

ADDRESSING AN UNFOLDING HOUSING CRISIS

> *Jill Hawkey from the Christchurch Methodist Mission uses Blenheim as a cautionary tale of how a township can quickly slip into a homelessness crisis.*

Blenheim, a small town of 31,600 people in Marlborough at the top of the South Island best-known as the centre for one of New Zealand's main wine regions, has one of the highest rates of homelessness per capita in New Zealand.

Since 2017, the Christchurch Methodist Mission has provided 77 local families and 15 individuals with emergency or transitional housing. Priority has been given to ensuring that 109 parents, with their 158 children, have a warm and safe place to call home, even if it is a temporary one. Some single people, mostly male, have been able to access emergency or transitional housing but others have made the streets their home. Sixty-one single people are currently registered on the Ministry of Social Development's Social Housing Register.¹

Homelessness in Blenheim has only recently become a significant problem. In 2013, the National Government's Housing Minister, Nick Smith, launched the FirstHome initiative in Blenheim, enabling first-home buyers to buy an 'un-needed state house'. Blenheim was considered a low demand area and the Minister of Housing stated, "It will free up capital from these surplus vacant properties to invest in new state houses in high-demand areas like Auckland and Christchurch."²

Initially, 17 Housing New Zealand houses in Blenheim were earmarked for sale. Between 2012 and 2017, the number of Housing New Zealand houses in Marlborough decreased from 434 properties to 405.

In June 2014, the Ministry of Social Development's Social Housing Register for Marlborough stood at 18 households and remained under 30 households until mid-2016, when an increasing number of people, many of them families, started arriving at John's kitchen, a service of the Crossroads Marlborough Charitable Trust that provides meals, food and support services. The Coordinator of John's kitchen, Janette Walker, noted that, for the first time, she was seeing "more and more families" requiring the service.³

“ According to Trade Me's latest index on rental asking prices, Marlborough's shot up 23 percent in a year ”

Between March 2016 and March 2017, the number of local households on the Social Housing Register went from 26 to 63 and, by March 2018, they were at 82, peaking in December 2018 at 132. As demand grew, so did rental costs.

RNZ's science reporter, Jacob McSweeney, noted in January 2017 that "According to Trade Me's latest index on rental



16 unit motel complex purchased to provide transitional housing in Blenheim

asking prices, Marlborough's shot up 23 percent in a year."⁴ Since that time, prices continued to increase.

In early 2017, the Ministry of Social Development responded to this unfolding crisis by asking that the Christchurch Methodist Mission (CMM), a registered community housing provider, consider providing emergency housing in Blenheim. CMM joined with Crossroads, and a new initiative called the Blenheim Emergency Transitional Housing Service (BETHS) was born.

“ So who are these families and how did they end up homeless? ”

Initially, the Government focussed on purchasing a 16-unit high quality motel complex for the families. But neighbours complained that they didn't want "riff-raff" living next door (as one person stated), resulting in a lengthy legal challenge to the local council through the Resource Consent process. Recognising this would take time, the Government took interim action, purchasing some individual houses that were leased to CMM for transitional housing.

In June 2017, the first house was tenanted and, almost a year later, the motel complex finally opened. Some local resentment remained, including one person writing 'SCUM' in weed killer on the grass outside the motels.

Two years on, however, neighbours have become supportive. As of June 2019, BETHS provides support to 36 households at any one time (84 percent with children) at the motel complex, individual houses leased from either Housing New Zealand or the private sector, or in individual motel rooms across the town.

So who are these families and how did they end up homeless?

Forty-seven percent of the families are two parent households; 20 percent are working; 50 percent have one child, with 25 percent having at least four children; 49 percent are Māori; 40 percent Pakeha (European New Zealanders) and 10 percent Pasifika. A third of families had been living in overcrowded

1 <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/housing/index.html#TheHousingRegistersincenbspMarch20172>

2 Newshub Government Subsidy to Buy State Houses, 30/9/201

3 <https://www.rnz.co.nz/news/national/323030/homeless-marlborough-families-in-motels,-tents>

4 RNZ website, 25 January 2017, Jacob McSweeney, Science reporter

situations, sharing homes with families or friends, as they could not find a place of their own. Some lived in cars or sheds. About 20 percent became homeless through domestic violence or relationship breakdown.

Whatever their personal situation, they shared the experience of being unable to find a new home. Many had spent months turning up at viewings to find that 15 or 20 other people were also looking through the residence. The very few houses that were advertised on sites like Trade Me were routinely totally unaffordable for these families.

