Developing and Enhancing Social and Affordable Homes
What the poor need is not charity but capital, not caseworkers but co-workers. And what the rich need is a wise, honourable and just way of divesting themselves of their overabundance.

Clarence Jordan
Habitat for Humanity

Good homes help build good communities. Homes for People is about providing people an opportunity to lay deeper roots and participate more fully in our community.

Darren Birch
Founder Homes for People
Homes for People is a local Housing Association response to the growing housing need in provincial New Zealand. We are engaged in a whole of community response, combining social impact investment with sustainable partnerships across the commercial, community and social sectors.

Homes for People are building social and affordable homes using principles of urban and eco design. Our developments focus on increasing supply of housing within our community, by offering an Affordable Equity programme which empowers a household to buy a home through shared equity ownership.

Vision
To empower and transform community with innovative social and affordable homes for low income people and households in our region.

Goals
- To develop and enhance social and affordable housing in our community, supporting aspiring low-income people and households who may not otherwise benefit from a stable home.
- To improve the social, emotional and physical environments of people and households we work alongside by providing them with affordable, warm, secure and suitable homes.
- To develop and enhance national and regional partnerships across social, commercial and community sectors to deliver smart, efficient and affordable homes.
- To provide affordable home ownership and rental models that are financially sustainable.

Values
Welcome
We welcome the diversity of culture, experience and faith perspectives that make up our communities and are willing to work with all people and households who aspire to obtain a stable home.

Generosity
We are committed to sharing our care, skills and resources to serve, nurture, restore and to encouraging all those we work and partner with to do the same.

Partnership
We are committed to using the resources entrusted to us in good faith; building community through sustainable partnerships and acting responsibly for the benefit of the people we work alongside.

Restoration
We are committed to the beauty of restoration; seeing stability restored in people’s lives, relationships restored and houses restored to being suitable homes.
Current Housing Situation
Palmerston North Needs Analysis

Palmerston North Housing Needs

There is a growing housing challenge in Palmerston North. Without proactive intervention, it is likely to reach the crisis seen in other cities in New Zealand.

New Zealand is not adequately addressing housing needs. The social housing model, developed in the 1930’s, served New Zealand well but its effectiveness has diminished. Local council, a significant supplier of social housing, does not have the mandate or resources to fill the emerging gap.

Most Palmerston North homes were built prior to the 1980s, and do not meet modern standards of home insulation and health. Research indicates rental housing may be poorly maintained compared with owner-occupied homes. This has health and wellbeing implications particularly for people with low incomes and limited housing choices.

“There is projected to be an additional 9,400 households in Palmerston North by 2031.” Based on recent building statistics, there may be a shortfall of up to 5,900 residential dwellings over the coming 15 years.

Housing NZ and the Palmerston North City Council both note there is an oversupply of three bedroom homes in Palmerston North. By 2031, it is projected “30% of all households will be one-person households. It is therefore anticipated there will be an increased demand for homes suitable for older people living on their own” (PNCC, 2015).

Despite this need for smaller homes, developers rarely build them. Ryland and Tucker (2014) concluded that smaller homes will not be built by developers without direct and clear support from local government, due to the perceived lack of profitability, compliance costs and requirements.

There is also overcrowding in Palmerston North. In 2006, 4,542 people were living in a crowded situations.

Palmerston North is the sixth fastest growing city in New Zealand

Palmerston North City Council has committed to “work actively to facilitate the development of wider affordable housing measures and initiatives”

PNCC, 2015

Research has identified a “small but significant” need for greater access to adequate housing for young people, released offenders and those with disability needs. This need includes emergency and transitional accommodation which is best supported by wrap-around services to improve outcomes. These groups are significantly impacted by housing demand exceeding supply.
Affordability and Falling Home Ownership

Rates of home ownership are declining as it becomes increasingly unaffordable for people to own their own homes. Home ownership in Palmerston North declined from 70.7% to 62.4% over the 20 years leading up to the 2013 census. The costs of both owning and renting are rising as a proportion of disposable income.

Social Housing Shortfall

Social housing demand has increased substantially. Housing NZ states that nationally “more than a third of state houses are in the wrong place or are of the wrong size or type to meet the nature of demand expected in the future”, while locally “its current housing stock is not a good fit for the requirements of its clients” (PNCC, 2015)

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<tr>
<th>Priority</th>
<th>Definition</th>
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<tr>
<td>Priority A</td>
<td>People who are considered ‘at risk’ and includes households with a severe and persistent housing need that must be addressed immediately. The household is unable to access and/or sustain suitable, adequate and affordable alternative housing.</td>
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<tr>
<td>Priority B</td>
<td>People who have a ‘serious housing need’ and includes households with a significant and persistent need. The household is unable to access and/or sustain suitable, adequate and affordable alternative housing.</td>
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Homes for People is Born

Homes for People has been established to respond to these challenges. There is an opportunity to prototype a housing association model which enables the New Zealand community to invest in products designed to develop social and affordable housing for the community.

