Ben said: “We probably get the sun about two hours a day in this place at this time of the year [mid winter].” Ben's main heating source is an electric heater, and an open fire which the family use when they can find free firewood. He said: *[I]t's expensive paying for the firewood, so the brother's shouting us a trailer load of firewood.*”
- 86 The family Comprises Ben, his partner and their two boys aged seven and nine years. They live in a house with two bedrooms. According to the Canadian Housing Overcrowding Standard they are not structurally overcrowded. However because of the coldness of the house the whole family sleeps in the lounge. Ben said:

*I do have a bed and that but it's just warmer in the lounge... a heat pump would be nice. The only problem is that ... they'll probably put it in the lounge where it's not so much the lounge that needs it. You know. I wouldn't want one if they put it in the lounge. To me I just think that's a waste. The back half of the house is colder. We can heat these two rooms up with the fire or the heater. But once you open that door at night it's freezing going out to the toilet and that.*

### Structural and functional overcrowding together

- 87 A Pacific couple with four children live in a two bedroom Housing New Zealand property in South Auckland. They are waiting for a transfer to a larger house. The couple and their two small daughters sleep in one bedroom and their two boys sleep in the second bedroom.
- 88 In winter the house feels very cold. An open fireplace in the living room is available to heat the house. The cost of power is too expensive for the family to use other types of heating. Sina said: *“We just use the fireplace and sometimes we end up just*

*sleeping in the living room*". Another reason for the family all sleeping in the living room is when the neighbours have loud parties which frighten the boys.

### **“After the earthquake we all slept in the lounge”**

- 89 A small number of households described how everyone was sleeping in the living area of the house, as a result of ongoing anxiety about another earthquake. One applicant described how they hid this from their private landlord during house inspections:

*Since the earthquake we don't use the two bedrooms out here, we just keep the kids together here cause it's big bedrooms and we've used the lounge at front as a big master bedroom so we try and keep all them there 'cause last time you know we had to run and check all the rooms and from one end to another and I didn't feel safe then. So after the earthquake we all slept in the lounge and then when there was a house inspection the lady said, "it's really safe to go and sleep in the room" but me, I didn't want to. So when we had house inspection I just quickly tidy it into the room, but now we just sleep in one area so I could hear the kids and check them every night since then ... It's just, I want to keep them close.*

- 90 The household quoted above includes two adults, and five children. While their three bedroom house is big enough to accommodate their family, they have adopted a crowded sleeping arrangement because of anxiety about further earthquakes.

### **Customers' stories about 'churning'**

- 91 The stories in this section are based on interviews undertaken for the Housing Pathways Longitudinal Study.

#### **Long term churning**

- 92 Huia is in the age group 31-40 years. Her waiting list priority rating is C. She is a single parent living with her four children (aged 7, 11, 12, 18 years) in her parents' three bedroom home in Porirua which they own. There are eight people living in the house - Huia, her four children, her parents and their eight year old whangai son. Huia's eleven year old daughter is sharing a room with her seven year old brother and her eight year old male cousin, and Huia sleeps in the lounge.
- 93 Huia and her family moved into her parent's house in December 2008 when they returned from the UK where they had lived for about two years with Huia's sister and her family. Huia and her children moved to the UK after a home invasion in Auckland where they had lived in three rental properties over a seven year period. Huia moved her family to Auckland following a relationship break-up. When Huia lived in Wellington she rented two Housing New Zealand properties over a ten year period before renting privately.
- 94 As soon as Huia returned home she applied for a Corporation house. Although Huia grew up in Porirua East she wants to live outside of the suburb because she feels that the area is not safe for her children. Huia is receiving the Domestic Purposes Benefit. She has looked for a private rental but they are too expensive. She thinks that landlords don't want a single mother as a tenant:

*Oh, I was looking at private, and I just thought they were just so expensive, and because, yeah, I think... with private houses a lot of people look at you as a solo*

