

## Recording and Q&A Transcript

### Episode 1

## Te Au Taketake and Provider Pathways

There are two parts to this transcript:

1. The recorded transcript that was captured at the live webinar
2. The question and answer transcript where the panel have provided typed answers which means these are not captured in the recorded transcript.

#### Panel for Episode 1 – Te Au Taketake and Provider Pathways

<b>Kaiwhakahaere</b>	Mark Ormsby	Te Tūāpapa Kura Kāinga, the Ministry for Housing and Development (HUD)
<b>Kaikorero</b>	Chris Glaudel	Community Housing Aotearoa, Ngā Wharerau Ō Aotearoa (CHA)
<b>Kaikorero</b>	Debbie Bean	Te Tūāpapa Kura Kāinga, the Ministry for Housing and Development (HUD)
<b>Kaikorero</b>	Alan Thorp	Habitat for Humanity

# Recorded Transcript

*This is the transcript for the recording of Te Aho Tāhuhu,  
Episode 1 Te Au Taketake and Provider Pathways.*

**Mark Ormsby (Te Tūāpapa Kura Kāinga):**

Traditional incantation to open up hui

Koutou e taringa whakarongo mai ana, koutou e karu e matakitaki mai ana.

Tēnei te mihi atu ki a koutou i tēnei wā, e whakarongo mai nei ki a mātou i tēnei wā e pā ana ki te take o te PHO whānau.

Anei mātou te pōari, arā ngā kaikōrero mō tēnei wā, e mihi ana ki a koutou.

Nau mai, piki mai i waenganui ia tatou i tēnei wā.

Mēnā he pātai tā koutou, korero mai, mēnā he whakaaro tā koutou, whakaaro mai.

Heoi anō koutou, piki mai, kake mai ki tēnei whakaaturanga e kī ana ko Te Aho Tahūhū.

Tēnei te mihi atu ki a koutou, huri noa o te motu, tēnā koutou, tēna koutou, tēnā koutou katoa.

Kia ora tatou, My name is Mark Ormsby and its my privilege and honour to welcome you here to the first episode of the series, the first of ten, that's being hosted by the Ministry of Housing and Urban Development and Te Matapihi. The name of the webinar series is Te Aho Tāhuhu and today we have a panel of speakers that are going to talk about the PHO Fund.

Hēoi ano tātaou, we've got three speakers here today. Our first speaker here today is Chris Glaudel, who is from Community Housing Aotearoa, Nga Whare Rau Aotearoa. After that we'll have Debbie Bean, who is the lead for the Te Au Taketake pathway, the Māori pathway in the PHO Fund, at Te Tūāpapa Kura Kāinga, the Ministry for Housing and Urban Development. We're then going to round it off with Alan

Thorp, who is the Group CE for Habitat for Humanity. Heoi ano tatou, I will now pass it over to Chris Glaudel. Tēnā koe Chris, korero mai.

**Chris Glaudel (Community Housing Aotearoa):**

Thank you very much, Mark. Kia ora e te whanau. Ko Chris Glaudel tōku ingoa. Chris Glaudel here, the Deputy Chief Executive at Community Housing Aotearoa. I would really like to give a big thank you to the Ministry of Housing and Urban Development and Te Matapihi for pulling these sessions together.

This is a new area in terms of providing new opportunities and we're quite pleased to have this initiative in place now. Progressive Home Ownership is something that providers have been offering within New Zealand for decades now, but isn't really well known.

**Chris Glaudel (Community Housing Aotearoa):**

It's the first government investment in the tenure since 2014, so we really see this as a new opening. The investment framework that sets out the priority groups of Māori, Pasikifa, households for children are spot on in terms of responding to those that are most disadvantaged in home ownership right now.

And we know that that's extremely important because becoming a home owner in New Zealand is really the way to secure inter-generational wealth. And to lift people out of poverty and out of insecure housing and that uncertainty that comes in housing markets like we currently experience: of rising home prices, rising rents, and difficulty of securing warm safe and dry homes.

With the assistance of working with Iwi Māori providers, community housing providers, through shared equity, rent-to-buy, or leasehold arrangement it really gives that new opportunity to become home owners. We see the program overall as being very important to establish a new tenure and to really make these types of progressive home ownership tenures as common as renting or as common as traditional home ownership.

We think with the \$400 million the government has committed to get this started with its allocation directly into iwi and Māori organisations to help whānau, into community organisations to continue the work they have done and through the direct pathway that it will be broad enough that people will recognise this new form of tenure, and it'll be as common as anything else in the market. We really hope that this is something that over time does become permanent, that government will reinvest through future budget allocations and for decades to come, we'll be able to provide new opportunities.