Homes for People is A WHOLE OF COMMUNITY RESPONSE TO A COMMUNITY ISSUE WORKING WITH COMMUNITY PARTNERS FOR THE BENEFIT OF THE COMMUNITY

References:


Other sources include Palmerston North City Council reports, central government documents, NZ Statistics and other academic studies. Please contact Homes for People for more details.
A Housing Association Model

A Community Response

If I dream, I dream alone. If we all dream together, we can succeed.”
Te Kirihaehae Te Puea Hērangī (1883–1952)

Social and Affordable Housing - A Whole of Community Response

Homes for People is a local Housing Association response to the growing housing need in provincial New Zealand. A community response is needed to improve the transition of households along the housing continuum, starting with the supply and management of emergency housing moving through to improved affordability in the private market.

Homes for People, with housing at its core, is prototyping a model which has the potential to be replicated in other parts of New Zealand.

Benefits of Homes for People Housing

Residential partners benefit from a positive social, emotional and physical environment which, in addition to providing financial security, improves health and educational outcomes.

The wider community benefits from the residential partner being a more active participant and contributor to society, in addition to greatly reduced health, social service and housing costs.

Housing Associations in the UK own or manage 2.8 million dwellings, and have built an additional 20-30,000 houses per year for the past 10 years.

Housing Associations are “what Tony Blair christened his ‘Third Way’ between capitalism and socialism”. They hold the potential to bring together the best of both sectors.
Homes for People - Developing Compact, Efficient, Safe Homes

Homes for People is building affordable homes using principals of urban and eco design. Our compact designs consider the whole of life maintenance and energy consumption costs. Homes will be built to meet community need, within Palmerston North this need includes one and two bedroom homes as well as larger homes to alleviate over-crowding.

Shared Equity and Affordable Rental Products

New Zealand Housing Foundation has partnered with Homes for People allowing use of their proven housing programmes, recognised and approved by some of New Zealand’s leading banks:

- The **Affordable Equity** programme allows a household to buy a home through shared equity ownership. A household purchases the share of the home they can afford (subject to certain parameters and conditions) and the remainder is owned by Homes for People, with both parties represented on the property title. The household organises their own mortgage, which is proportionally smaller than is ordinarily required to purchase the same property at market value.

- The **Affordable Rental** programme allows households, who thought they would never be able to own their own home, to save a deposit while renting. The stability and longevity of tenure of this programme supports low income households into their own home while helping them manage their finances so they can afford to buy it after an agreed period of time.

“It would be nice to be able to put our personal touches on things”

Homes for People is a Social Investment Returning a Blended Value Return:

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<tr>
<th>Financial Return</th>
<th>Social Return</th>
<th>Environmental Return</th>
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<tr>
<td>Cost of capital interest rates</td>
<td>Health and well-being</td>
<td>Urban design</td>
</tr>
<tr>
<td>Re-investment into our local economy</td>
<td>Security and stability</td>
<td>Eco design</td>
</tr>
<tr>
<td>Reduced dependency on government</td>
<td></td>
<td>Energy efficient design</td>
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Social Housing

Homes for People intends to retain a percentage of homes to provide social housing, working together with work together with other community and social groups to incorporate wrap around services. Potential government and corporate partnerships will be assessed on a case by case basis.
**Homes for People Response**

To achieve its vision, Homes for People is engaged in a whole of community response. Developing sustainable partnerships across the commercial, community and social sectors is vital to the success of addressing the housing needs and long term well-being of our community.

To develop a sustainable and replicable model, it is essential for Homes for People to:

- collaborate with mana whenua
- optimise resource by working together in existing structures
- source funding primarily from investors, not donors
- work together with commercial partners in a sustainable manner

**Equity Partners - About Social Impact Investment**

Social impact investment is being increasingly considered by the philanthropic community to achieve a social return on their investment.

Good housing is critical to the wellbeing of our community. The impact of the systemic underinvestment in social housing is being felt by an increasing number of sectors within New Zealand communities.

Homes for People combines the traditional safe investment of land and houses with social return from improved community wellbeing. This is social impact investment.

Social impact investment in property is not new internationally; a UK Housing Association raised NZD19.8m at 4.375% in 8 days. This equates to 0.2% of Palmerston North’s residential property market and would be sufficient equity to develop in excess of 250 new dwellings.

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**Investing in Homes for People**

In a similar way to ‘mum and dad bank’ providing a helping hand to children to purchase their first home, Homes for People is developing a model to enable more people in the community to overcome their present barriers to home ownership.

**Homes for People provides an opportunity to invest with a blended value return on investment.** Equity investors and financial partners receive an extensive social return accompanied by a negotiated financial return. Contributing an investment of around $65,000 will enable us to develop an additional home for our community.

Homes for People already has equity partners who are confident of the community benefits and have provided start-up loans to help us achieve our objectives.

Homes for People continues to develop strategic relationships with commercial and community partners. This enables us to combine equity investment with our sustainable development model to provide social and affordable housing.
Commercial Partners

Commercial sector partnerships enable Homes for People to increase the supply of suitable and affordable homes not currently being developed by the open market.

Sustainable relationships with the commercial sector are being based on ‘cost plus’ supply arrangements and ‘fair market value less discount’ service agreements.

