



AGENDA

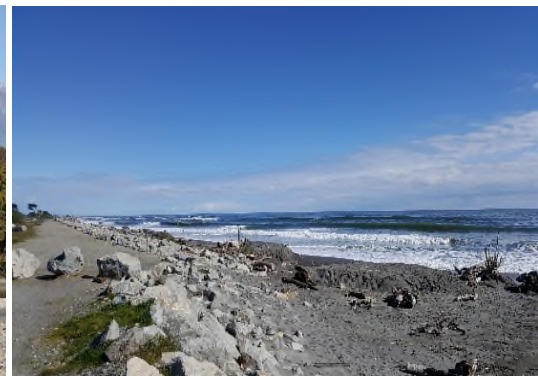
RĀRANGI TAKE

NOTICE OF AN ORDINARY MEETING OF

Economic Development Committee

to be held on **Thursday, 29 October** commencing at **3.00pm** in the Council Chambers, 36 Weld Street, Hokitika and via Zoom

Chairperson:	His Worship the Mayor	
Members:	Cr Paul Davidson	Cr Anna Hart
	Cr Jenny Keogan	Cr Latham Martin
	Kw Francois Tumahai	Kw Paul Madgwick
	Jo Birnie, Development West Coast	Peter Cuff, Westroads
	Joanne Conroy, Westland Holdings Limited	



In accordance with clause 25B of Schedule 7 of the Local Government Act 2002, members may attend the meeting by audio or audiovisual link.

Council Vision:

We work with the people of Westland to grow and protect our communities, our economy and our unique natural environment.

Purpose:

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) To promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

1. NGĀ WHAKAPAAHA APOLOGIES

2. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda, and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or the Group Manager: Corporate Services (preferably before the meeting). It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

3. NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE URGENT ITEMS NOT ON THE AGENDA

Section 46A of the Local Government Official Information and Meetings Act 1987 states:

- (7) An item that is not on the agenda for a meeting may be dealt with at the meeting if –
 - (a) the local authority by resolution so decides, and
 - (b) the presiding member explains at the meeting at a time when it is open to the public, -
 - (i) the reason why the item is not on the agenda; and
 - (ii) the reason why the discussion of the item cannot be delayed until a subsequent meeting.
- (7A) Where an item is not on the agenda for a meeting, -
 - (a) that item may be discussed at the meeting if –
 - (i) that item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
 - (b) No resolution, decision, or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.

**4. NGĀ MENETI O TE HUI KAUNIHERA
MINUTES OF MEETINGS**

Minutes circulated separately via Microsoft Teams

- **Economic Development Committee Meeting Minutes – 14 July 2020**

5. ACTION LIST (Page 5)

**6. NGĀ TĀPAETANGA
PRESENTATIONS**

- **Pensioner Housing Analysis and Strategy Draft Report** (Pages 6 - 60)
Joanne Conroy, Chair, Westland Holdings Limited
- **Development West Coast Verbal Update**
Jo Birnie, Economic Development Manager, Development West Coast

**7. PŪRONGO KAIMAHI
STAFF REPORTS**

- **Mayoral Taskforce for Jobs - Verbal Update**
Sarah Brown, Community Development Advisor

**8. KA MATATAPU TE WHAKATAUNGA I TE TŪMATANUI
RESOLUTION TO GO INTO PUBLIC EXCLUDED**

(to consider and adopt confidential items)

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

Item No.	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Confidential Minutes – Economic Development Committee – 14 July 2020	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason or withholding exists. Section 48(1)(a)

This resolution is made in reliance on sections 48(1)(a) and (d) of the Local Government Official Information and Meetings Act 1987 and the particular interests or interests protected by section 7 of

that Act, which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public are as follows:

Item No.	Interest
1	Protect the privacy of natural persons, including that of deceased natural persons (Section 7(2)(a)).
1	Protect information where the making available of the information: (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Section 7(2)(b)(ii)).
1	Maintain the effective conduct of public affairs through - (i) the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom section 2(5) applies, in the course of their duty (Section 7(2)(f)(i)).
1	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Section 7(2)(i))

**DATE OF NEXT ECONOMIC DEVELOPMENT COMMITTEE MEETING TO BE CONFIRMED FOR 2021
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM**

ECONOMIC DEVELOPMENT COMMITTEE – ACTION LISTING 14.07.2020

Date	Item	Action Required	Status	Lead Officer
21.01.20	NZTA	Invite the NZTA Transport Systems Manager to a future Council meeting to discuss the roading network in South Westland	Completed – Peter Conners and Colin Helm presented at the June council meeting.	Chief Executive
21.01.20	Development West Coast	Mayor and CE to meet with DWC regarding resilience for the region.	The Joint Committee has requested an action list update on Lifelines projects and the current working action list of Civil Defence team. To be raised at the next CEG meeting	Chief Executive
21.01.20	Hokitika Airport Terminal – upgrade	Application to be progressed	Tasked DW with re-scoping Airport application. Expected to be completed in early April. Included in “Shovel Ready Projects” applications and has been approved for funding.	Chief Executive
21.01.20	Hokitika Airport Masterplan	To be circulated to the Committee	Will invite CE DW to present at next committee meeting. <u>Presented 14 July 2020.</u>	Chief Executive
19.05.20	Independent Committee members	The Committee were in support of the concept and asked that the CE look at the requirements for the role and the process for selecting and appointing an Independent Committee member.	Report to committee for approval – <u>14 July 2020</u>	Chief Executive
14.07.20	Hokitika Airport Master Plan	To be circulated the Mayor and Councillors.	Added to Microsoft teams	Chief Executive
14.07.20	Hokitika Airport Site Visit	Mayor and Councillors to visit the Hokitika Airport to view the proposed extension.	Visit will be planned for early 2021 once tender completed and works underway.	Chief Executive



Joanne Conroy – Property Consultant

Pensioner Housing Analysis and Strategy

Prepared for:

Destination Westland Limited and Westland District Council

Prepared by:

Joanne Conroy – Property Consultant



Date: 21 October 2020

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Pensioner Housing Analysis and Strategy

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Executive Summary

Older residents contribute to our communities with their wisdom and experience. They often volunteer and are strong supporters of charities. They fulfil an important role in strengthening families and social networks. "Every person should be allowed to age in security and with dignity and be in a position to contribute to society in the most meaningful way. Such an environment is at the root of stable, safe and just societies where all members, including vulnerable ones, enjoy equality of opportunities."¹

Population predictions show that although the population in Westland is likely to remain static, the percentage of older residents will increase steadily over the coming years. Coupled with a reduction in home ownership, the demand for supported housing for our elderly residents will continue to increase.

Central Government does not provide housing specifically for elderly, rather allocating on the basis of need. However, for those with limited means, there are limited options. It is recommended Council, via Destination Westland, continue to provide pensioner housing and attempt to increase the number and quality of units.

The results from the survey undertaken to inform the strategy show that the priorities for current and prospective tenants are warmth, location and cost in that order. They don't want furnished units and most don't want gardens. There is a desire for more two-bedroomed options.

Where financial difficulties exist, some form of subsidy is needed. Offering rents at below market means that other ratepayers subsidise pensioner housing, regardless of their own situation. For tenants with limited means, an accommodation supplement is available from government agencies. This report concludes that Central Government should support elderly housing rents, not Local Government. The impact of rental increases can be lessened by implementing market rent over several years.

The introduction of eligibility criteria for future tenants is recommended to reduce demand and to ensure units are available for those most in need ahead of those with adequate assets and income.

Transferring ownership of the portfolio to Destination Westland will have little impact on Council's balance sheet and will reduce rates. This can only be beneficial for Destination Westland if the depreciation reserve is also transferred to facilitate some of the deferred maintenance required on the units. Ownership would strengthen Destination Westland's balance sheet and allow land to be sold as the older units are decommissioned.

The Revell Street units are becoming obsolete. It is recommended that a small development be undertaken as soon as practical so that the tenants in Revell Street can be relocated to a new purpose-built facility. The land can then be sold, and the proceeds put towards the cost of the new units. Such a development is only feasible with the contribution of land sales and very low interest loans. These loans are likely only available through the Local Government Funding Authority.

Longer term, the development of units on a portion of the racecourse land is recommended if such a development is financially feasible.

¹ United Nations Economic Commission for Europe, Policy brief on "integration and participation of older persons in society" 2009. Website: https://www.unece.org/fileadmin/DAM/pau/docs/age/2009/Policy_briefs/4-Policybrief_Participation_Eng.pdf

Pensioner Housing Analysis and Strategy

For those who are financially stable, retirement villages provide an excellent housing option and encouraging developers to establish villages in Hokitika would be beneficial. It is recommended that Council set aside land at the racecourse to sell or lease for a retirement village.

Other recommendations include further investigation of partnerships with Iwi, determining demand for elderly housing in the smaller towns, and Council considering an “age-friendly” strategy.



Units at Revell Street

Introduction

It is important to retain elderly residents in our communities. They have life experience and resilience that they can pass on to others. They are an integral part of any family unit. Older citizens often fill volunteer roles and contribute more to charity than younger residents. If suitable housing options are not available, we will continue to lose these valuable members of our communities to the metropolitan centres.

Destination Westland Limited (DWL) is a Council Controlled Organisation (CCO) that is wholly owned by Westland Holdings Limited (WHL). WHL is wholly owned by Westland District Council (WDC).

WDC has contracted management of its pensioner housing portfolio to DWL. That includes management and maintenance of the current housing stock, tenanting, collecting rents, and the development of future housing if appropriate. WDC pays DWL a management fee for this contract and currently retains ownership of the majority of the housing stock. DWL pays for regular repairs and maintenance from the rental income received, and WDC pays for capital upgrades.

WDC owns most of the pensioner units, with the Tudor Street facility being owned by DWL.

Strategy Purpose

Housing is a key area through which social and economic well-being is influenced. Successful housing outcomes are as important to community well-being as the access to services and facilities. This strategy aims to provide direction for the future role of Destination Westland Limited and the Westland District Council in the provision of pensioner housing.

Demand for the current 56 pensioner housing units is increasing and there are few other options for Westland's aging population. In the absence of any private or central government development of appropriate housing for seniors, provision by Council or its CCO's is the only option to avoid local people having to move from the area to find housing.