So with that, there are a few organisational considerations.

One of the things that really is important for you all that are here representing organisations, is to think about and to prepare yourselves for how you can deliver if you haven't done so in the past. I think one of the primary things to keep in mind is that the provider is the entity responsible for repayment to HUD.

It's a 15 year time period in terms are very generous from the government to making these happen. But at the end of the day, your organisation is the one that has signed the agreement with the government and your organisation is the one with the obligation to repay. Now the household, they'll be making their payments and hopefully over the 15 years, will be well on their pathway and successfully graduated into full ownership.

But it is something to keep in mind, that the legal responsibility rests with the organisation. People will not be going after individual whanau for those loans but looking to you all to make the funding work and to really be able to bring on the new supply. Debbie's going to go over the variety of funding options that are available. And through the process of working with Te Matapihi, CHRA, and providers, the Ministry put in place a number of very good options and different ways to assist organisations to be able to secure the land, to build the homes, and complete those. But even with those, your cash is still going to be required. The money doesn't all come upfront and you will still need to have the financial resources to undertake the real estate development and to complete the homes. The other thing to keep in mind is often we think "okay we've built that home, whanau's moved in, we're done, we can relax now". But it's

**Chris Glaudel (Community Housing Aotearoa):**

not the case in the progressive home ownership because the relationship between the organisation and the whānau is a long term one. People's lives don't go on a straight path at all times and you'll be walking alongside that household on their journey to full home ownership and that can take up to 15 years. So, when you come into this, it's really important that your organisation is geared up and understands the responsibilities aren't just through the build phase, but extend far beyond that and working with the households over time.

And then a few practical considerations in addition to the organisational considerations to keep in mind.

In terms of starting, if you haven't provided progressive home ownership in the past, then really read and understand the investment framework, the due diligence criteria, the funding process and recording requirements in advance.

It's important to understand those things so that you are going down the right path from the beginning, rather than going out and starting to look for a home, and talking to some whānau about what they're interested in. Really understand what are those requirements.

It is a contracting process with government and at the end of the day, requirements need to be met and Debbie will be discussing those in a bit more detail. The information is there, that's the great thing, it's on the website and Mark, Debbie and the team at HUD are all familiar with this, they're also available to answer questions. In addition, Te Matapihi, Community Housing Aotearoa and other providers are also available to help and assist.

Another thing that we know is that preparing whānau for progressive home ownership can take some time and its important to start working with them early. After you understand the program clearly, again, get out and start talking with whānau, understand who is interested, where they are, what their concerns are. It is a tenure that's not as well known and so it often takes a number of meetings and discussions for them to really become comfortable with the concept of sharing ownership with someone else. And the earlier you start those conversations, the sooner you'll have a group of whānau who are ready to take that step forward and who are prepared both financially but also more emotionally, so they're comfortable going into this type of arrangement.

The last bit of advice on practical considerations is: don't reinvent the Wheel. Use the support that's out there. One of the things that we know is that financial institutions are very risk averse, they like to work with things that are tried and true and so they really want to have a standard product that they work with. Don't start writing up your own shared ownership agreement. Kāinga Ora has developed one that is available to use, other providers are also willing to make their agreements available. By starting with what is already known, it helps you move through the process faster. It ensures that you will be able to get those banking approvals that are going to be required to be able to finalise your contract with HUD, and that you're using a product that is known and tested, and is mindful of both the risks for the organisation and for the whānau who are the shared owners. Use that support, use what's tried and true and move on from there. And so with that, I think I've gone over what I'd like to discuss with you this morning. My contact details are available and we're always here to answer questions and provide support.

**Chris Glaudel (Community Housing Aotearoa):**

The key takeaways for Community Housing Aotearoa. We really look at the four year funding commitment, the \$400 million dollars, as a great opportunity and we want to see this succeed and we want it to be made permanent. The second takeaway is really remembering, building the home is the easy part in this whole process and for those of you that have built homes before, you know that's not easy. So, really make sure that you know what you're getting yourself into and focus on the long-term and not just the house construction. Finally, both Community Housing Aotearoa and the Kiwibuy providers that came together, just going on three years ago, to advocate for this type of programme are available to share the learnings that we've had from working in this space over time. Kia ora.

**Mark Ormsby (Te Tūāpapa Kura Kāinga):**

Tēnā Koe Chris. That was Chris Glaudel from Community Housing Aotearoa, Ngā Whare Rau O Aotearoa.

