

Settlement and Housing

Phase 1: Auckland Regional Settlement Strategy

Introduction

Many migrants, like other New Zealanders, aspire to own their own homes. Many new migrants and refugees also desire to settle in Auckland, often influenced by potential employment opportunities or, in the case of quota refugees, by established families and ethnic communities. The main challenges faced by migrants and refugees settling in the Auckland region include affordability of housing (see Appendix 1), the availability of housing in preferred areas and the attitudes of host communities.

Affordability issues impact upon the location and type of housing and on other socio-economic, educational¹ and health factors. Cost is also a factor for larger migrant families and extended family living where larger-sized homes are required. Not being able to afford the right size home can result in crowding, as can sponsored family members moving in with their sponsors due to lack of resources.

The concentration of migrant and refugee families from diverse cultural and language backgrounds in low income areas also means that they may struggle to integrate into the wider community, creating issues for both the host community and migrant and refugee families.

Settlement goals for housing are critically linked to socio-economic factors in other sectors such as health, employment, English language barriers, education, social networks, and social services. For example, unemployment can affect family income and physical and mental health and language barriers can impede social contact within local communities. A failure to address disparities can lead to unsatisfactory housing outcomes for migrants and refugees.

This chapter focuses on the barriers and challenges to accessing housing identified by migrants and refugees and other stakeholders, including RMS Refugee Resettlement and Housing New Zealand Corporation. It describes current housing support available from central and local government and non-government organisations, and makes suggestions for improving agency coordination to address these issues, both immediately and in the longer term.

¹ Many come to New Zealand seeking opportunities for themselves and their children, who they want to enrol in what are seen as preferred higher decile schools. There is often a direct correlation between higher decile schools and higher rents and house prices.

Barriers and challenges: what migrants and refugees said

Migrants and refugees identified a range of housing-related issues in the Auckland region. These included:

- socio-economic and affordability considerations;
- host community attitudes and perceptions;
- the availability of suitable housing for refugees in their preferred locations.

Their view, and those of other stakeholders, on these issues are as follows.

Socio-economic and affordability considerations

'We came to New Zealand for our daughter and want to live in an area where she can go to a good school. We are both engineers but my English is not good enough to get a job. My husband earns \$30,000 and we pay \$250 a week on rent. We have to have a car to get me to English classes and my husband to work. We have some savings we brought with us and want to buy a house in Auckland, but we are very worried that we might have to use this money just to live.'

Migrant family from Beijing, China

Housing affordability affects all New Zealanders. It is a key issue for migrants settling in Auckland who are expected to be self-reliant and to source their own housing. While some migrants bring considerable capital and are able to immediately purchase a house, many others are not in this position. This may be because the capital they had in their home country does not translate into sufficient New Zealand dollars, or they must live on this capital during the stand-down period for government income support or during a period of under- or unemployment.

The cost of housing, compared to their income level, means they may pay a very high proportion of their income on rent, or rent an unsuitable house in terms of size, quality or location. Consequently, some migrants find it financially difficult to maintain their rental accommodation, or to meet the credit criteria to gain and sustain a mortgage.

Housing affordability is also a key issue for refugees who are in the private sector rental market or looking to purchase their own homes, and who may be unemployed or under-employed in low paying jobs as a result of their pre-migration experiences or face increased challenges in obtaining a job. In addition, many refugees have often arrived in Auckland with a minimal asset base.

Host community attitudes and perceptions

'We arranged to see a number of houses for rent, but when we got there were told the houses had gone. We were surprised to see them being re-advertised soon afterwards and we think it is because we are Africans.'

African migrant school teacher

Migrants and refugees, especially those from diverse cultural and language backgrounds, reported that private landlords are reluctant to have them as tenants. In some cases, this may be due to the potential for increased wear and tear on rental properties from large families. It may, however, also be due to misconceptions about people who 'look and sound different'.

Although some refugees in state accommodation had formed positive relationships with their neighbours, others talked of experiencing hostility from people living in their neighbourhoods. Some tensions had arisen at a community and neighbourhood level from a lack of understanding of refugees' circumstances and resentment at their access to state rental housing and other resources. For example, Housing New Zealand Corporation (Housing New Zealand) sometimes is required to hold properties vacant for between four and six weeks to coincide with the departure of particular families from the Mangere Refugee Reception Centre (the Reception Centre). Neighbours sometimes regard this as preferential treatment.