The key issues for DWL and WDC to consider are as follows:

1. Is the current housing stock adequate both in number and design? If not, what can be done to improve it.
2. What should the assessment criteria be for eligibility for elderly housing with DWL?
3. Financial analysis – should rental income cover costs or should housing be subsidised? What level of rent is affordable for tenants?
4. If further units are required, what should they look like and where should they be?
5. How would any future developments be funded?
6. Are there any partnership options that could be explored?
7. Who should own the portfolio assets?

Pensioner Housing Analysis and Strategy

Strategy Aims

The aims of the strategy are to:

1. Provide direction for DWL regarding management of its current housing stock.
2. Provide options for future pensioner housing developments including style, location and funding.
3. Provide an understanding of other housing service providers and funding sources.
4. Inform DWL and WDC about the best ownership model for the portfolio.
5. Highlight any partnerships or advocacy for other types of elderly housing.



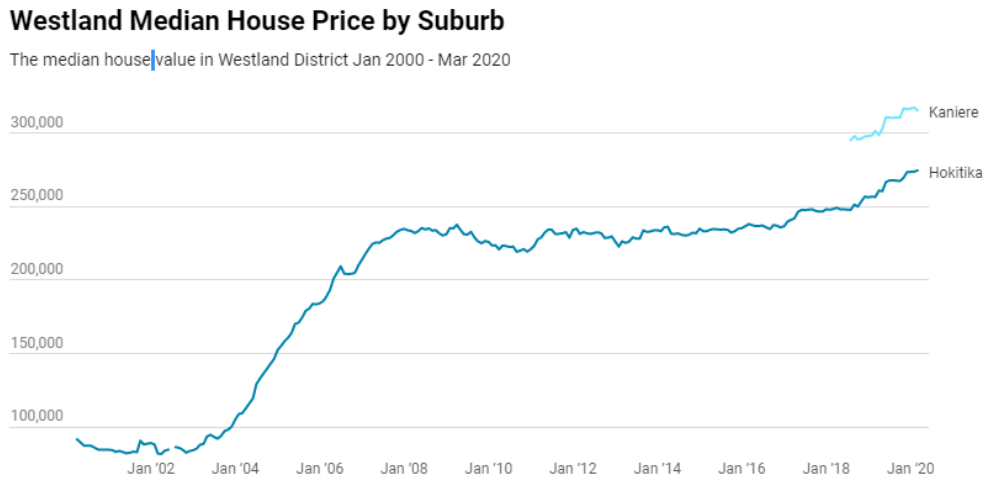
Units at Sewell Street

The Housing Environment

Home ownership and the rental market

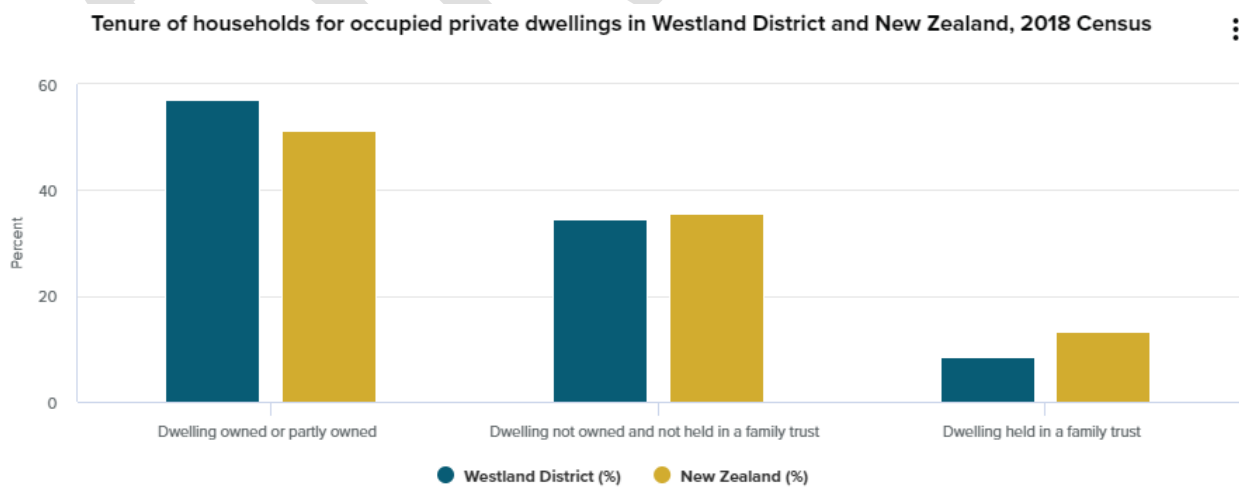
Throughout New Zealand, house prices are increasing. The mean house price in January 2020 in Hokitika was \$274,700. Over the previous 12 months, prices in Hokitika increased 7.07%. Housing is still relatively affordable in Westland, but prices are increasing.

Figure 1 Westland Median House Price by Suburb 2000 – 2020²



New Zealand has traditionally had high home ownership rates, and that remains true for Hokitika and Westland with home ownership in 2018 at nearly 60% compared to around 50% for all of New Zealand. Home ownership is particularly high in the over 60's but reducing overall throughout New Zealand.

Figure 2 Tenure of housing in Westland – 2018 Census³



See metadata tab for information about variables and quality.

Stats NZ

Pensioner Housing Analysis and Strategy

For people not owning their own homes, housing is challenging on the West Coast and particularly in Hokitika. According to Melina Theurillat of Property Brokers, the rental market is very tight in and around Hokitika with no more than 2-3 properties available for rent at any time. She estimates the market rent for a one-bedroom flat at around \$250-\$275 per week and currently rising due to the increasing demand. Most rental enquiries are from employees of Westland Milk Co although she does have enquiries from older residents.

She advised that rentals in the smaller towns are harder to fill, for example a house in Harihari can take as long as six months to fill.

State Housing

There are 41 Public Housing tenancies in Westland and a further 24 applicants on the Housing Register. Housing New Zealand does not hold houses specifically for older residents, prioritising by need and eligibility. Accommodation supplements are provided to 12,610 people throughout West Coast/Tasman District.

The Social Housing Reform Act (2013) provides a national framework for the provision for social housing via Housing New Zealand (Kainga Ora), community housing providers and Social Housing providers. The act is primarily administered by the Ministry of Social Development (MSD). Their plan promotes a “well-targeted and integrated support system” to ensure housing for the right people, in the right place for the right length of time at the right cost. The focus is strongly on metropolitan New Zealand and less on regional towns or rural areas.

Figure 3 MSD Social Housing Purchasing Strategy⁴



Neither MSD or Housing and Development (HUD) propose additional provision of public housing by Central Government in Westland. Rather, they support the establishment of the Income Related Rent Subsidies (IRRS) that can be paid to registered Community Housing Providers (CHP) and Kainga Ora. The subsidy is not available to Councils (although that may be reviewed in future). The IRRS is controlled by MSD.

For approved tenants, weekly rental is set at 25% of their income and the balance to market rent is paid by MSD as IRRS, to a maximum rent set by MSD. For Westland that maximum rent amount is \$250 for one bedroom and \$300 for two bedrooms.

MSD’s Purchasing Intentions Report 2016 states that “an increasing proportion of social housing places will be provided by community housing providers” and notes that Kainga Ora focus will be to provide increased housing in metropolitan centres. The report notes the intention of MSD to reduce the number of IRRS places available in 3 and 4 bedroom properties in Westland District, and to maintain the number of 1 and 2 bedrooms properties.

² OPES Partners, West Coast Property Market, Website: <https://www.opespartners.co.nz/property-markets/west-coast>

³ Statistics NZ Website: <https://www.stats.govt.nz/tools/2018-census-place-summaries/westland-district>

⁴ Ministry of Social Development, Social Housing Purchasing Strategy of Income Related Rent Subsidies, 2016, Website: <https://www.msd.govt.nz/documents/about-msd-and-our-work/work-programmes/housing/2016/purchasing-strategy-final.pdf>

Pensioner Housing Analysis and Strategy

To be eligible for social housing, clients must meet the following criteria:

Figure 4 Eligibility Criteria for Social Housing⁵

- You must be aged 16 years or over;
- You must either:
 - be a New Zealand citizen; or
 - have held permanent residency for at least two years, or have held permanent residency for less than two years and receive a main Work and Income benefit; or
 - be receiving an Emergency Benefit because you are a spontaneous refugee, a protected person or compelled to remain in New Zealand;
- You must have a low income (the income threshold depends on whether you have a partner and/or dependents), and cash assets worth less than \$42,700; and
- You must have a serious housing need.

We understand that generally only around 20% of pensioners are eligible for IRRS.

People with low income and assets able to apply for an accommodation supplement from Work and Income New Zealand. The supplement amount varies depending on the location and rent paid.

Hokitika is categorised as “area 3” which means the maximum supplement payable for a single person living alone is \$80 per week. Elsewhere in Westland the maximum is \$70 per week. People with assets below \$8,100 for a single person or \$16,200 for a couple. Those being paid national superannuation only would be eligible, with the amount depending on the level of rent paid. For example, no supplement would be payable for rents below \$150 per week, and the maximum would be paid for rents of around \$350 per week.

Provision of Elderly Housing by Councils

Around 60 Local Authorities in New Zealand provide some form of public housing, although an increasing number are transferring their housing stock to community housing providers. In New Zealand in 2017 there were 11,800 social units let by Councils, 62,500 by Kainga Ora and 8000 with NGO’s.

Most Councils charge below market rental and do not adequately allow for depreciation. Generally, ratepayers contribute towards pensioner housing for operating costs, capital costs or both. Most Council’s apply some type of eligibility criteria so that only clients with low income and assets are eligible for Council housing.

Westland District pensioner housing is available for everyone regardless of their financial situation. It means that a person can choose to sell their family home and invest or divest the funds, then live in housing subsidised by other residents.

⁵ Citizen’s Advice Bureau, “Who is eligible for Government-subsidised housing” Website: <https://www.cab.org.nz/article/KB00001394>

Pensioner Housing Analysis and Strategy

Community Housing Providers

Not for profit community housing providers (CHP) are becoming more common. They are strictly regulated with rigid criteria to become a CHP, then ongoing monitoring. The regulations result in best practise and a strong focus on tenant outcomes.