*mum with three children and think, 'Oh, yeah, she's not going to be able to afford the rent' and so you're not really looked at seriously. That's how I feel. And so I just thought, well I'll just keep looking, apply for Housing Corp and just hope. See what happens.*

- 95 Huia thinks that it is unfair that people who are recent arrivals in New Zealand are given Housing New Zealand houses, while New Zealand residents like her are struggling:

*I just sort of think of people that aren't from New Zealand that can come in and get houses quite easily... I'm born and bred here and I'm struggling to get a house, and just sort of expected maybe a little bit more help.*

- 96 Huia wants to get her family's housing situation sorted out as soon as possible because her 12 year old daughter is starting college in 2010. The 'hard' things for Huia are:

*...finances, of course, now with schools and where the kids are going to go to school. College and, oh, just re-establishing ourselves, I suppose is mostly the main thing. And we're sort of at a standstill at the moment, we're sort of like stuck, you know. We're just stuck. It's like, 'Oh my gosh, what are we going to do?'*

## Short term churning

- 97 A woman was in the 18 to 30 year age group. She was living with family in overcrowded circumstances with her children in South Auckland. She told how, during the last three years since she was first interviewed, she had been an applicant, a tenant, a previous tenant and was now trying to get on the waiting list again. In one year she had accepted the offer of a house that was too small, moved out into private rental and moved back to her mother's place where she was when we interviewed her in Wave One. She is a good example of a person who has been described as a 'churner'<sup>1</sup>. She said (A38),

*"I just want that house, could you give me?" So they gave me the house, when a four-beddie comes up I'm entitled to that to move straight in. But because my dad took sick, I wanted to take my dad on, but I couldn't stay in that Housing New Zealand house, so I moved out [to private rental]...Because I had him and it's like overcrowding... I didn't like that, so I moved out of that house to another private house and then because my dad had moved on to one of my other sisters, it was better for him. And then I had issues with that house and I moved back here, so this is where I am now. And that's all done in one year.*

- 98 When we interviewed her in Wave Two she had just reapplied for a house and was told she had to try private rental before her application to Housing New Zealand would be considered. She said (A38), *"I have to go and look for some real estate homes and if I don't get approved there then I can make that application with Housing New Zealand...it's a long process".*

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<sup>1</sup> Pfitzner, Franziska (October 2008) *Housing Pathways Research: Typical housing pathways for tenants of Corporation housing*. Prepared for Housing New Zealand Corporation

## Tenants' stories about intergenerational tenure

- 99 The stories presented in this section are based on interviews undertaken for Wave One of the Housing Pathways Longitudinal Study. ((See Longitudinal Study of Corporation Tenants and Applicants: Initial findings from Wave One research undertaken in Porirua (January 2010)).

### **“I feel very safe, very, very safe here”**

- 100 Joan who is 77 years old grew up in a Housing New Zealand house in Petone. When Joan got married she moved in with her husband's family who also lived in a Housing New Zealand house. The arrival of children meant that the house became overcrowded so Joan and her husband applied for a Housing New Zealand house. They were given a brand new three bedroom house in Titahi Bay. As the number of children increased the house became too small so they moved into a four bedroom house in Porirua East. Joan had seven children and is now a great grandmother. Four of her children live close so they can “be down in a minute”. All of her children have done well and live either in private rental accommodation or own their own houses.
- 101 When the children began to leave home, Joan downsized to a three bedroom house. About twenty five years ago when they had all left home, Joan moved into a one bedroom flat in the same complex where she now lives. About five years ago, her current home became vacant. She'd noticed that the flat got more sun so she asked if she could move.
- 102 Joan has lived with rheumatoid arthritis all of her adult life. There have been times when Joan has been severely incapacitated by it. When one of her sons was born, she was unable to pin his nappy on him because she had so little strength in her hands. There were other times when she was in a wheelchair for a lot of the time. Joan's husband walked out on the family because he couldn't cope with her being sick.
- 103 Although she is pain free now, Joan has significant mobility problems. She can't walk down her front door steps without someone helping her. There is a ramp at the back door but Joan doesn't feel safe walking down it without someone to support her. Joan's mobility problems mean that she is housebound. She goes out twice a week – one of her granddaughters takes her shopping and a daughter takes her to church.
- 104 Joan has had other health issues, including breaking the same leg four times and the same arm on two occasions. The last time she was in hospital the family had a “pow-wow” about whether she should go into a rest home. But Joan didn't want to: “as long as I could manage for myself I wanted to come home”.
- 105 Although Joan is happy with her flat, there are two things wrong with it. The window in the bathroom is old and doesn't fit properly so there is a draught. Housing New Zealand removed one of the doors in the lounge because of borer, but “they didn't have any money left to put a new door on”. This means that the warmth escapes from the lounge when the heater is on. One of Joan's sons fitted a curtain on the doorframe to try to reduce the heat loss. Apart from these issues, Housing New Zealand has responded promptly to plumbing and electrical problems.