Availability of suitable housing for refugees in preferred locations

Refugee communities contain some larger families and bigger homes are required to accommodate them. They prefer to live close to established refugee communities and, for this and a range of other reasons, often prefer to remain in the Auckland region. Refugees' reluctance to accept any offers of housing outside a narrow range of Auckland suburbs has also often been encouraged by their own ethnic groups.

'I live in the same type of (state) house as my New Zealand neighbours and am very grateful to New Zealand for offering me a home. My neighbours are Kiwi and Maori and we are friendly to each other.'

Sudanese refugee woman

Quota refugees were generally satisfied that their own accommodation was of a similar standard to that of other New Zealanders in state housing. They thought it was of better quality and more affordable than private sector housing and liked it for its greater security of tenure. Sometimes refugees have been dismayed when state housing has not been available and refused private sector alternatives. They may prefer

to remain on Housing New Zealand's waiting list for rental housing, utilise other Housing New Zealand homes or even move in with relatives.

Government housing support services

Entitlements

Migrants and refugees have different government housing entitlements when they arrive in Auckland.

Migrants

Migrants have a two year stand-down period before they can access a government benefit. If they cannot get sustainable employment they may deplete the assets they have brought to New Zealand as a deposit on a home. Migrants who meet Work and Income's asset and income criteria for supplementary financial assistance can, however, receive government assistance.

After a two year period, migrants may apply to Housing New Zealand which provides housing to those eligible and in greatest need through its Social Allocation System.

Refugees

Quota refugees come to resettle in New Zealand on humanitarian grounds. Because of this, the 750 quota refugees accepted annually into New Zealand are immediately eligible² for all social welfare benefits and state assistance, either in the private or public housing sector.

Asylum-seeking or convention refugees arriving in New Zealand are expected to find their own accommodation. Government-provided housing is not available to this group of arrivals³.

Agency Roles

Housing New Zealand Corporation

Housing New Zealand is the government agency responsible for sourcing housing for quota refugees. It aims to have a house available - either a state rental, or in a local authority, or in the private sector - for all quota refugees to move into on the day they leave the Reception Centre where they spend their first six weeks in New Zealand. This fixed reception

² Quota refugees are 'A' priority. This category is for at risk households with a severe and persistent housing need that must be addressed immediately.

³ They are assessed at the border and whilst a decision on their entry status is pending, the Department of Labour decides whether they should be released into the community to find their own accommodation, detained at the Mangere Refugee Reception Centre until they can be released on condition, and housed at the department's Takanini hostel, detained in prison cells or returned to their destination of origin.

period means Housing New Zealand is dependent on housing vacancies occurring at a given date which can make it difficult to organise rental housing in refugees' preferred locations.

Other issues include locating a suitably sized house in either the state or private rental sectors to accommodate larger families and extended living arrangements. Refugees may end up living in crowded housing because of family sponsorship and other personal obligations. This produces additional challenges for Housing New Zealand which provides houses according to the original household size and family circumstances. When an additional family moves in, this places Housing New Zealand in a difficult position because:

- overcrowding can lead to health issues. When Housing New Zealand becomes aware of health implications resulting from families living together, they will address these by working with other agencies, responsible for health, settlement and housing outcomes.
- there is an increased likelihood that these houses will suffer greater wear and tear. This impacts upon government resources required to maintain state houses.

RMS Refugee Resettlement

New Zealand's national refugee resettlement agency, RMS Refugee Resettlement, is funded by the Department of Labour and liaises with Housing New Zealand to provide information and advice about the housing needs of families and refugee communities.

RMS Refugee Resettlement's role includes identifying housing locations that will provide the most supportive environments for quota refugees. Factors taken into account include:

- the location of family members and/or ethnic community and religious support;
- the location of trained community volunteers and other community participation;
- access to schools, appropriate adult education and/or ESOL courses;
- the location's ability to accommodate and absorb significant numbers of refugees;
- access to shops, public transport and work opportunities.

Specific considerations include the availability of:

- ethnic and family support;

- community support required to address saturated capacity;
- a community volunteer support programme.

Ethnic and family support is an essential ingredient of successful settlement – especially where refugees are pre-literate or semi-literate on arrival. Ideally those arriving under family reunification will be housed close to their existing family members. However, there is often high demand for locations that have readily available ethnic and family support and other settlement support services.