The Director of Community Housing Aotearoa, Scott Figenshow believes that CHP's are most appropriate where there is an economy of scale, and where most households would be eligible for IRRS. For smaller portfolios, for example less than around 100 units, he suggests partnering with an approved CHP, particularly to begin with. The criteria to attain and retain CHP status is quite rigorous for small providers.

Kainga Ora record five CHP's in the West Coast Tasman District providing 45 houses in total. The CHP's are:

- The Salvation Army New Zealand Trust
- The Nelson Tasman Housing Trust
- Christchurch Methodist Central Mission
- Habitat for Humanity NZ Ltd

These organisations are not currently operating in Westland.

Retirement Villages

Retirement Villages are increasingly popular in New Zealand, especially in the larger towns and most particularly in the North Island. They can be developed and operated by non-profit entities, but most are run by for-profit Companies such as Ryman, Metlifecare and Summerset.

The spread throughout New Zealand is shown below:

Figure 5 Location of Retirement Villages in New Zealand⁶



Pensioner Housing Analysis and Strategy

Most retirement villages offer a “licence to occupy” (LTO) for an independent dwelling. There is an upfront cost to “purchase” an LTO, then weekly or monthly fees to cover costs including grounds maintenance, rates, insurance, activities, common areas etc. Deferred maintenance costs accrue during occupation and are deducted from the sale of the LTO when the retiree departs. Most are around 25-30% of the value of the LTO. Most operators retain any capital gains that might be realised from on-selling the LTO.

This style of accommodation is attractive to relatively fit and healthy retirees who can fund the LTO through the sale of the family home. Often, a rest home is located on site for residents to progress into as their health deteriorates.

Residents in retirement villages tend to be aged 75 plus years. Based on population growth statistics, there will be up to 12% increased demand for retirement villages for this age group. This suggests potential demand on the West Coast for around two new villages over the next 10 years (assumptions based on Jones Lang LaSalle, 2014).

Unfortunately, there are currently no retirement villages on the West Coast, and residents wanting that style of accommodation will have to leave the area.

Abbeyfield

Abbeyfield is a charitable trust that operate a unique style of elderly housing. Each resident has their own ensuited bedroom and they are expected to be reasonable independent, not requiring assisting with dressing, showering, medication etc. Residents are provided with two cooked meals each day in a central dining area.

Figure 6 Location of Abbeyfield Villages⁷



There is no capital cost and places are allocated on the basis of need and suitability. Preference is given to those with no or few assets. The assessment criteria are as follows:

⁶ Retirement Village Association Membership Villages, Website: <https://www.google.com/maps/d/viewer?mid=1DIYy30XmppPFI0tFR7fZCLdk4Is&ll=-41.055613912701745%2C173.03205049999997&z=6>

⁷ Abbeyfield, Website: <https://www.abbeyfield.co.nz/find-a-house/>

Pensioner Housing Analysis and Strategy

- Aged 65 and over.
- Generally mobile.
- Enjoy reasonable health.
- Are clear mentally.
- Able to care for yourself independently.
- Can maintain your own medication routines.
- Can live flexibly with others, sharing meals and common living areas.
- Ideally have ties to the community where the house is located.

Abbeyfield are currently working to build a new house in Greymouth. It would cater for 12 residents and Hokitika residents would be eligible to apply for space. Council provided the land to Abbeyfield free of charge. However, they are struggling to raise funding. They can use debt funding but have to raise between \$500,000 and \$1,000,000 cash to fund the project.

The Chief Executive, Susan Jenkins, advised that Abbeyfield would consider building a house in Hokitika if there was interest. Projects are driven by the local community and only get started if there is sufficient demand and potential funding. Gifted land helps make the project viable.

It is interesting to note a house was proposed in Westport some years ago, but funding could not be secured, and it has been cancelled.

Rest Homes

Rest homes are suitable for people who are not able to live independently. They are usually provided by private organisations and accommodation costs are generally subsidised by Central Government.

The only rest home in Hokitika is "Ultimate Care Allen Bryant". Elderly people are assessed as unable to live independently to be eligible for rest home care, or they can opt to pay for care themselves. The facility also caters for hospital care patients. There are currently vacancies.

Other rest home facilities are located in Greymouth.

This report does not recommend any investment in rest homes by DWL or WDC because it is a specialised and regulated area that is filled by private suppliers. However, Council provision of suitable land might attract future investment and DWL may have an advocacy role in attracting such investment in the region.

Overview of current stock

Destination Westland and Westland District Council own a total of 56 pensioner flats, 52 in Hokitika and four in Ross. Each of the sites is discussed in detail in appendix one, noting that inspections were external only.

Although the units are a little dated, 88% of survey respondents who are currently tenants rated their units as excellent or adequate. Only 2% rated their condition as poor.

Most of the units are single bedroomed. Only four are occupied by couples and the balance by singles.

Current rents are between \$200 and \$440 per fortnight, with the mean rent being \$248 per fortnight or \$126 per week. Rents are currently well below market. DWL has a policy of rents being set at 80% of market but many have not yet been increased to that level.

In the 2020-2021 year, a total of \$121,000 has been allocated by WDC to DWL to upgrade the units including heating, double glazing and bathrooms. We suggest approval be sought to reallocate the funds to ensure all the units have a heat pump and extraction fans in the kitchens and bathrooms. There should be sufficient funds to double glaze the units in Ross which are the most modern in the pool.



Resident at Tancred Street.

The only pensioner units in the smaller settlements are in Ross. Anecdotally, there is demand in other small settlements, but this was not shown through the survey nor supported by the rental agency spoken to. More consultation is needed in these towns to determine if there is need and if so, how to best address it.

Pensioner Housing Analysis and Strategy

Current Financials

WDC contracts DWL to manage the Pensioner Housing Portfolio. DWL advise the following figures were achieved for the 19/20 year:

Income	\$361,560
Direct Expenses	\$174,419
Management Fee	\$141,102
Depreciation	<u>\$ 28,657</u>
Profit	<u>\$17,382</u> or 4.8%

If more regular maintenance is undertaken to improve the quality of the units, the profit would quickly diminish. Depreciation is for the Tudor Street units owned by DWL and some upgrade elements in the other units paid for by DWL.

Council contributed the following amounts for pensioner/social housing in 19/20:

Management fee	\$ 63,636
Depreciation	<u>\$165,686</u>
Total	<u>\$229,322</u>

Since the 18/19 year WDC has been accumulating depreciation as cash to pay for future upgrades, with the balance of that fund was \$109,000 at 30 June 2020.

Proposed Budget for Current Portfolio

If rents are increased to market over say three years, then substantially more funds would be available for maintenance and improvements.

Hypothetical budget for 2024:

Income	\$695,760
Direct Expenses	\$200,000
Management Fee	\$180,000
Depreciation	\$225,000
Upgrades	<u>\$ 65,000</u>
Profit	<u>\$ 25,760</u>

Pensioner Housing Analysis and Strategy

The effect of current and future demographics

The 2018 population of Westland was 8640. It is projected to remain reasonable static through to 2043.

Figure 7 Westland Project Population 2013 – 2043⁸

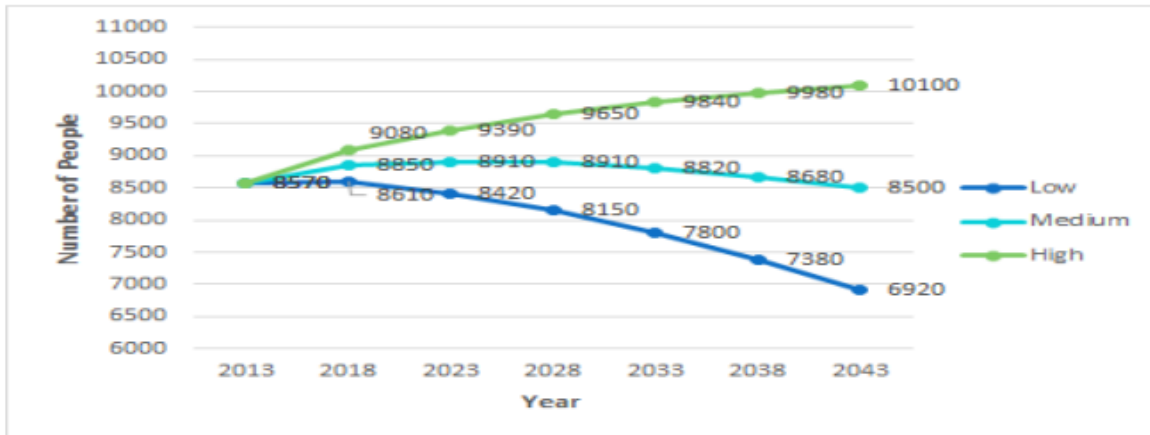


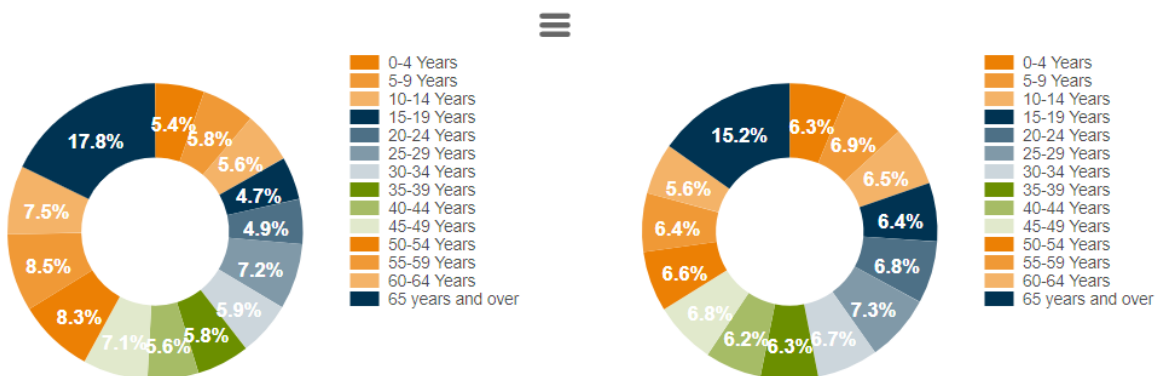
Figure 5 provides the High, Medium and Low scenarios produced by Statistics New Zealand’s population projections. Medium scenarios are accepted for policy making as the most likely scenario for projecting population.

