



## Media release

### **New research presents clear and compelling case for investment in affordable housing**

**12 April 2017**

New research released today by the Housing Foundation shows that helping families out of rental accommodation and into affordable home ownership leads to positive social, economic and health outcomes, benefitting both the families themselves and the NZ taxpayer.

Dr. Tony Lanigan, Chair of the Housing Foundation, says the research presents a clear and compelling case for more investment in affordable housing.

“The housing market is not working, particularly for low income families who are being left behind. They are paying very high rents, have little security of tenure and are unable to buy their own homes. We commissioned this research to add to the debate on housing by focussing on long term solutions which address housing insecurity and independence.

“We hope this research informs the Government, and other stakeholders, to become active investors or co-investors in affordable housing solutions because it directly contributes to positive health, crime, employment, educational and wealth outcomes that benefit all New Zealanders, including taxpayers.”

The research comprised two key studies:

1. A literature review of over 120 international studies conducted by the Family Centre Social Policy Research Unit (FCSPRU) found that improved housing tenure directly contributes to positive health, crime, employment, educational and wealth outcomes all around the world.
2. Researchers, Business Economic Research Ltd (BERL) found a positive association between housing tenure and fiscal costs for health, crime, welfare and tax paid. Transitioning Kiwi families from private rentals or social housing into their own homes would deliver the Government net fiscal savings (of \$6.4m and \$11.1m respectively), because the Government ends up spending less on things like healthcare, welfare, and accommodation supplements.

The FCSPRU and BERL studies were complemented with an independent survey of residents living in new housing that is affordable in the Waimahia Inlet community of South Auckland. The survey showed that residents' quality of life had improved as a result of moving from their previous circumstances, and considered factors including employment, financial stress, health, education, crowding and a sense of community and participation.

Mr Lanigan says despite evidence showing New Zealand's housing affordability continuing to worsen, there remains a significant lack of desire and funding to support the development of new housing that is affordable.

“The housing crisis is real. Just two months ago New Zealand topped the IMF's survey of house price increases-to-income ratio across the 30 wealthiest nations, and home ownership rates are now at their lowest level since 1950.



“Additionally, there has been a lot of talk about social investment and the need to front end the spend, in general terms. We agree, and this investment needs to happen in affordable housing, not just social rentals.”

Mr Lanigan says the Housing Foundation and the wider community housing sector are ready to do their part and provide affordable homes.

“The Housing Foundation’s affordable rental and shared equity programmes have helped over 300 families onto the pathway towards home ownership, and we have over 3,000 households who are keen to be in the programmes. We have the potential for a win-win situation here – better outcomes for people, and better value for money for NZ taxpayers.”

The Housing Foundation commissioned and funded the three research reports. They are available to download, along with an executive summary, at <http://www.nzhf.org/>

ENDS

Contact: Paul Gilbert  
General Manager – Strategy and Development  
New Zealand Housing Foundation  
021 424 079  
[paul.g@housingfoundation.co.nz](mailto:paul.g@housingfoundation.co.nz)

Notes for editors:

New Zealand Housing Foundation is a charitable housing trust formed in 2003 in response to:

- A lack of secure, stable, affordable housing options for people on low to medium incomes
- A lack of “housing pathways” for renting low income households
- A lack of understanding and research in providing affordable housing
- A small and limited community-based social and affordable housing sector.

Case studies of clients who have been helped into housing by NZHF are available on the NZHF website: <http://www.nzhf.org/galleries/meet-the-families>