Where community capacity reaches saturation point, all agencies must work together to achieve a spread of acceptable refugee resettlement locations. There is recognition that the Auckland central city areas of Mt Roskill and Mt Albert, as well as the North Shore, have limited capacity to absorb further refugees. Over the last three years other areas of settlement have been developed in Auckland, especially in the west and south. It will be important to develop refugee resettlement in other locations, and to continue to work with refugee communities to gain their support for settlement in these areas.

RMS Refugee Resettlement also runs a community volunteer support programme, based on a concept of hospitality and the New Zealand community's commitment to welcoming and supporting newly arriving refugees. Ideally, the community volunteer programme enables locally-based volunteers to link refugee families into their local networks as well as preparing, furnishing and equipping refugee families' new homes.⁴ This process must begin before they leave the Reception Centre. A challenge for volunteers is when refugees are assigned housing in areas where they do not have local community links⁵. This, and other resource and time constraints, including the rising cost of petrol, makes it increasingly difficult for Refugee Resettlement to retain and recruit people for this role.

Local government support

Some Auckland local authorities have endeavoured to increase host community acceptance of quota refugee communities housed in their area. Their efforts have included engaging with host communities to increase awareness of New Zealand's humanitarian approach to refugees, receiving information (e.g. culture, country of origin) about refugee members likely to be housed in their community and welcoming new arrivals to their area.

⁴ Volunteers must source the furniture and other equipment through their own social networks. There is a \$1200 (per adult family member, with an additional \$100 per child when there are more than two children in the family) non-recoverable, re-establishment grant to assist with furnishing homes.

⁵ Although a broad match may have been made with, for example, a volunteer who lives in the 'west' and a refugee family for whom placement has been requested in the 'west', even this may not be achieved if a house does not become available.

The *Connecting at the Local Level* chapter has more information on this approach. In the future, it will be supported through the proposed initiatives under the New Zealand Housing Strategy work programme.

Housing-related strategic frameworks

Central government

The New Zealand Housing Strategy, launched in May 2005 has, as one of its seven areas, a focus on meeting diverse housing needs. In particular, it seeks to 'explore ways to ensure the physical security and safety of migrant and refugee communities and households, including community education and integration'⁶.

A housing work programme to meet the needs of ethnic communities is being developed by Housing New Zealand with the Department of Building and Housing, the Office of Ethnic Affairs and the Department of Labour. The indicative work programme is set out in Appendix 2.

Local government

Auckland's burgeoning population makes affordable housing a real issue for the region's entire population, not only refugees and migrants. The *Auckland Regional Affordable Housing Strategy*⁷, launched in 2003, outlines some ways in which the region could respond to this challenge. All of the region's Territorial Local Authorities (except Auckland City) have endorsed the strategy. The strategy's seven Key Action Areas for implementation are outlined in Appendix 2.

⁶ *Building the Future: The New Zealand Housing Strategy*, May 2005, pgs 72,73.

⁷ *The Auckland Regional Affordable Housing Strategy* was endorsed by the Regional Growth Forum and published in March 2003.

The way forward: Auckland Regional Settlement Strategy:

Housing goals

The Auckland Regional Settlement Strategy's goals for achieving successful and sustainable housing outcomes are *to help refugees and migrants to obtain and sustain affordable and appropriate housing by:*

- *increasing collaboration, co-operation and planning between housing and other agencies with settlement responsibilities at both regional and national levels;*
- *involving refugee and migrant communities in advising on alternative locations that will support refugee settlement;*
- *taking action to encourage host community acceptance in local areas.*

Opportunities to support appropriate and affordable housing

It is recommended that the *New Zealand Housing Strategy* and *Auckland Regional Settlement Strategy* work programmes reflect the following proposals for improving central, local government and community agency coordination for housing refugees, and addressing housing accessibility and affordability for migrants in the Auckland region.

Planning processes for housing refugees in Auckland

Improve cross-agency coordination and joint planning in Auckland, involving key stakeholders such as the Department of Labour, Housing New Zealand, RMS Refugee Resettlement and local councils to:

- ensure agencies involved in housing quota refugees have full, relevant and timely pre- and post-arrival information about quota refugee families to inform housing decisions;
- increase the flexibility of the orientation programme at the Mangere Reception Centre to ensure Housing New Zealand Corporation has sufficient time to improve the matching of housing supply with families' needs;
- expand local government efforts with local communities where refugees are living, or will be housed in the future, to increase

awareness and acceptance of New Zealand's humanitarian approach to refugees.