In 2013, approximately 17.8% of the population was 65 or over compared to 15.2% for all of New Zealand and 15.5% in Westland. A further 24.3% of Westland residents were in the 50-64 age bracket in 2018. The median age for Westland in 2016 was 42.8 compared to the average for New Zealand at 38.

Figure 8. Population ages groups Westland and New Zealand⁹

Proportion of Westland District in 2018

Proportion of New Zealand in 2018



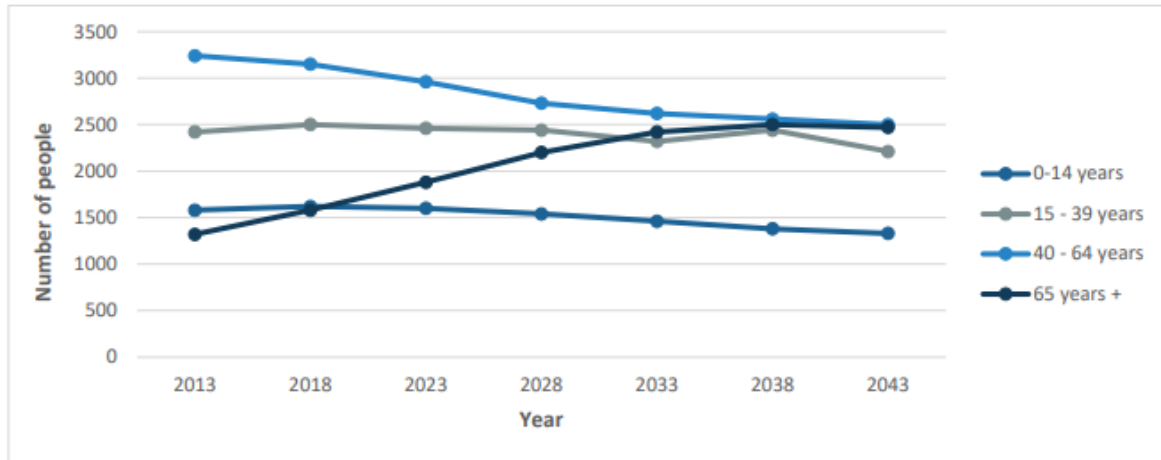
New Zealand’s population is aging, and in Westland that trend is greater.

⁸ Summary Westland District Council Environmental Scan 2019-2020, Website: <https://www.westlanddc.govt.nz/sites/default/files/Final%20Summary%20Westland%20District%20Council%20Environmental%20Scan%202019.pdf>

⁹ Infometrics, Community Profile, Website: <http://community.infometrics.co.nz/west%20coast%20region/Profile/Age>

Pensioner Housing Analysis and Strategy

Figure 9 Westland Population by broad age group 2013 – 2043¹⁰



A range of population growth statistics are available with all predicting static population growth but increased numbers of residents in the 65 plus age group.

As the population of older residents increases, demand for aged care services, including appropriate housing, will increase.

Around 3.8% of people aged 65 and over are currently tenants of Council/DWL pensioner units. A further 4.5% are registered on the waiting list so a total of 8.3% of over 65's are currently or wish to be living in Council/DWL pensioner housing.

If we use the figure of 3.3% per annum being the projected growth in number of residents over 65, that would be 1741 by 2026. Assuming the same percentage are seeking housing assistance, that would be equivalent to 144 people.

This supports the need to increase the pool of available pensioner housing.

Another challenge is that 59% of the population live rurally in Westland rather than in the urban centres and consideration needs to be given to whether additional pensioner housing is provided in the rural towns (Ross, Harihari, Franz Joseph, Fox, Whataroa, Haast).

South Westland residents were invited to participate in a survey about the future provision of pensioner housing (see below). No residents participated in the survey.

¹⁰ Summary Westland District Council Environmental Scan 2019-2020, Website: <https://www.westlanddc.govt.nz/sites/default/files/Final%20Summary%20Westland%20District%20Council%20Environmental%20Scan%202019.pdf>

Survey findings

A survey form was sent to current tenants, those on the waiting list and other older residents seeking clarity about what people want from housing as they age. 38 responses were received.

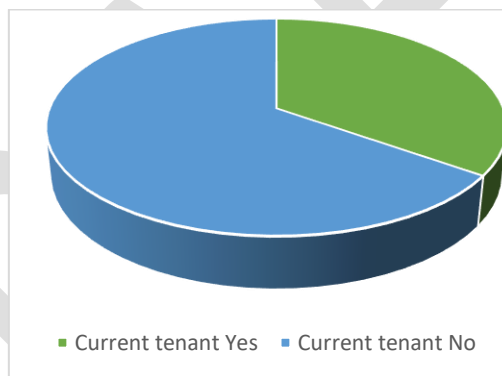
When asked what the most important things were when considering elderly housing options, the three most important factors were warmth, location and cost in that order. Only 28% of survey respondents receive a rent subsidy from the government and many did not know what it was. It is likely that more would be eligible but don't know to ask.

A surprising number of respondents would prefer two bedroom units and most are looking for car parks. Most people would prefer to live in the CBD, with the second most popular option being "anywhere".

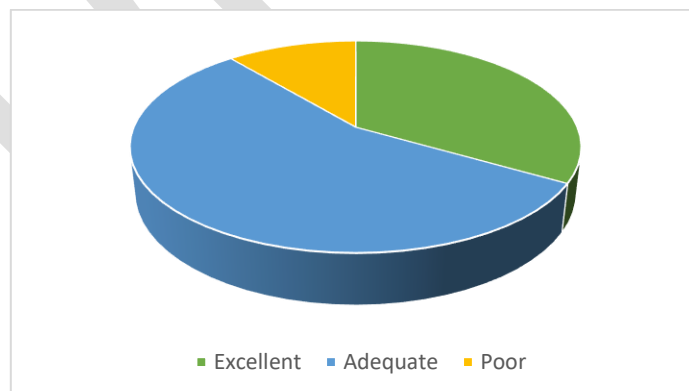
An advertisement was placed in the South Westland newsletter "The Community Contact" asking residents who were interest in participating in the survey to phone or email. No-one asked to complete the survey.

A copy of the survey is attached as appendix 3.

Q1. Are you a current tenant?



Q2. If so, how do you rate your unit?



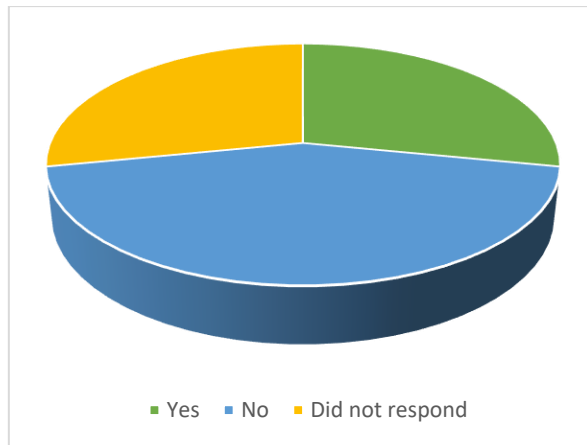
Respondents commented that they would like a heat pump, double glazing and kitchen extract fan. They also noted the need for a garage and somewhere to store their scooter.

Other comments include that the flats are old and inadequate, and poorly maintained.

One respondent noted she had been a tenant for 16-17 years and was quite satisfied.

Pensioner Housing Analysis and Strategy

Q3. Is your rent subsidised?

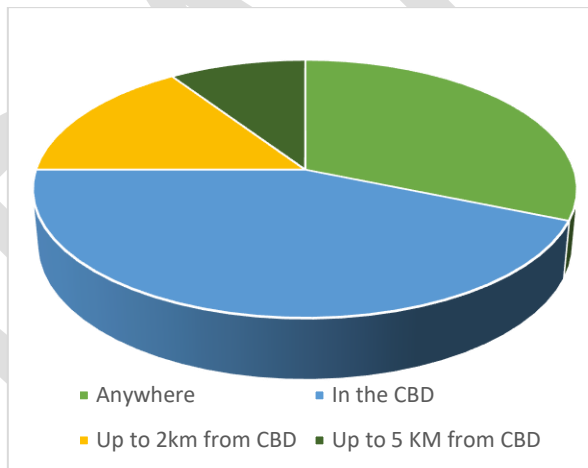


Many respondents either didn't understand this question or weren't even aware that a subsidy was available.

Q4. Do you want to move into a Destination Westland flat?

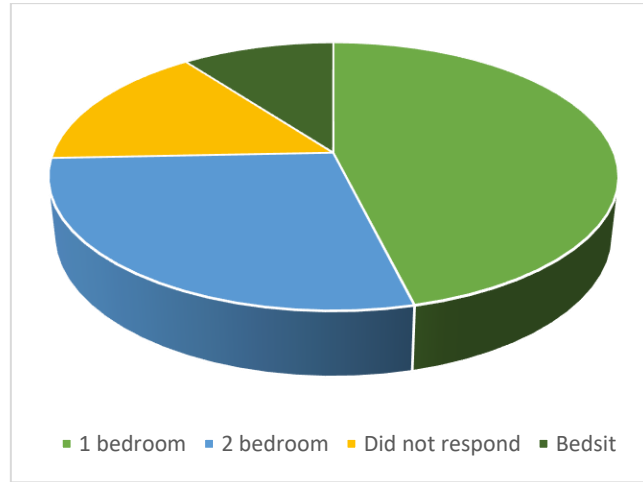
18 respondents confirmed their wish to move into a flat within the next five years.

Q5. Where would you like to live?



While most respondents would prefer to live within the CBD, many would be happy further afield. One respondent noted they would prefer to live in Ross.

Q6. What style of unit would you prefer?



Q7. Do you need your unit to have accessibility?

