

27 July 2022

s9(2)(a)

Thank you for your emails of 19 and 26 June 2022 to Kāinga Ora – Homes and Communities requesting information under the Official Information Act 1982 (the Act).

I have answered your individual questions below.

- 1. Could you please tell me how many houses had to be vacated to enable work to be done for them to meet the new Healthy Homes regulations?**
- 2. How many are still empty awaiting work?**
- 3. What is the average time a house may be empty while work is done?**
- 4. What is the total cost estimated for Kāinga Ora to meet its obligations under the new Healthy Homes Legislation.**

Kāinga Ora is undertaking work to meet Healthy Homes regulations while properties are tenanted. It would be rare for a customer to need to relocate, and this would most likely only occur if there was other work required at the property, unrelated to the Healthy Homes work, being carried out at the same time.

In response to your fourth question, Kāinga Ora estimates that the total cost to deliver the Healthy Homes Delivery Programme will be \$446 million.

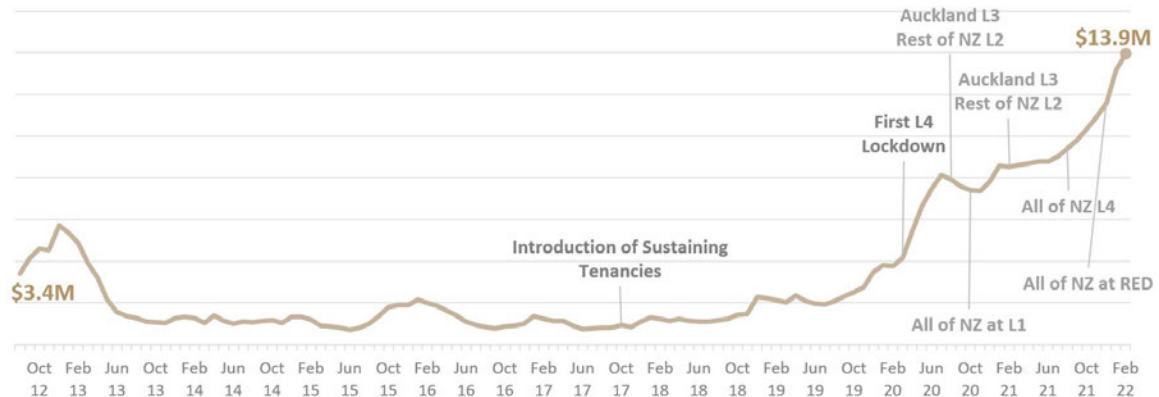
- 5. Could you please tell me what the dollar value of outstanding rent arrears were in 2017?**
- 6. Could you please tell me what the dollar value of outstanding rent arrears at the present time?**

The vast majority of Kāinga Ora customers pay their rent on time every week and are up to date on their rent payments.

It is important to keep in mind that financial hardship is a primary driver of public housing need. Most Kāinga Ora customers (over 97 percent) are on low incomes and qualify for an Income-related Rent Subsidy. In situations of financial hardship, even small, unexpected life events can push a person or whānau into debt, which can be difficult to recover from.

Like many New Zealanders, the COVID-19 pandemic has had an impact on the financial circumstances of our customers. As part of our response to COVID-19, Kāinga Ora paused our actions to recover debt and introduced a welfare approach to supporting our customers through what were uncertain times. As COVID-19 restrictions eased and we entered a more stable environment, we have been able to resume debt recovery processes.

COVID-19 has had a significant impact on our customers' ability to pay rent and our ability to collect rental arrears



However, the impacts of the pandemic continue to be felt, including disruption to household incomes, inflation and increases in the cost of living, and reduced capacity among our service partners to provide support to our customers.

Kāinga Ora works closely with customers to address debt and move them towards financial wellbeing. We are focused on early intervention and prevention, and we establish payment arrangement thresholds that are both manageable and sustainable for the household. This includes developing a plan with our customers that will support them as they work through any rent-related issues, and assist them to stay in a Kāinga Ora home. We can also have focused debt conversations with customers who may require further assistance, and help with referrals to support agencies.

Debt figures are captured at the end of the week. As at 29 May 2022, the total rent debt of Kāinga Ora customers was \$15,608,449, which reflects the hardship households are facing. As at 28 May 2017, total rent debt was \$921,529, but direct comparisons are difficult because Kāinga Ora has added thousands of new tenancies since 2017.

7. Re rent arrears by your clients. Please supply a breakdown of all Kāinga Ora tenants with outstanding rent that exceeds \$20,000. I appreciate that the tenants will need to be anonymised.

You clarified that you would like to receive the number of Kāinga Ora customers in rent arrears in bands, i.e. the number of customers owing over \$20,000 and \$40,000. I can advise you that 32 customers have rent arrears of over \$20,000. No customers have arrears over \$40,000.

Around 85 percent of our customers are not in rent arrears, and of those that are, most are only in debt for a short amount of time - for example around half our customers in debt are less than four weeks behind on their rent, and many are now repaying this debt. Substantial debts at the scale you have requested are proportionately small in number - less than 0.5 percent of our customer base.

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or Freephone 0800 802 602.

Please note that Kāinga Ora proactively releases our responses to official information requests where possible. Our response to your request may be published at

<https://kaingaora.govt.nz/publications/official-information-requests/> with your personal information removed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N Maling', written in a cursive style.

Nick Maling
General Manager National Services