106 Joan is surrounded by supportive neighbours: “we look out for one another a few of us, talk on the telephone or if somebody’s curtains haven’t moved for a while in the morning you ring up to make sure they’re alright”. One neighbour brings Joan’s paper to her every morning and does her gardening. As for the future Joan says: “I just want to stay...for as long as I can yeah, I don’t want any more health problems please”.

### **“I’ve become attached to this house”**

107 Ana is in the 31-40 years age group. She became the caregiver for her elderly parents about five years ago when her father had a stroke. At the time Ana, her two daughters (now aged 9 and 19) and parents were living with one of sisters in her Housing New Zealand house. The house was overcrowded and the access to the house was too steep for her parents. After the stroke Ana’s parents moved back to (name of Pacific Island) for about four months. While they were away, Ana applied for and was given a Housing New Zealand property. Ana and her daughters moved into the house and her parents joined them.

108 In late 2004 Ana’s father had a leg amputated and needed a wheel chair. It took three years for Housing New Zealand to agree to construct an outside ramp, and pay for half of the cost of concrete paving from the street to the house. But the family couldn’t afford to pay for the other half of the costs (about \$2,350). During these three years, Ana and one of her daughters would have to lift her father up the stairs into the house which was difficult for them and her father: “it got to the stage where my father...lost a lot of self esteem about going outside or going say to church. He stopped going to church because it caused us a lot of problems to get in and out of the house”.

109 The house is two-storey and has a separate bathroom and toilet. Enable offered to pay for the wall between the bathroom and toilet to be removed but Housing New Zealand refused to modify the bathroom for wheelchair access.<sup>2</sup> This situation was impossible for Ana’s father: “My dad had to leave his wheelchair in the corridor, get off the wheelchair and crawl to the bathroom, and then we’d have to help him onto the toilet bowl”. The family was offered a transfer but they were shown only one property in about five months. Although this property was single-storey it wasn’t large enough for the family – it only had two bedrooms and a small sitting room which wasn’t big enough for a wheelchair. Then Ana’s father died suddenly.

110 After her father’s death, Ana was shocked to discover that the tenancy agreement was in her father’s name. She has assumed that she was the tenant as she had signed the tenancy agreement and filled out the IRR form every year. Housing New Zealand then organised for the house to be transferred to Ana as the tenant.

111 Ana feels very angry with the way Housing New Zealand treated her father. She prefers to contact the call centre rather than have to talk to staff face to face. The last time she visited the local Neighbourhood Unit she became very upset: “I ended up breaking down...I just get angry when I go down there”. For Ana the worst thing about being a state tenant is “the lack of communication, lack of response, lack of understanding...in dealing with Housing New Zealand”.

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<sup>2</sup> Enable is a disability services provider contracted to the Ministry of Health and some District Health Boards.

112 Ana loves her house because it is sunny and warm. There are three bedrooms - Ana's mother sleeps in one bedroom, her two daughters have a bedroom each and Ana sleeps in the sitting room. She loves the quiet neighbourhood and the neighbours who help each other out: "*Like if I was running late... I would ring or text one of the neighbours, 'oh my daughter's on her way home and I will be ten minutes late. Could you please get her to come to you and can you give her a piece of fruit until I come home?' And they will do the same*". If Ana wins Lotto, she wants to buy her house.