It appears many misunderstood this question – 21 answered no and the same number answered yes. The “yes” responses seem higher than they should be. However, some would genuinely require accessibility and therefore any future developments need to take that into account.

Q8. Would you prefer the unit to be furnished?

Only 6% of respondents would prefer a furnished unit.

Q9. Would you like an area of garden to tend?

Approximately 30% of respondents would like a garden area, with the remaining 70% not wanting to do any gardening.

Q10. Do you require a car park?

58% of respondents require a car park for their unit.

Q11. What style of property would you prefer?

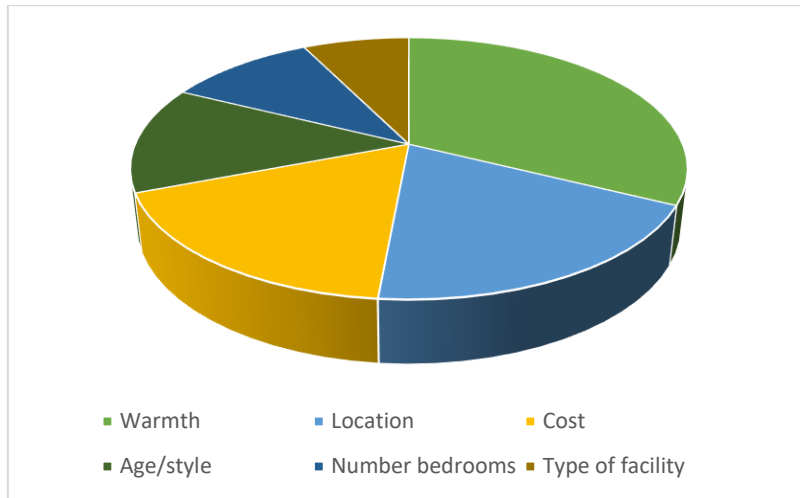
An equal number of people who had a preference would prefer to live in a stand-alone house or had no preference. 11% would prefer living in a unit with people of a similar age, and 9% would prefer a unit with people of mixed ages.

Q12. What type of assistance do you require for your day to day living?

The most common response was gardening, home maintenance and cleaning.

Pensioner Housing Analysis and Strategy

Q13. What factor is the most important to you when considering future housing?



Respondents were most concerned about having a warm home, and then where it was located. The third area of concern was cost.

Summary

Unfortunately, there wasn't a great response to the survey which we estimate to have reached around 300 people. However, there are a number of things we have learned:

- a) Not many residents receive Central Government rental subsidy, and many did not realise assistance is available. This will be passed on to Age Concern to see if they can educate residents about this option.
- b) The issue most respondents were concerned about is a warm home, followed by location and then cost. It seems that people would be prepared to pay more for the right home.
- c) The majority of residents do not want furniture or a garden.
- d) Most respondents want a car park.
- e) Most people want to live in town, but many would consider any option including a little more remote.
- f) Many respondents would like the option of a two-bedroom unit. We are unsure if they realised it would likely cost more.
- g) Current tenants are generally satisfied with their units and upgrading heating and ventilation would improve the units.

Partnership with Iwi

Māori are disproportionately represented on state housing waiting lists in New Zealand. They are more likely to live in housing of poor condition compared with the rest of the population. Māori are also less likely than non-Māori to own their own house.

Māori represented 14.4% of the population of Westland in 2018 compared to 12.6% in 2013. Increasing Māori population is reflected throughout New Zealand and predictions are that the percentage will continue to grow.

DWL does not currently have any eligibility criteria, and while the establishment of one is proposed in this strategy, racial preference is not recommended.

In discussing the need for housing allocation for kaumatua, Francois Tumahai and Paul Madgwick noted that there is a developing need. An option might be for Iwi to contribute funding towards a small number of units within future developments that are to be held for kaumatua. This merits further discussion.



Sewell Street Units

Asset Ownership

Currently, most of the assets belong to Westland District Council and management is contracted to DWL. Is that the correct ownership model?

a) Status Quo (Council retains ownership)

Benefits to DWL:

- Council pays a management fee of approximately \$63,000 per annum.
- Council is responsible for the capital upgrades and deferred maintenance of the units.

Benefits to WDC

- Impact on balance sheet (less than 1% of current assets).
- Council has full control of the assets.

b) Transfer Assets to DWL

Benefits to DWL

- Strengthen balance sheet.
- Ability to sell land to fund future developments.

Benefits to WDC

- Reduce costs and therefore rates (no depreciation or management fee). \$229,322 cost in 2019-2020.

The risk in DWL taking ownership of the current housing stock is the cost of capital improvements and deferred maintenance, particularly because of the requirement to meet healthy homes standards. If Council's depreciation reserve is transferred along with the assets, the funding would ensure that healthy homes upgrades could be completed and some of the most urgent deferred maintenance undertaken. Without that funding DWL would face significant deficits in the housing portfolio over several years.

Owning the properties would mean that as new stock is developed, some of the older stock could be decommissioned and the land sold to reduce debt or help fund future developments. Council might make that reinvestment a condition of transfer to give the public some comfort that the transfer results in public benefit.

The effect of transferring the asset has little impact on Council's balance sheet as the value is less than 1% of the total Council assets. Even with the transfer of the depreciation reserve, Council, and therefore ratepayers, benefit because there would be no future requirement to fund management of upgrades of the units.

Transfer of the assets would require public consultation or inclusion in the upcoming long-term plan.

Strategic Principles and Vision

Westland District Council does not have a policy in relation to older persons or elderly housing but the Long Term Plan 2018 to 2028 (LTP) notes that Council has historically provided low cost housing for a small number of elderly. It states that “the provision of social housing with smaller accommodation units and little outdoor maintenance requirements, make it possible for the elderly to remain independent for longer.”

The rationale for financing this activity are noted as:

Public benefits	The District as a whole benefits from the knowledge that pensioners on low incomes are housed in reasonable accommodation locally. The need to travel out of the District to visit elderly family or friends is decreased.
Private benefits	Tenants provided with housing are the prime beneficiaries.

The key issues are detailed in the LTP:

- The demand for this service is disproportionate to the ever-increasing aged population in Westland.
- In 10 years the elderly housing assets will only be able to cater for 3% of persons aged 65 and over in Westland.
- Current rental income levels are insufficient to maintain and sustain this activity and rent will be increased from 1 July to an average price of 80% of market value.

It is evident that Council views the provision of elderly housing as a valuable contributor to a healthy community. The question is how the services is best provided and funded and by whom, both now and into the future.

Principles

Establishing a number of principles will facilitate the future direction for the provision of pensioner housing:

- ❖ Elderly residents are a critical sector of our community.
- ❖ Elderly housing should be warm, easily accessible, one or two bedrooms and close to the CBD.
- ❖ Council, CCO's or Community Housing Providers are the only organisation currently providing such housing specifically for the elderly population and that is unlikely to change in the foreseeable future.
- ❖ Additional and replacement units are required now and into the future.
- ❖ Partnerships may help with the provision of elderly housing.
- ❖ The provision of elderly housing should be self-funding.
- ❖ Maintaining depreciation reserves will ensure adequate funding for future upgrades.

Goals

a) Improve the quality of the current housing stock

Most current residents who responded to the survey are happy with their homes. Given people generally see a warm home as their greatest priority, and to address the requirements of the healthy homes legislation, all units should have heat pumps and kitchen and bathroom extract fans installed asap. If ceiling insulation hasn't been checked, this should be done as well and refreshed as required.

Going forward depreciation should be set aside as a sinking fund to be used for future upgrades, particularly for any new developments. As rents increase, more funding will be available to upgrade the older units.

A plan should be established to decommission some of the older units starting with Revell Street.

b) Develop new units

Demand certainly justifies the development of new units. However, it seems that it can only be financially viable if low interest funding can be obtained, most likely through the Local Government Funding Authority. Providing a deposit through the sale of other land would also help.

One or two units within each development could have two-bedrooms and they do not all need to have a car port. Development should be within the CBD or nearby.

New developments should only be undertaken where the subsequent expenses can be met by the income.

Further discussion should be had with Iwi regarding a small proportion of units being set aside for kaumatua.

Further investigation is needed to establish demand in the small settlements.

c) Review the eligibility criteria to reduce demand

There are currently no criteria for potential tenants apart from being over 65. That means that anyone is eligible for pensioner housing regardless of the level of assets or income they have. That is particularly unfair if housing is subsidised by ratepayers, many of whom have low income and assets.

Adopting eligibility criteria ensures that pensioner housing is provided only to those with greatest need and will help reduce demand for subsidised housing.

d) Ensure pensioner housing is not subsidised by other ratepayers.

Ideally the pensioner housing portfolio should be self-sustaining, including setting aside funds for future maintenance/depreciation.

If rents are not adequate to cover costs including depreciation, then there will need to be some form of subsidy. It is unreasonable to put that burden onto other ratepayers.

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Market rent is the amount a landlord might reasonably expect to receive, and a tenant might reasonably expect to pay, for a tenancy. It needs to be similar to the rent charged for similar properties in similar areas.

The only fair way to set rents is at market level. The rents are currently well below market and the increases would be significant. Increases would have to take into account the vulnerability of the tenants and be introduced over three or four year to soften the effect. Additional income could be used to increase maintenance on the units and upgrade them to negate obsolescence.

Rent for the Revell Street flats should be moved to 80% of market to reflect their age and condition.

If individual tenants find the rent costs too high, they can investigate whether they are eligible for a rent subsidy from Central Government. It is likely that applicants and current tenants will need education about the rent subsidy and assistance in applying for it.

e) Further investigate partnership options

It would be beneficial to further investigate a partnership with Iwi to establish some units specifically for kaumatua. This would require some financial contribution by Iwi.

Retirement villages offer an ideal choice for those residents wanting to downsize the family home. They also provide safety, companionship, and reduction in the burdens of home ownership (maintenance, gardening etc). Many include a rest home so that transition is easy for residents.

Retirement villages are primarily provided by for-profit organisations and therefore demand, and profitability must be present. Council could play a pivotal role in negotiating with providers and the public to advocate for this type of housing.

