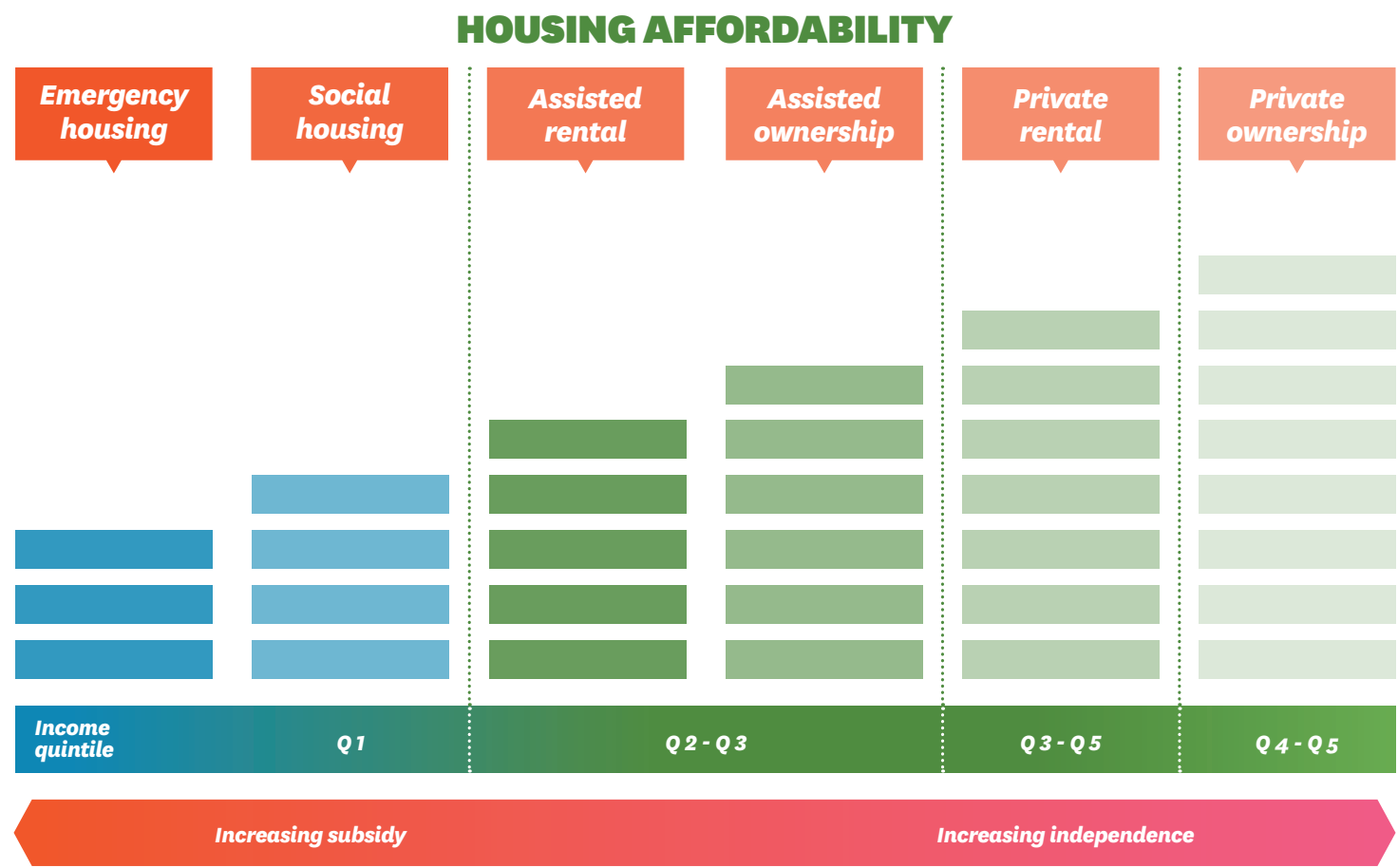


AFFORDABLE HOUSING CONTINUUM

Well-housed means living in adequate housing, that underpins good health, economic, environmental and social outcomes. Housing is a vital part of our community infrastructure. Public, private and community housing sectors each have an important role to play, working together to address the housing challenges facing New Zealand.



New Zealand Human Rights Commission states that “The human right to adequate housing is a binding legal obligation on the State of New Zealand”. Adequate housing takes account of security of tenure, affordability, habitability, availability and location of services, accessibility and cultural considerations.*

*The Right to Adequate Housing (Art. 11 (1) of the Covenant); Adopted at the Sixth Session of the UN Committee on Economic, Social and Cultural Rights, on 13 December 1991.

Principles

1. **Affordability** means spending no more than 30% of gross household income on rent or mortgage.
2. The continuum fosters **security of tenure and pathways to greater independence** by offering housing choice.
3. Value created is **retained and recycled** for the future benefit of housing affordability in that community.
4. The **local community** and those people to be housed should influence housing responses. Pathway subsidies should have flexibility to meet that community's needs.
5. There are **incentives** and support for households to improve their circumstances.
6. **Commissioning** that optimises outcomes and value creation for households through transparency, collaboration and partnership; is preferred over procurement through competitive transactional tendering processes.
7. **Transparency** means subsidy costs and benefits are understood by all parties.
8. The development, measurement and evaluation of housing services and policies are driven by **robust, independent research and evidence**.
9. The continuum operates best where housing solutions are **matched to housing need in each community**. This includes tailored pathway subsidies for as long as people need it.
10. We measure **effective outcomes** based on the return on investment of total welfare spend on households and communities – now and over time.

Housing pathway

Very low income households

(Quintile 1)

Housing and support subsidies help very low income households and disadvantaged groups to access appropriate, secure and affordable housing. For this group 25% of their gross income is spent on housing. On the continuum this includes emergency and social housing.

Low to moderate income households

(Quintiles 2-3)

Low to moderate income households spending no more than 30% of their gross income on rent or mortgage costs. On the continuum this includes assisted rental and assisted ownership.

Moderate income and above households

(Quintiles 4-5)

Private housing bought and sold under prevailing market conditions. On the continuum this includes private rental and ownership. Some households in private rentals may receive the Accommodation Supplement.

Pathway subsidies

Emergency housing

Temporary accommodation and support subsidies for individuals and families who have an urgent need for accommodation because they have nowhere else to stay or are unable to remain in their usual place of residence. Includes temporary overnight accommodation and short term stays of approximately 12 weeks.

Social housing

Subsidised rental accommodation combined with support services appropriate to household needs. Rents usually funded by the Income Related Rent Subsidy.

Assisted rental

Subsidised rental accommodation Rents usually partially funded by the Accommodation Supplement and/or at below market rent levels.

Assisted ownership

Household income-related pathways to home ownership. Subsidies include rent to buy, affordable equity and shared ownership.