So why is Blenheim, which has the second highest non-metropolitan GDP per capita in the country (after Taranaki) unable to house its own families? And is enough being done to ensure this crisis does not continue to worsen?

This question is partly answered by a report prepared for the Marlborough Chamber of Commerce and funded by the Ministry of Business, Innovation and Employment (MBIE) in 2017 titled *Solving Marlborough's Demographic Challenges, Part One: Attracting and Retaining a Migrant Workforce*.⁵ This report notes the rapid expansion of the region's most significant industry – winegrowing – and the increasing demand for workers.

Seventy-nine percent of New Zealand's wine production comes from Marlborough, and the 2017 report projects a 24 percent expansion by 2019/20 (more than Hawkes Bay, Canterbury and Central Otago's total planted area) (see page 5 of the report). This, combined with Marlborough having one of the lowest employment rates in the country (2.9 percent in June 2017),⁶ resulted in MBIE, in its short term forecasts for 2017-2020, stating Marlborough had the highest forecast growth in labour demand in the period June 2017 to May 2020.

This growth was for an additional 3,600 employees, "the majority of which are skilled, qualified, managerial and professional."⁷ This includes 2,100 new full-time employees, as well as almost 1,000 Recognised Seasonal Employer (RSE) scheme workers (seasonal workers recruited from Pacific countries where there are not enough New Zealand workers) and other casual staff.

“ The high number of RSE workers had been blamed for the lack of housing in Blenheim ”

The report highlights the impact that this demand for new workers would have on housing, estimating the increase in new full-time employees would require an additional 1,377 houses over less than a three-year period. The report highlighted, however, that the Marlborough District Council had issued only 144 certificates of code compliance (completed houses) in the 12 months to August 2017, up from the long-term average of 100.

This report provided a strong warning of the impending and growing housing crisis, not only in demand for more RSE accommodation but also over 1,000 houses for 'senior

workers'. Anecdotally, the high number of RSE workers had been blamed for the lack of housing in Blenheim, particularly for large families, as four to six bedroom houses were being used to accommodate up to 12 workers, with landlords able to charge \$1,000 to \$1,500 per week per property (more, if additional services were being provided).

In the past year, new RSE accommodation has been developed such as the new St Andrews Complex opened in October 2018, which is able to accommodate 418 RSE workers at a time. While this takes some pressure off the housing market, it will not solve the crisis.

“ The market is not going to solve the housing crisis in Blenheim. ”

The market is not going to solve the housing crisis in Blenheim. While BETHS has been able to support over 50 homeless households to find permanent homes, most still struggle. Stays in transitional housing average 20 weeks (over 40 weeks for 15 percent of families). Those who struggle most to find a permanent home are large families, young parents and those reliant on benefits. Māori and Pasifika are over-represented in transitional housing; 49 percent are Māori compared with 13.8 percent Māori in the population of Blenheim Central, and 10 percent are Pasifika compared with 3.3 percent in Blenheim Central.⁸

The Ministry of Housing and Urban Development is responding to this crisis with ongoing funding for transitional housing, and by launching the Housing First initiative in Blenheim for people who are long-term homeless and need support to sustain their tenancies. The Government's Public Housing Plan 2018-2022 proposes an additional 60 houses in Marlborough, including 35 new Housing New Zealand houses that are already in the pipeline.

However, the projected growth in new workers requires a much stronger response, particularly in the next three to five years. The crisis requires a multi-agency response and a regional strategy that brings together Marlborough District Council and central Government agencies, including the Ministries of Housing and Urban Development, Social Development, Business, Innovation and Employment as well as iwi (Māori tribes), community housing providers and NGOs.

At the June 2019 Conference of Community Housing Aotearoa, Andrew Crisp, CEO of the Ministry of Housing and Urban Development, spoke of a "place-based approach appropriate to particular locations and markets" which was being piloted in Hastings.

This approach is required for Blenheim, with all players around the table to understand the drivers of this crisis and deliver strategies to resolve it. Only then will the most vulnerable families in Blenheim be able to find long-term, secure homes where they can thrive.

5 Forté Management Business Consulting, Training and Coaching Report, *Solving Marlborough's Demographic Challenges, Part One: Attracting and Retaining a Migrant Workforce* 2017

6 Marlborough Region Quarterly Economic Monitor, cited in *Solving Marlborough's Demographic Challenges, Part One: Attracting and Retaining a Migrant Workforce* 2017

7 Ministry of Business, Innovation and Employment (2017), *Short Term Employment Forecasts 2017-2020*



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8 <http://archive.stats.govt.nz/Census/2013-census/profile-and-summary-reports>