Such a development would require a suitable site. A portion of the old racecourse land could be set aside for sale or lease to an appropriate retirement village development.

f) Ensure that elderly residents are catered for in our community

DWL currently keep other social agencies informed of future developments, vacancies and changes in policies. A close relationship means they in turn, can keep DWL up to date with trends and information they have. These relationships are important and should continue.

Council may wish to draft a policy to ensure the needs of that sector of the community is well catered for and taken into account for projects that may have an impact on their independence.

Future Development Options

The benefits of developing further elderly housing are as follows:

- Some of the older stock could be exited.
- Reduction in maintenance and upgrade costs.
- Healthier homes for our most vulnerable residents.
- People may stay in Hokitika rather than moving elsewhere in the region or New Zealand.
- As people move out of their current homes, the pool of available housing will increase.

Assumptions:

In assessing the development and operating costs a number of assumptions have been made:

- The developments were assessed based on one-bedroom units, each with a car port. We note from the survey that many residents would prefer a two-bedroom unit and as it seems many residents would pay more, that option should be looked at during detailed design.
- Fit-out would include floor coverings, carpet, light fittings, laundry tub, bathrooms, kitchen, electric range and range hood and a heat pump.
- Trading bank loans at 5% interest repaid over 30 years.
- LGFA loans at 2% interest repaid over 30 years.
- Cash depreciation reserve or 1% per annum set aside as sinking fund. Depreciation to be accrued would be 1.5%.
- Budgets are based on cash rather than accrual accounting.

DWL undertook a development proposal for Kaniere road in early 2020 including drafting house plans, a site plan and having the development costed. This information provides a good basis for assessing the other potential development opportunities shown below.

These development examples are based on some identified vacant and development sites. These sites have not been examined in depth. They are used for hypothetical development and operating budgets. The sites may not actually be feasible for any number of reasons, and other sites may be identified as more practical.

Prior to any development, further financial analysis would need to be undertaken. If the development is not financially sustainable, then it shouldn't be undertaken.

Planning considerations

The Westland District Council District plan sets the development rules for residential zoned land. The rules that most effect the development of new pensioner housing are the requirement for set-backs, height restrictions, and the need for each housing allotment to be on 300 square metres of land.

Resource Consent will be required for all of the development examples below, and indeed for any proposed development because it is impractical to allow 300 square metres of land for each unit. Council planners have advised that the use of good design to ensure each dwelling has suitable outdoor living and parking would likely make the consenting process easier to achieve.

Pensioner Housing Analysis and Strategy

Vacant Site – 115-131 Sewell Street



This site is located very close to the existing housing stock, is roughly flat and measures 3691m². There is some cleanfill and other earthworks on the site. There was a subdivision consent lodged in 2010 but it was subsequently withdrawn. It is zoned residential.

The site is an irregular shape but could accommodate around 15 one-bedroom units along with appropriate driveways, parking, outdoor living areas and infrastructure areas.

The rateable value of the site is \$205,000, legal description Lot 6 DP 1988 and rating reference 2586014300.

A development on this site would likely result in 15 units. Using the development figures for Kaniere road as a basis, the total cost to develop would be \$3,300,000 or \$220,000 per unit, assuming the land could be purchased for around \$250,000.

If the entire project was debt funded through a trading bank the finance cost would be approximately \$75,000 per annum.

If cash of \$400,000 could be put into the project from property sales and it was funded through the LGFA, the project would break even.

Vacant Site - 105-117 Fitzherbert Street



Pensioner Housing Analysis and Strategy

Located on the corner of Hampden and Fitzherbert Streets, this property is also adjacent to the railway tracks on the north west boundary. Around half of the site is flat and level with Fitzherbert street, with the balance of the site falling to the north west. The site is currently in three titles as follows:

105 Fitzherbert St	607 m2	\$88,000	Sec 3338	2585014800
113 Fitzherbert St	809 m2	\$88,000	Sec 3337	2585015000
117 Fitzherbert St	809m2	\$88,000	Sec 3336	2585015100

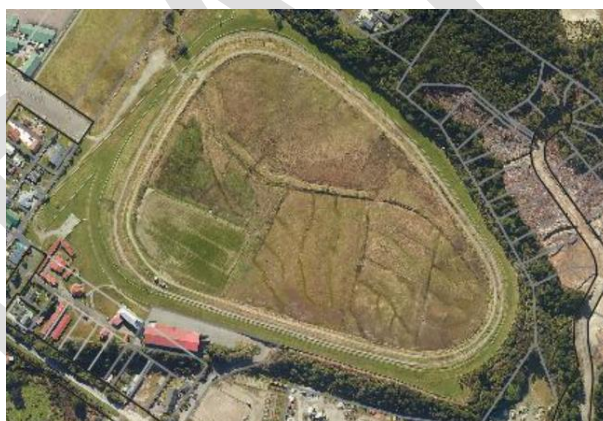
The total area of the site is 2225m2 with a rateable value of \$264,000. It was purchased by the current owner in 2010 for \$335,000 and it is for sale for offers over \$349,000.

Using the same development template, the cost to build nine units on the land would be \$2,171,000 or \$241,000 per unit. That is on the assumption that the land could be purchased for around \$350,000.

If the entire project was debt funded the loss would be approximately \$65,000 per annum.

As above, if \$400,000 could be put into the project from the sale of other land and the project was funded by the LGFA, it could return around \$6,000 per annum profit.

Hokitika Racecourse



Secs 1333-1336, 3701 DP 361252	2585005000	Land 19.55 ha	Land value \$1,230,000	Capital Value \$320,000
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The racecourse land is owned by Council. Part is currently zoned residential (the western and northern areas) with the balance zoned rural. It surrounded by housing to the north west and south west and has good access of Park Street and secondary access to the south. There is a primary school and preschool nearby. It is approximately 0.8km to the town centre.

Council is considering rezoning at least part of the site as medium density residential which would facilitate housing. Some of that rezoned land could be sold and some retained for future pensioner housing.

Pensioner Housing Analysis and Strategy

A development budget based on the plan and costs for development of the Kaniere site would see 31 units constructed on around 4768 m². The full development cost would be \$5,970,000,000 or \$192,000 per unit, assuming no cost to purchase the land.

If fully bank funded, the operating budget shows a loss of \$167,000,000 per annum.

If a deposit of \$200,000 was put into the project from other land sales, and the project was funded through the LGFA, the operating costs are break-even.

188 Kaniere Road



This site is currently owned by DWL and Westroads. It is large – 2.9206 hectares, and reasonably flat. There are a number of small waterways running through the site and it appears to be poorly drained. It is approximately 8 km from the town centre. The site is zoned “small settlement” with rules similar to residential. The rating valuation is \$255,000.

A development proposal was drafted in early 2020 proposing 31 units at a total development cost of \$6,300,000 or \$203,000 per unit.

While the site might be ideal for residential development, it is not considered suitable for pensioner housing because of the distance to amenities. It would only suit residents who drive, or if transport was provided. The site would require a considerable amount of preparation including drainage.

Summary

While the cost of land is low, the cost to develop a brown or green fields site is significant, and it is difficult to avoid an operating loss if the debt is obtained at trading bank rates. A new housing development would only be financially sustainable with one or some of the following:

1. Sale of other land to reduce the debt funding required.
2. Capital contribution from Central Government for example through the PGF.
3. Debt funding through the LGA, reducing the interest and therefore debt repayments.

For all of the above examples, if proceeds of land sales or other funding to be used as a deposit and the balance of development costs could be funded through the Local Government Funding Authority (LGFA) at say 2% interest, then the project can break even.

Operating Costs

There are two options for funding the operating costs related to Pensioner Housing:

a) Local Government

Rent is subsidised by ratepayers. The criteria for eligibility would usually be controlled so that only people with few assets and minimal income are eligible. Rent is set below market.

Currently rents are subsidised eg 80% of market, but the eligibility criteria is not clear. Therefore, ratepayers are subsidising the elderly housing tenants, regardless of their own circumstances.

b) Central Government

Rent is set at market levels. Where people are suffering hardship through low income and/or few assets, then they are eligible for a rental subsidy through MSD.

The financial results for Pensioner Housing for the year ended 30 June 2020 are as follows:

Rental Income	\$361,860
Expenses	\$174,419
Management	\$141,000
Depreciation	<u>\$ 28,657</u>
	<u>\$ 17,784</u>

Council is now setting aside depreciation as cash so that it is available for future renewals, but for many years that wasn't done, and the units are dated with little funding available for upgrades. A significant sum will need to be spent on the units to ensure they comply with the Healthy Homes Standards. In particular:

- Insulation in the ceilings will need to be checked to ensure it meets the standards and topped up if necessary.
- All units must have a fixed heater in the living rooms. This would generally be a heat pump.
- Extract fans must be fitted to all bathrooms and kitchens.

These requirements must be met for any new or renewed tenancies after July 2021.

When drafting operating budgets for future development, depreciation or a sinking fund should always be included to ensure adequate funds are available to support future maintenance and upgrades.

Recommendations:

- a) Introduce eligibility criteria.

Proposed Eligibility Criteria

Applicants must:

Be aged over 65 years. Applications will be accepted from applicants over 60 years if they have special circumstances.

Be a New Zealand resident

Be retired from full-time work.

Have assets of less than \$25,000 for a single person and \$45,000 for a couple. This includes the value of any major asset sold within 5 years of applying, and any asset held in the name of a Trust where the applicant is a beneficiary or Settler.

Be capable of living independently.

Have an income of less than \$25,000 per annum for a single applicant and \$45,000 for a couple.

Must be established in Westland.

- Seek confirmation from waiting list that they meet the new criteria.
- Include the criteria in application forms and have future applicants confirm in writing that they meet them.

- b) Increase rents to market.

- Gradually increase rents for current tenants, and to 80% of market for Revell Street.
- New tenants to commence at market rent.
- Include education for current and future tenants about rent subsidies. Include a brochure and/or application form with their review or application documentation. Ensure employees fully understand how the subsidy works.

- c) Transfer Assets to DWL

WDC to consult on the transfer the housing assets and associated depreciation reserve to DWL. Ideally this would take place at the end of the current financial year. The depreciation reserve to be tagged to undertake deferred maintenance on the Council units.