## Stories about tenants' debt

113 The stories presented in this section are based on interviews undertaken as part of the Housing Pathways Longitudinal Study. (See *Experiences of debt among Housing New Zealand tenants and applicants: Insights from the Housing Pathways Longitudinal Study* (September 2013))

### Vacated debt and clarity of requirements

114 Vera has been a Housing New Zealand tenant for more than 25 years. In late 2011 she transferred to a new Housing New Zealand property to get away from a dangerous neighbour. While there is no record of pre-vacation inspection occurring before she transferred, a transfer inspection took place shortly before the move.

115 After Vera transferred, she was charged just under \$500 in damages, which she disputed with the help of the Citizens Advice Bureau. As a result, the charges were reduced slightly.

116 Vera felt that there had not been enough clarity from Housing New Zealand on the condition in which she was expected to leave her house, and cross-referencing between Housing New Zealand records and her report of what she was charged for, show that she was also confused about what her damage debt was comprised of. She assumed that, since the house had not been redecorated during her tenancy, it would be fully redecorated after she vacated, and this meant that she need not take picture hooks out of the walls. She believed that she had been charged for the picture hook removal, but Housing New Zealand records state that the charges included only carpet, rubbish removal, and replacing a missing plug and chain.

117 Despite the misunderstanding, Vera was grateful to Housing New Zealand for the transfer, and felt that she had been treated well: *the treatment that I got and the help coming in here, that was absolutely brilliant.*

118 An arrangement was made to repay the debt at \$5 per week, and this arrangement was successfully kept by the tenant.

### Housing New Zealand perspective

119 The Area Manager responsible for Vera's tenancy made the following comments.

- Pre-vacation inspections are almost always carried out, but in this case we do not know what was communicated between the Tenancy Manager and the tenant.
- Standard Housing New Zealand processes were correctly followed in this case, and appear to have worked reasonably well. The tenant was able to discuss the issue with Housing New Zealand, and the debt was reduced as a result.

### Synthesising the perspectives

120 There was some misunderstanding between Vera and Housing New Zealand over requirements for the condition in which the property was left, but subsequent to that, processes worked well. With the help of the Citizen's Advice Bureau, the tenant was able to query her debt, and it was reduced. The arrangement for repayment of the debt also appears to have worked well.

121 A contributor to Vera's misunderstanding about how the property should have been left relates to the fact that the property had not been redecorated for the 25+ years that she had lived there. This led her to assume that it would be fully redecorated after she vacated, and so she need not be too concerned about the condition in which she left it. Housing New Zealand now has a policy that allows the upgrading of houses during tenancies. This policy could therefore have a positive effect on the condition of vacated properties, and the levels of vacated debt.

## **IRR processes, rent arrears, and arrangements**

122 Sela has several young children, and has been a Housing New Zealand tenant for around five years. Her partner works variable hours, but has increased his working hours over the last year. Because of the variable income, Sela juggles rent payments between herself and her partner, and has a history of somewhat irregular payment amounts and timing, plus occasional dishonoured payments.

123 Several coinciding events contributed to the development of significant rent arrears in 2012/13.

- Her IRR increased by nearly \$60 per week – a much larger increase than she was expecting. She did not have a good understanding of how IRR is calculated, thinking that it would only increase if her husband's hourly pay-rate increased. She did not anticipate the effects that her partner's increase in working hours would have on their rent, and did not put money aside in anticipation of an increase.
- Processing of her IRR Change of Circumstances information was delayed for two months, while some information was missing. Sela insists that she submitted this information on time, and Housing New Zealand records show that she resubmitted it as soon as she was told that it had been lost.
- Her increase in IRR, once processed, was backdated, resulting in significant rent arrears.