Central government and local agency coordination

Enhance collaboration between the range of central and local government agencies and non-government organisations responsible for migrant and refugee settlement. Use existing strategic frameworks and engagement with migrant and refugee communities to:

- identify actions to address the challenges that low-income migrants and refugees face in accessing suitable, affordable housing;
- acknowledge and influence host community perceptions of migrants and refugees in order to reduce discrimination and increase acceptance of diversity as outlined in the *Increasing Community Understanding and Acceptance of Diversity* chapter;
- increase the geographical spread of locations that are suitable for re-housing refugee communities to alleviate the pressures on particular areas in the Auckland region.

Increased state support for furnishing homes

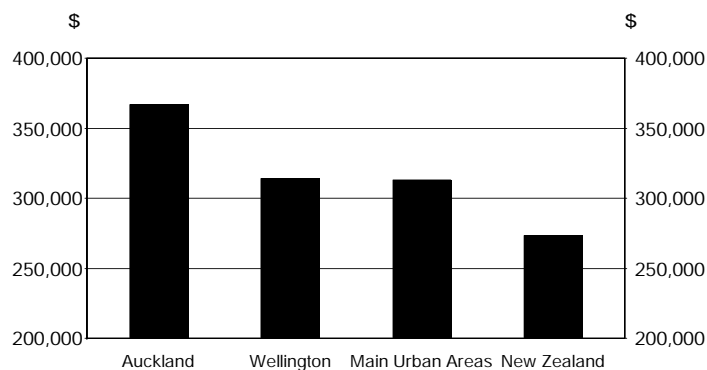
The long-term viability of relying on the commitment of community volunteers to fully furnish and equip homes for refugee families using their social networks needs to be reconsidered by Government.

Appendix 1

Socio-economic issues impacting on housing affordability in Auckland

Area 7: Diverse Housing Needs: Ethnic Communities

In Auckland, average house prices have climbed to \$367,000, compared to Wellington (\$312,000) and the main urban areas (\$273,000).



Source: QVNZ

Figure 1 – House prices⁸

High house prices are a key factor in the declining levels of home ownership throughout the country. In addition, median rents (\$300 per week) in Auckland are 50% higher than those for the rest of New Zealand, whilst more affordable rents (\$250 per week) in Auckland are 67% higher than for the rest of New Zealand.

High migration numbers and a rapid population growth contribute to rising housing cost trends. Between 2001 and 2026, the Auckland region is projected to have two-thirds of New Zealand's population, reaching 1.77 million in 2026 (an increase of 560,000, or 46 per cent, from 2001)⁹. These factors make it very difficult for Auckland's low-income families to afford, and retain, appropriate housing.

⁸ Housing Market Report, March 2005.

⁹ Ibid.

Appendix 2

Building the Future : The New Zealand Housing Strategy, 2005

Primary Initiatives:

- continue to improve the supply and appropriateness of state house quality and design for larger ethnic households;
- develop housing advocacy, information and support services for ethnic people;
- explore ways to ensure the physical security and safety of migrant and refugee communities and households, including community education and integration;

Supporting Initiatives:

- provide tailored home ownership education and support programmes to promote existing home ownership assistance measures;
- explore ways to support home ownership among Muslim communities that face cultural barriers to conventional mortgage products;
- analyse ethnic peoples' household compositions and dynamics to assess future housing needs;
- engage in partnerships with ethnic communities to develop appropriate housing initiatives to serve these communities;
- provide additional education and training for housing agency staff, and opportunities for such training for other housing providers and landlords.¹⁰

Source: *Building the Future: The New Zealand Housing Strategy*, HNZA May 2005

Auckland Regional Affordable Housing Strategy March 2003

Key Actions Areas for implementation:

- support initiatives to make housing more affordable and accessible for people 'at the margins';
- contribute to initiatives that increase the supply of 'social housing' and more diverse social housing options;
- promote well-designed and well-located affordable housing;
- assessing and addressing sub-standard housing – HNZA programmes;

¹⁰ Building the Future: The New Zealand Housing Strategy, May 2005, pp72,73

- review the contribution that urban form decisions have on housing costs;
- raise public awareness about affordable housing issues and solutions;
- support research into affordable housing issues.