- d) Upgrade Heating and ventilation

All units to have heat pumps, bathroom and kitchen ventilation and adequate ceiling insulation before the end of the 2020-2021 financial year. Seek approval from Council to amend expenditure of the capital funds allocated for this year to ensure all units have heat pumps and ventilation. If funds allow, install double glazing into the Ross units first.

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If the depreciation reserve is transferred, it may facilitate double glazing in all units (except for Rewell Street).

e) Increase maintenance on existing units

As rents are increase, additional funds could be used to increase maintenance of the existing portfolio. Long term maintenance plans should be put in place so that priorities can be identified and implemented, and funds accumulated for high cost items over time.

f) Develop new units

DWL to fully investigate and implement a new housing development in or near the CBD.

- Development must at least break even, preferably with funding from LGFA.
- Include at least nine units.
- Most units to have a car port.

Once complete, the Revell Street tenants to transfer into these or other units, with any balance to be filled from the waiting list.

g) Sell excess land and source other funding options

Revell Street site to be sold as a development block with proceeds reducing the overall debt for the project.

DWL to source other property holdings to identify redundant sites that could be sold to fund future housing developments.

DWL to continue to seek Government funding for housing developments.

h) DWL to further investigate partnership opportunities with Iwi

As the number of Māori in our communities increases, it might be beneficial to have units specifically tagged for Kaumatua. For any future developments, detailed conversations should take place with Iwi to establish a way to achieve this.

i) Undertake further consultation in small communities to determine demand

Despite residents not choosing to participate in the survey, there is still anecdotal evidence that there is demand for pensioner housing in some of the smaller towns. DWL to liaise with the community associations to determine the extent of that demand, and if needed, how it can best be addressed.

j) Relationships with Social Agencies

DWL to continue to develop relationships with social agencies dealing with elder residents and community housing. This will ensure good sharing of information and the ability of all parties to deliver the best outcomes to customers.

k) Council to advocate and/or facilitate Retirement Village development

Council or its appointee to approach Retirement Village providers and advocate for the development of that style of housing in Hokitika. Council could attract development through rezoning part of the old racecourse site and then leasing or selling it to an appropriate party.

l) Council to consider drafting a strategy for “Age Friendliness”

The global Age-Friendly Cities Project was started by the World Health Organisation in 2006, and identified eight key areas where communities can become more age-friendly:

Pensioner Housing Analysis and Strategy

1. Outdoor spaces and buildings
2. Transportation
3. Housing
4. Social Participation
5. Respect and social inclusion
6. Civic participation and employment
7. Communication and Information
8. Community Support and Health Services.

The benefits of age friendliness include:

- making it easy for people to stay connected with each other
- helping people stay active and healthy
- supporting people who are no longer able to take care of themselves to live with dignity and enjoyment
- treating everyone with respect.



Visitors to a unit in Sewell Street

Implementation

As this strategy was commissioned by both Westland District Council and Destination Westland Limited, the following is the proposed implementation process:

1. A draft to be presented to the Economic Development Committee of Council on 29 October 2020 for discussion and feedback.
2. A draft to be presented to the Board of Destination Westland Limited on 30 October 2020 for discussion and feedback.
3. A final to be approved for formal adoption by the Board of Destination Westland Limited on or before 12 November 2020.
4. A final to be considered by Westland District Council on 26 November 2020 for formal adoption.

This strategy should be reviewed in 5-10 years.



Units at Tancred Street

Appendix One - Current Housing Stock

199 Revell street – Mary Meyers flats



Lot 2 DP2041	2586009701	Land 790m2	Building 170m2	Land value \$205,000	Capital Value \$325,000	Zoning Res
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The property is long and thin with access from Sewell street and bordering beach front land to the north west. It is noted that residents are encroaching into the beach front land, with the building being built very close to the north west boundary. Although not within Council’s identified coast erosion zone the proximity to the beach is of ongoing concern and it would cause additional constraints for any rebuild on the site.

This building comprises one rectangular block of four units built in approximately 1965. External cladding is concrete block and cement wallboard, steel roof and aluminium joinery. There is good vehicle access and informal parking areas and the units are or could easily be accessible.

The building is in average condition, noting that some repainting is due, and exteriors need to be washed down. It is dated and not well insulated. A resident told me her unit is very cold.

Pensioner Housing Analysis and Strategy

205 Revell Street – Mary Myers Flats



Sections 3268 and 3270	2586009900	Land 1791m ²	Buildings 300m ²	Land value \$330,000	Capital Value \$530,000	Zoning Res
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The land comprises two roughly square blocks adjoining beach front land to the north west. There is good access to Revell Street and the site is spacious with a lot of open areas. Again, there is some encroachment by residents into the adjacent beach front land and the proximity to the beach is of ongoing concern and it would cause additional constraints for any rebuild on the site.

The buildings are in three blocks of two units each. They are constructed of concrete block with steel roofs and a mixture of aluminium and wooden window frames. There is adequate parking although parking areas are not formed. Access is via 3 steps so accessibility is more challenging.

The buildings are in average condition. All wooden areas need repainting and the blockwork requires washing down. Although the interiors were not inspected, it is assumed they are dated and cold.

97 Tancred Street



Pensioner Housing Analysis and Strategy

Lot 1 DP 2149	2586016900	Land 1423m2	Buildings 380m2	Land value \$195,000	Capital Value \$650,000	Zoning Res
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This is a good, rectangular block of land with dual access to both Tancred and Revell streets. It is in an excellent location, close to the town centre facilities. There is adequate off-street parking

There are 3 buildings constructed of concrete block with iron roof and aluminium joinery, estimated to have been constructed in 1965 and comprise ten units. There are some accessory buildings, for example a conservatory and garden sheds. The buildings are low so easy to make them accessible if required. Again, a resident advised that the flats are cold in Winter and very dated inside.

The buildings are in good condition and there are good paths and gardens.

82-88 Sewell Street – Jim Keenan Flats



Secs 3347 & 3361	2586015301 2986015400	Land 5340m2	Buildings 1441m2	Land value \$535,000	Capital Value \$2,920,000	Zoning Res
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This property is a large area bordered by Sewell street in the north west, Hampden street in the north east and the railway lines to the south east. It seems to comprise nine smaller blocks of land but there are only two titles. Vehicle access is provided via three driveways off Sewell Street and there is formed off street parking although some residents are parking on grassed areas.

There are a total of five blocks of flats comprising 22 individual units built in approximately 1965. They are clad with cement board and iron roof and have aluminium joinery. Apart from some evidence of rusting nails and meter board covers, the units are in reasonable condition. They would benefit from exterior washdown and some isolated painting. They have good paths and gardens. Units are built with a lovely north facing aspect and tenants spoken to are happy although they note it is cold in winter. The interior of one unit was viewed and it is dated.

Pensioner Housing Analysis and Strategy

123 Tudor Street – Elva Reynolds Flats



Lots 2-3 DP 1540	2585009701	Land 1500m ²	Buildings 522m ²	Land value \$195,000	Capital Value \$710,000	Zoning Res
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This property is a roughly square lot on the corner of Tudor and Brittan Streets. It was previously a motel development. The site is less than 2 km from the town centre. It has good vehicle access off both Tudor and Brittan Streets.

The buildings were constructed around 1971, comprising a large two-storey building that contains 5 units and an L-shaped single storey block that contains 4 two-bedroomed units that are accessible. The buildings have corrugated iron cladding and roof and aluminium joinery.

The buildings are in good condition although soffits and barge boards need repainting. Residents spoken to are happy in these flats.

201 Sewell Street – Residential House



Sec 3264, 3366	2586009700	Land 558m ²	Buildings 120m ²	Land value \$155,000	Capital Value \$210,000	Zoning Res
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Pensioner Housing Analysis and Strategy

This property is an older house located between 199 and 205 Sewell Street that was strategically purchased by DWL so that the whole block of 3139 m2 is available for sale of redevelopment.

The house was constructed in 1925 with timber cladding, iron roof and timber joinery. It is in very poor condition.

24 Gibson Street, Ross



Secs 126 and 126A	2589026100	Land 1467m2	Buildings 264m2	Land value \$53,000	Capital Value \$320,000	Zoning Res
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This property is a rectangular site with a lovely north facing aspect, located a few hundred meters from the main street of Ross.

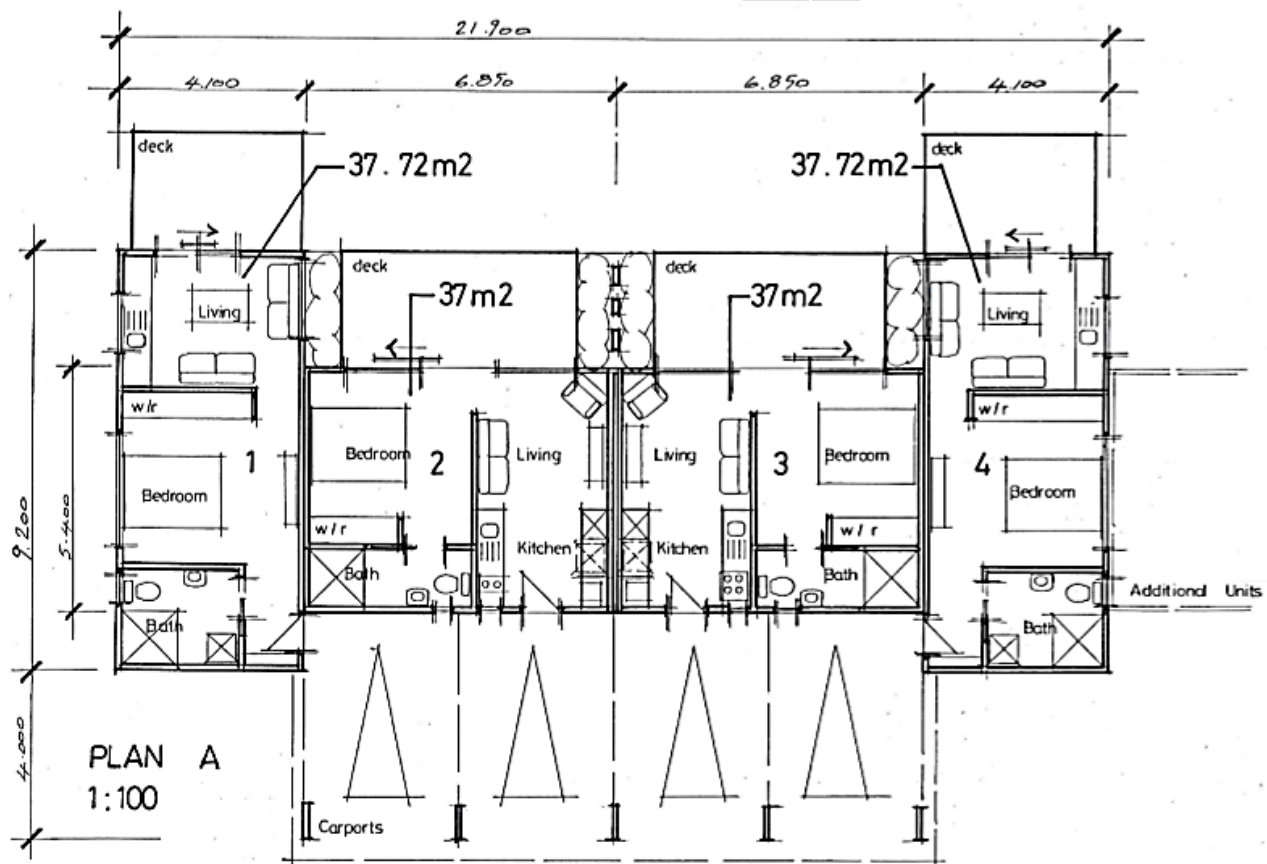
The building is in one block comprising four units built in approximately 2001. The exterior cladding is fibre cement board, iron rooves and aluminium windows. Each unit has a garage. There is good access, slightly raised from Gibson Street, sealed drive and off-street parking. The units are accessible and in excellent condition.