124 After the establishment of the arrears, Sela agreed to an arrangement, made via Tenancy Tribunal mediation, to repay the arrears at a rate of \$100 per week. This was unaffordable, and she did not keep the arrangement. She said that, at mediation, she was told that \$100/week was the minimum possible repayment amount, and she did not think that she had any other options.

125 At the same time that the arrangement was actioned, Sela's family assistance was discontinued temporarily, due to overpayment. This reduced her household income and made it even harder to keep the arrangement.

*I try my best to prioritise my house, to pay for our rent, but I know for a fact some weeks I just don't have enough to pay for our rent, it's either I pay for the roof over our head or feed my kids. ... we are so struggling paying it now, but we have no choice because if I miss one of those payments we're out...*

## **Housing New Zealand perspective**

126 The Area Manager responsible for Sela's tenancy made the following comments.

- IRR review processes have been a significant issue for Housing New Zealand, with delays and some losses of information, and this is likely to have been a factor in this case. However processes have improved: the backlog of reviews

has reduced, and procedures have been developed that reduce information loss. There are now fewer issues with IRR than were occurring at the time of the events described in this case study.

- The repayment arrangement of \$100 per week is unusually high, and a renegotiation of it may be warranted. The debt team have guidelines for the level of repayment that is appropriate under different circumstances, but they also have the ability consult with the Area Manager and set lower levels of repayment than those stated in the guidelines. This provision is often used, but may not have been in this case.
- Based on Sela's description, the mediation process also appears to have been unusual. It is the mediator's job to ensure that the tenant's voice is properly heard, and it is unclear why it was not, in this case. Either the process was unusual, or Sela's description of the process may not fully reflect what actually happened.

### **Synthesising the perspectives**

- 127 Sela was unlucky that her IRR review happened at a time when Housing New Zealand had some problems with IRR processes. Housing New Zealand has now put in place improvements that make it less likely that tenants will experience the delays and losses of their information that happened in this case. .
- 128 The delay in IRR processing, in combination with Sela's unawareness of her increased household income and its impact on rent, resulted in significant arrears. This raises a question as to whether it is ethical for Housing New Zealand to backdate large increases in IRR, after a delay in processing that was unlikely to have been the fault of the tenant.
- 129 The arrangement that was made for Sela to pay back arrears at \$100 per week is very unusual, although it was not the only case of this occurring in South Auckland during this time period. Since this time, Housing New Zealand has been redesigning the criteria around debt repayments, and a new repayment calculator is under development. The calculator provides guidance for staff on repayment levels, and should make unusually high repayment arrangements less likely to occur in the future. When Sela's information was entered into the draft repayment calculator, an arrangement of \$30 per week was recommended.
- 130 It is clear that, in this case, mediation did not effectively elicit Sela's position on what level of repayment was affordable for her. It is not clear why not; there may have been a failure in process, or there may have been issues with Sela's perceptions or understanding of the process.

### **Rent arrears, changing income sources, and perceptions of mediation**

- 131 Cilla has been a Housing New Zealand tenant for around three years. She is in tertiary study, and during term time, her income is from a student allowance, and when she is not studying she switches to a benefit. Her income level does not change when she moves between a benefit and a student allowance.
- 132 Cilla has a history of recurring rent arrears, with the following contributing factors.

- Cilla tends to get into arrears when she switches between income sources then misses several weeks of rent payments.
- When Cilla is on a benefit, she pays her rent through an AOB, and this works well. When an AOB is active, her rent is paid consistently, and she is able to pay off arrears.
- Although Cilla sets up automatic payments for her rent when she is on a student allowance, her payments have been much less consistent during those periods. She complains of delays in receiving her allowance from Studylink, but Housing New Zealand records suggest that other factors, such as a wrongly set-up automatic payment, have been more significant contributors to her debt.
- During a period of seven months in 2012 (which spanned Housing New Zealand's transition to the new service delivery model), Cilla paid her rent fortnightly instead of weekly, and was not followed up by Housing New Zealand. This situation was rectified in late 2012, by which time she was in significant arrears. In early 2013, when we interviewed her, she did not appear to be aware that her payment had been set up wrongly, instead blaming Studylink delays for the debt.