Optimising procurement and personnel resources is key to our viability and success. Trade, Supplier and Professional Service partners allow Homes for People to provide its Affordable Equity and Affordable Rental programmes to low income households.

Pro bono work, along with charitable donations, will enable Homes for People to work with our partners to supply social and emergency accommodation.

Community Partners

Central and local government are the primary stakeholders of social housing initiatives. Homes for People is forming working relationships with them to efficiently access and strategically use land and resources.

Community groups and social sector organisations work with people most affected by housing issues and are well positioned to identify, advocate for, support and work together with residential partners who have been assisted by Homes for People into improved housing environments.

Homes for People is actively exploring partnership opportunities with existing and emerging local community housing providers and social services. These potential partners will allow Homes for People to access wrap around services for residential partners who would benefit from such support.

“If you aren't making a difference in other people's lives, you shouldn't be in business. It's that simple.”
Richard Branson
Case Studies
Life Transforming

Darren’s Story:
The collapse of our family business upended my world. As a five year old, I recall walking garden pots down the street from our family home into the first of multiple rentals. My two brothers and I shared a single room, six inches from one bed to the next. Cheap rent and food vouchers from a caring community enabled Mum to house, feed and clothe her family. As best she could, Mum worked hard to provide a stable environment.

Fifteen years later, through a gift from someone who cared, Mum was back on the road to home ownership. Mum, now retired, owns a modest two bedroom unit and lives well.

What if …
What if, fifteen years earlier, a shared equity investor had partnered with my mum? Mum could have owned her home long before she was 69. Our family could have avoided disruption and constant uncertainty. I would have benefited from a stable home, with an increased sense of belonging and relational connection within my local community.

“Owning a home reduces the stress of life in retirement”

Dean’s Story: A Case Study
Home ownership seemed out of reach for Dean. He will never be the banks “Type A” customer.

- moderately paid
- shift work
- mid-50s
- meagre savings

As I heard Dean tell his story, I saw the opportunity to support Dean into a home of his own. Acting as a benefactor was not an option, this needed to be a mutually beneficial investment and I needed to find an alternate model.

This is where the story of Homes for People begins: One “Caring Investor” partnering with a “Home Occupant” to create a win-win arrangement.

Possible Case Study: The Journey of a Residential Partner
A solo underemployed parent is helped into an assisted rental home providing stability and security as children progress through the formative years. The opportunity to make this a home for life motivates the parent to upskill. As the children begin school, the parent finds employment enabling a shared equity partner to assist them into home ownership.

The Homes for People residential partner has been afforded the opportunity to raise their children in an affordable, warm, secure and suitable home.
Founders of Homes for People

Darren and Cheri Birch

Darren and Cheri have 30 years' experience working and living with people who cannot access the resources required to be a home owner. They often open their home for people in need, providing a safe and supportive environment during times of transition and uncertainty.

Darren and Cheri married in 2000 and seek to model a life of service to others, including to their four children.

Cheri works in a local NGO supporting a diverse range of families, having graduated with a Masters of Applied Social Work.

Darren completed a Bachelor of Commerce because of a love for numbers and finance. After graduating from The University of Melbourne, he put his skills to work in not-for-profit organisations, increasingly finding himself gravitating into management roles. As Darren's career progressed, he identified it was people that most intrigued him.

Encouraged by others who identified his entrepreneurial potential, Darren undertook to further his business knowledge. He also pursued a more people-centred ideology which included a Master of Arts. As a small business owner, Darren increasingly operated at a strategic level, across project management and management accounting.

Founding Trustees

Mike Tate-Davis  NZIA Registered Architect

Mike has 20 years' experience working as an architect in New Zealand and the United Kingdom. For the last 16 years this has been in Palmerston North and he is now Director of E3 Architects.

Michael has extensive experience operating as a Project Architect/Team Leader managing the design and documentation of all aspects of the architectural process. Michael has developed skills and experience in the facilitation of briefing and meetings that provide concepts, visualisation and details that lead to successful outcomes for clients.

“As the principle architect at E3, it is exciting to work on a project where efficient and effective design principles can be utilised in homes for low income households.”

Daniel Murphy  Chartered Accountant

Daniel initially built a foundation in tax consultancy and now provides full business coaching and executive accounting services to clients.

As regional partner for Rightway, Daniel comprehensive services including budgets, forecasts, strategic plans, human resources, executive management and risk analysis to over 150 clients. These clients range from fast growing start-ups through to mature SME’s with annual turnover of $2-5m and asset portfolios up to $20m.

“From a business perspective, it is exciting to be a part of a Charitable Trust that is exploring the social enterprise space; aiming to build a model that successfully manages the tension of business and mission.”
“Home ownership contributes to better quality of life over time and promotes healthy ageing”

Health and Ageing Research Team, School of Psychology, Massey University
Allen, Alpass, Stephens & Szabo (2016)

Homes for People are actively seeking people who share our vision. We welcome the opportunity to talk with you about working together.

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Support our Work
https://givealittle.co.nz/org/homesforpeople
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Homes for People is an incorporated charity (CC 53810)