Appendix 2 - Model house

The Kaniere Estate proposal included the development of the site with a range of one and two bedroom housing options. Only the one-bedroom house design was priced and so that has been used as our model house for the purpose of analysing future development costs and options.

The one-bedroom units measure 38 square metres and include living/kitchen, bathroom with laundry, one bedroom, car port and deck. The construction would be single storey with coloursteel roof, brick and weatherboard cladding and double glazed windows and doors.

An example of the floor plan for the units is shown below:



Each unit would be landscaped and have access to a clothes-line, garden area and outdoor living areas. No specific allowance has been made for mobility scooters, but this could be accommodated on decks or car ports depending on the individual circumstances.

Appendix 3 – Survey



25 Hamilton Street
HOKITIKA

PENSIONER HOUSING SURVEY

1. Are you a current tenant of Destination Westland?

- Yes No

If no, go to question 4.

2. If yes, how do you rate your current unit?

- Excellent
 Adequate
 Poor

Comments:

3. Is your rent subsidised by MSD? Yes No

4. Are you hoping to move into a Council flat in the next 5-10 years?

- 5 years
 10 years

5. Do you have a preference for where you live?

- CBD
 Up to 2 km from CBD
 Up to 5km from CPD

6. What style of unit would you prefer?

- Bedsit
 1 bedroom
 2 bedroom

7. Do you require an accessible unit?

- Yes No

8. Would you prefer for the flat to be furnished?

- Yes No





25 Hamilton Street
HOKITIKA

9. Would you like an area of garden to care for?

- Yes No

10. Do you require a car park?

- Yes No

11. What style of facility would you prefer?

- Stand-alone dwelling
- A flat in a complex with other flats occupied by similar aged people
- A flat in a complex with other flats occupied by a range of aged people
- Not concerned

12. What type of assistance would you prefer (Tick all that apply)?

- Gardening
- Home maintenance
- Cleaning
- Cooking
- Shopping
- Entertainment and activities

13. Which of the following factors are the most important to you – please enter a number from 1 – 7 (1 being the most important and 7 being the least)?

- Age/style of the flat
- Location
- Warmth/insulation
- Number of bedrooms
- Cost
- Type of facility
- Good neighbours

Appendix 4 – Acknowledgements

The following provided information and assistance with the formation of this strategy. Their input has been greatly appreciated.

- Melina Theurillat – Property Brokers, Hokitika
- Scott Figenshow, CEO - Community Housing Aotearoa
- Susan Jenkins – Chief Executive, Abbeyfield
- Francois Tumahai
- Paul Madgwick
- Jo Grimmer, WINZ Queenstown Office
- Jo Burney, Development West Coast
- Julie Scott, CE, Queenstown Lakes Community Housing Trust
- Karyn Mathieson, South Westland Community Contact
- Mel Anderson, CEO, Destination Westland



Pensioner Housing Analysis and Strategy

Prepared for:

Destination Westland Limited and Westland District Council

Joanne Conroy – Property Consultant

Discuss procurement process and the role of Joanne Conroy in preparation of the strategy.

Strategy Aims

The aims of the strategy are to:

1. Provide direction for DWL regarding management of its current housing stock.
2. Provide options for future pensioner housing developments including style, location and funding.
3. Provide an understanding of other housing service providers and funding sources.
4. Inform DWL and WDC about the best ownership model for the portfolio.
5. Highlight any partnerships or advocacy for other types of elderly housing.



Proposed Principles

- ❖ Elderly residents are a critical sector of our community.
- ❖ Elderly housing should be warm, easily accessible, one or two bedrooms and close to the CBD.
- ❖ Council, CCO's or Community Housing Providers are the only organisation currently providing such housing specifically for the elderly population and that is unlikely to change in the foreseeable future.
- ❖ Additional and replacement units are required now and into the future.
- ❖ Partnerships may help with the provision of elderly housing.
- ❖ The provision of elderly housing should be self-funding.
- ❖ Maintaining depreciation reserves will ensure adequate funding for future upgrades.



Discussion about Recommendations:

1. Introduce eligibility criteria

- Seek confirmation from waiting list that they meet the new criteria.
- Include the criteria in application forms and have future applicants confirm in writing that they meet them.

PROPOSED ELIGIBILITY CRITERIA

APPLICANTS MUST:

- ❖ Be aged over 65 years. Applications will be accepted from applicants over 60 years if they have special circumstances.
- ❖ Be a New Zealand resident
- ❖ Be retired from full-time work.
- ❖ Have assets of less than \$25,000 for a single person and \$45,000 for a couple. This includes the value of any major asset sold within 5 years of applying, and any asset held in the name of a Trust where the applicant is a beneficiary or Settler.
- ❖ Be capable of living independently.
- ❖ Have an income of less than \$25,000 per annum for a single applicant and \$45,000 for a couple.
- ❖ Must be established in Westland.

2. Increase rents to market.

- Gradually increase rents for current tenants, and to 80% of market for Revell Street.
- New tenants to commence at market rent.
- Include education for current and future tenants about rent subsidies. Include a brochure and/or application form with their review or application documentation.
- Ensure employees fully understand how the subsidy works.

3. Transfer Assets to DWL

WDC to consult on the transfer the housing assets and associated depreciation reserve to DWL. Ideally this would take place at the end of the current financial year. The depreciation reserve to be tagged to undertake deferred maintenance on the Council units.



4. Upgrade Heating and ventilation

- All units to have heat pumps, bathroom and kitchen ventilation and adequate ceiling insulation before the end of the 2020-2021 financial year. Seek approval from Council to amend expenditure of the capital funds allocated for this year to ensure all units have heat pumps and ventilation. If funds allow, install double glazing into the Ross units first.
- If the depreciation reserve is transferred, it may facilitate double glazing in all units (except for Revell Street).

5. Increase maintenance on existing units

- As rents are increase, additional funds could be used to increase maintenance of the existing portfolio. Long term maintenance plans should be put in place so that priorities can be identified and implemented, and funds accumulated for high cost items over time.



6. Develop new units

DWL to fully investigate and implement a new housing development in or near the CBD.

- Development must at least break even, preferably with funding from LGFA.
- Include at least nine units.
- Most units to have a car port.
- Once complete, the Revell Street tenants to transfer into these or other units, with any balance to be filled from the waiting list.

7. Sell excess land and source other funding options

Revell Street site to be sold as a development block with proceeds reducing the overall debt for the project.

DWL to source other property holdings to identify redundant sites that could be sold to fund future housing developments.

DWL to continue to seek Government funding for housing developments.



8. DWL to further investigate partnership opportunities with Iwi

As the number of Māori in our communities increases, it might be beneficial to have units specifically tagged for Kaumatua. For any future developments, detailed conversations should take place with Iwi to establish a way to achieve this.

9. Undertake further consultation in small communities to determine demand

Despite residents not choosing to participate in the survey, there is still anecdotal evidence that there is demand for pensioner housing in some of the smaller towns. DWL to liaise with the community associations to determine the extent of that demand, and if needed, how it can best be addressed.



10. Relationships with Social Agencies

DWL to continue to develop relationships with social agencies dealing with elder residents and community housing. This will ensure good sharing of information and the ability of all parties to deliver the best outcomes to customers.

11. Council to advocate and/or facilitate Retirement Village development

Council or its appointee to approach Retirement Village providers and advocate for the development of that style of housing in Hokitika. Council could attract development through rezoning part of the old racecourse site and then leasing or selling it to an appropriate party.



12. Council to consider drafting a strategy for “Age Friendliness”

The global Age-Friendly Cities Project was started by the World Health Organisation in 2006, and identified eight key areas where communities can become more age-friendly:

1. Outdoor spaces and buildings
2. Transportation
3. Housing
4. Social Participation
5. Respect and social inclusion
6. Civic participation and employment
7. Communication and Information
8. Community Support and Health Services.

The benefits of age friendliness include:

- making it easy for people to stay connected with each other
- helping people stay active and healthy
- supporting people who are no longer able to take care of themselves to live with dignity and enjoyment
- treating everyone with respect.



Process from here:

1. Comments and Views of the Economic Development Committee to be considered and strategy updated if applicable.
2. Draft strategy to be discussed with the Board of Destination Westland and strategy updated if applicable.
3. Destination Westland to adopt final strategy (or not!).
4. Westland District Council to adopt final strategy (or not!).