133 Cilla described dissatisfaction with having to undergo Tenancy Tribunal mediation when an arrangement was already in effect. This was despite having been told by Housing New Zealand that the mediation was simply to formalise the arrangement, and that it was in her best interests as it would allow her to have her perspective heard. She likened Tenancy Tribunal proceedings to court, saying: *I thought oh if I have to I'll face you in court.* This difference between tenant and Housing New Zealand perspectives on Tenancy Tribunal mediation is not unique. Several other tenants described their experiences of Tribunal in a similar way.

134 At the time of writing, Cilla was receiving a benefit, and paying her rent plus a weekly amount towards arrears, by AOB. This arrangement was being kept, and her arrears were reducing.

### **Housing New Zealand perspective**

135 The Area Manager responsible for Cilla's tenancy made the following comments.

- Normally, when a tenant misses one payment, the Tenancy Manager contacts them to enquire what happened. In this case it appears that there was no contact for a number of weeks. This could be because the Tenancy Manager tried to phone or visit, but got no response and did not document the attempts, or it could be that the arrears went unnoticed due to the major changes in Housing New Zealand processes. The need for Tenancy Managers to document everything, including unsuccessful contact attempts, has been reinforced, since this time.
- From April to September 2012, Housing New Zealand was embedding new processes, and debt specialists were not resourced well enough to cope with all of the debtors in the area. Nowadays, the debt team is better resourced, area staff receive debt reports, and there is an expectation that Tenancy Managers are responsible for the debt in their portfolios. This makes it much less likely that debt such as that described in this story, will be missed in future.
- While Housing New Zealand processes may have meant the debt was overlooked, it should also be noted that tenants are responsible for their rent,

and this tenant should have seen from her bank statements that payments were being missed, or should have had some awareness that she had extra money.

- Ideally, in this case, Housing New Zealand action would include the Tenancy Manager identifying a history of rent arrears due to changes of income source and working on a plan with the tenant around how to best manage this (for example, by paying a little extra each week so to create a credit that could be used when shifting from one income source to another). There would also be some support offered to the tenant, for example, a referral to a service for budgeting and advocacy support, including advocacy with Studylink.
- While tenants may not like Tribunal process, they are necessary in cases where there is a large debt or a history of repeated debt. While some tenants will stick to arrangements that are made more informally, others need to have it clearly explained, by someone other than Housing New Zealand, that they must pay their rent and they must adhere to arrangements, or face consequences.

### **Synthesising the perspectives**

- 136 Whenever Cilla moves between income sources this results in recurring rent arrears, and in particular, when she moves on to a Student Allowance and her rent payments are no longer taken care of by an AOB. Given Cilla's history, the Area Manager has suggested that an ideal process would involve working with Cilla on a plan for how to manage her changes in income, and referral to a budgeting and advocacy service. If this were implemented, it would help Cilla to deal with Studylink, and it would challenge what appears to be her expectation that she can accrue arrears while on a student allowance, and then repay the arrears once she is back on a benefit.
- 137 Cilla's view of Tribunal processes is at odds with Housing New Zealand's view. Cilla saw Tribunal as unnecessarily confrontational, despite having had it explained to her that it was normal process to allow formalisation of the arrangement. Housing New Zealand sees Tribunal processes as a means to allow the tenant's side of the story to be heard, and in some cases to give a clear message to the tenant that rent must be paid and arrangements must be kept.
- 138 While Cilla was dissatisfied with the communication she had with Housing New Zealand about the Tribunal process, Housing New Zealand records show that she had been visited by her Tenancy Manager, and had spoken with Housing Advisors several times, and the purpose of mediation had been explained to her. Where communication between Housing New Zealand and Cilla had been lacking, was during the earlier period when she underpaid her rent and got into arrears.
- 139 Cilla seems to be unclear on the reasons for her arrears, blaming Studylink processes, but not acknowledging the contribution of dishonoured payments and incorrectly set-up automatic payments. She may not have been aware that these issues had occurred.