Source: *Auckland Regional Affordable Housing Strategy*, Regional Growth Forum, March 2003

Appendix 3

Auckland housing options

Rental housing options

The following rental housing options are currently available in the Auckland region for low income households.

Central government

Housing New Zealand manages approximately 9,356 houses in central Auckland, 13,367 in South Auckland and 5,998 in West and North Auckland. Currently, the time to house people on the A priority waiting list (high risk) is between 0 and 30 days.

Local government

The region's city and district councils collectively manage 1,678 rental properties. These are distributed as follows:

Auckland City	0
Franklin DC	111
Manukau CC	560
North Shore CC	458
Papakura DC	75
Rodney DC	45
Waitakere CC	429
Total	1678

These are largely one bedroom or bed-sit flats and are targeted at older people or single people with disabilities. These flats are seldom rented by new migrants, because they are not eligible, or by refugees, because they are usually family groups requiring larger accommodation. Aside from that, for many councils, a key criterion is that the applicant has lived in the Territorial Local Authority catchment area for at least six months.

Private sector

Few private sector landlords deliberately target the low-cost housing market. While there are lower cost private rentals on the market, this is for reasons such as the quality of the house, the location or the size. Private sector rental housing is available to all who are able to meet the bond and rent deposit and ongoing costs. Migrants and refugees with limited assets can find it difficult to meet these establishment costs, even

if they are able to sustain the rent level. In addition, the larger size of many refugee families means they are often not the preferred tenants for reasons of potential wear and tear, when the house could be let to a smaller family.

Work and Income provides resettlement support and bond money to assist quota refugees access housing in the private sector. Migrants and refugees who are on a low income or are eligible for benefits can access the Accommodation Supplement and other special needs grants to assist with these costs.

Home ownership options

There are a range of programmes in the Auckland region that assist those on limited incomes into home ownership.

Central government

Housing New Zealand offers the following range of initiatives to support home ownership for modest-income households:

- the *Mortgage Insurance Scheme* allows modest income households to purchase a home with no (or a low) deposit if they have an income of at least \$85,000, own no other housing, have a good credit rating and few other debts.¹¹ This programme is available through a number of lenders under the name of *Welcome Home Loans*. Since 2003, 77 of the 1,400 loans insured through this scheme have been in Auckland. The recent increase in the income caps (from \$65,000 to \$85,000) is likely to make the scheme more viable. While it is available to migrant and refugee households, the main barriers to their using it are having a high enough income to service a 95-100% loan, and finding a home in Auckland below the house price maximum of \$280,000. Further information is available on www.welcomehomeloan.co.nz
- *KiwiSaver* is a voluntary, work-based savings scheme that also helps people save a deposit for a home. This will be available from April 2007. After first home buyers have contributed to KiwiSaver for three years, they become eligible for a Deposit Subsidy of \$1,000 for every year that they save with KiwiSaver, up to a maximum of five years.
- *Home ownership education workshops* – starting in 2006, Housing New Zealand is offering education workshops on how to apply for home loans and the costs and obligations of home ownership. The workshops target people moving from renting to owning, and

¹¹ Households with three or more earners can have a total household income of up to \$120,000 to apply for an Mortgage Insurance Scheme loan.

reduce the risk of default, whilst ensuring they understand the implications of home ownership.

- the *Home equity pilot, rent-to-buy scheme* - the New Zealand Housing Foundation has worked with Housing New Zealand to develop this scheme. At this stage, it has built houses and placed four households, but is looking to expand over the next year.
- the *Housing Innovation Fund* have been provided to encourage third sector groups (not-for-profit, non-governmental community groups and organisations including iwi/Maori) and local government to increase their involvement in providing rental housing and home ownership opportunities to low income New Zealanders and those with special needs.

Third sector

Habitat for Humanity, a not-for-profit organisation, assists low income families into home ownership. However, its voluntary nature means that it can only work on a small scale and in the last 12 years has built only 49 houses across the Auckland region

Private sector

Private sector rent-to-buy schemes – a household enters into an arrangement where they rent a home, with part of the rent payment going towards paying for the house, so that ultimately they will own it. While such schemes help some households to enter into home ownership, the private and largely unregulated nature of these schemes means that households can be vulnerable to unscrupulous operators.

All of the above schemes are, to varying degrees, applicable to migrants and refugees. However, some are very small scale in terms of numbers they can support, whilst others depend on people having a reasonable and sustainable income and financial credibility.