## First home buyers' stories

The stories presented here are based on interviews undertaken as part of the Assistance to Housing Independence project. Two evaluation projects provide additional information about first home buyers: *Assistance to Housing Independence: Report on the 12 month follow up of Test Phase tenant participants* (December 2011); and, *KiwiSaver Home Ownership Package Process Evaluation* (June 2011).

### Purchasing a Housing New Zealand property

- 140 Prior to the AHI test phase Di, had received a letter from Housing New Zealand informing her she could purchase her property. In late 2010, she went to a Housing New Zealand-supported Welcome Home First Steps home education course and got mortgage approval through a broker. She then wrote to tell Housing New Zealand she had mortgage approval to purchase her Housing New Zealand property. Next she and Housing New Zealand both got valuations done on the house.
- 141 Before Christmas 2010 Housing New Zealand told Di the property was no longer for sale because arrangements had not properly been formalized with the Iwi. Di then started looking around at other houses in her price range for sale and after a couple of months she found another house she was really interested in and was on the point of signing up to it in late January/early February 2011. Just at that point she got a phone call from Housing New Zealand to say her property was back on the market. Di reflected: *"It would have been good to have heard "Yes, we've stalled again" rather than being told "No, the house is no longer on the market"."*
- 142 She decided to stick with her original goal of purchasing the Housing New Zealand property. She was unhappy she had had to extend her mortgage application "about three times" and had had to endure "months and months" waiting. She worked through a lawyer to agree a price with Housing New Zealand. In order for Housing New Zealand to sell the property, it still needed to go through court with the Iwi to get the title released.
- 143 Di thought this had happened in May 2011, but that the court outcome wasn't passed on to her until the end of July. She eventually purchased her home on 19 August 2011. She said: *"Talk about frustrating ... The wait was too long. I could have been paying the house off during the year ..."*

### Renting to buy

- 144 A Samoan couple had been in their previous place for 17 years. Participating in the AHI test phase and receiving a Housing Action Plan helped them to recognise that they needed a bigger home – they have five children, including a daughter who was about to have her own baby and wanted to stay at home. However, they also didn't want to move just anywhere – they wanted to be near the kids' schools.
- 145 The couple went to the Welcome Home First Steps home education course and found it very helpful – *"all the ins and outs of buying your own home, what to expect, and learning that we didn't need all the little extras"*. The mother and her pregnant daughter also attended a money management course learning about banks, trusts, interest, effects of compounding interest, etc. The mother said *"I have changed a lot"*

*of my ways as a result of the course ... [it] was really good for my daughter – she learnt a lot too”.*

- 146 The couple went to see Kiwibank about getting a house loan to buy a house, but they didn't have a big enough deposit. Kiwibank suggested they contact the New Zealand Housing Foundation, which they did. The couple also got in touch with a mortgage broker (identified in the Welcome Home First Steps home education course), who was looking for a mortgage provider for them, but couldn't find a big enough loan. In the meantime, the AHI Advisor kept sending information about rental places that were available, although these were too dear. The couple kept looking on TradeMe, but places were also expensive, *“so we thought if we stayed in our old place for a bit longer we could save a bit extra”*.
- 147 The New Zealand Housing Foundation offered the couple two duplex house options, which they declined because they wanted a stand-alone house, and then their current house came along. The couple looked at it and liked it. The rent-to-buy arrangement with the New Zealand Housing Foundation is that the couple pay rent for the first three years (down from the standard five because the previous tenants had to move), and then 25 percent of any increase in value of the house can be used as part of their deposit to buy the house. In the meantime, the couple also have KiwiSaver accounts, and can keep saving.
- 148 The couple's new house is much bigger, and warmer, with carpet and insulation. Access to schools is good, although they tend to use a bit more petrol to get to work and shopping but that is okay. Their new house is quiet, and has a good outlook over wetlands. They are very happy with it.