Hēoi ano tātou, We're going to move on, and we're going to go to our next speaker, Debbie Bean, who is the lead for the Te Au Taketake Māori pathway at HUD.

Just before introducing her, I want to speak to what Chris has said, that yes, the government has set aside the funding of \$400 million for the Progressive Home Ownership Fund, over the next three years. The funding is equally allocated across three progressive pathways. The first pathway is Te Au Taketake, which Deb will be talking about. The Provider Pathway is also another pathway. Both those pathways work through providers active in the housing system. Of course there is also the First Home Partner which has just been released in October by Kāinga Ora. Both the Te Au Taketake and provider pathways are administered in the form of a loan to the provider, which is required to be repaid at year 15, following a drawdown.

There is zero interest on the loan for 15 years but the provider must be able to offer security for the loan and the provider is also responsible to pay back that loan. Like Chris said, the priority groups for PHO are Māori, Pacific peoples and households with children. This loan targets first home owners who are earning no more than \$130k per annum. That limit is slightly a little bit more for multi-generational households.

We'll leave that up to Deb to get into the detail here. Hōei ano tātou, Tēnā koe Deb, I will now pass it over to you.

**Debbie Bean (Te Tūāpapa Kura Kāinga):**

Tēnā koe Mark, Debbie Bean speaking. Ko Debbie Bean tōku ingoa, no Ngā Puhi ara Hokianga whakakapou karakia.

**Debbie Bean (Te Tūāpapa Kura Kāinga):**

Welcome to this morning and I've seen lots of names and lots of whānau names that have popped up in the chat so lovely to have you on board this morning. Just a little bit about me and to start. I did start my career in housing, with the old Housing Corporation and I've worked in different roles since then. The last 12 years with Te Puni Kōkiri in the Māori Housing Network, working in Tai Tokerau and before that working in the establishment of Whānau Ora.

I came to Te Tūāpapa Kura Kāinga in July into this role as the Lead for the Progressive Home Ownership Te Au Taketake Pathway. It is a real privilege to be in this role. It is one of the things when you're working in the Māori housing system, and you understand some of the needs and some of the machinery that we have to work with, I saw this position and the opportunity in progressive homeownership to really make a difference for our whānau. That drew me into the role and I am really pleased to share with you some of the few slides that we've put together that will just take you through the process to become involved as a Te Au Taketake progressive homeownership provider or as a provider on our Provider pathway.

So, you might be wondering what the difference between the two pathways is. The Te Au Taketake pathway operates by open invitation. And it's specifically works with Māori providers that are working with whānau in the housing space. By open invitation, this means that we don't work to funding rounds, we will work with you on your Invitation to Participate and your delivery plan, as you need us to and as you're ready to work through some of the process that's required here. The Provider pathway, we have a number of providers that have a lot of experience in Progressive Homeownership. So, this pathway applies to those providers. In saying that there are new providers that will come into this pathway also and, as Chris mentioned, they will generally use a lot of the learnings that have been taken over the last 15 to 20 years in Aotearoa.

With the progressive homeownership the Invitation to Participate comes in two parts. The first part is becoming an approved PHO provider, the second part is submitting your delivery plan. Now we have a suite of documents available on our website and the address is there. Very importantly it includes an information guidance document for you to help you to complete the Invitation to Participate. Rōpū can choose to become an approved provider first, that might be the first step. And then they may work on the delivery and submit that later on, and that's entirely acceptable.

Right, so the first part to become an approved PHO provider, just like a number of funding applications when you're applying for Government funding, you have to show us and provide evidence that you have sound financial practice, that you have good governance practice, that you have good organizational processes. And, more importantly, for this particular program, that you have a designed PHO product. You must also show us that you have financial institutions, that will work with the PHO product that you are offering, and you have the ability to connect and work with our whānau and the households that you are targeting.

Submitting your delivery plan. So, this is where we get into the nuts and bolts of the actual of the house or the development that you are working with and that you require funding for. We want to know in this part of the application the location of the dwellings, the number of dwellings that you will create, the

**Debbie Bean (Te Tūāpapa Kura Kāinga):**

estimated uptake of your PHO product in these locations, by the people in the priority groups. The amount of funding you require, the estimated delivery time frame, the drawdown milestones and the security that you will be offering for the progressive homeownership loan itself.

Receiving funding. So, the amount of PHO funding depends on the progressive homeownership product that you are offering. You'll see here on the left-hand side that if you are using a shared equity arrangement or product, the progressive homeownership fund contribution will cover a maximum of 45% of the cost to the household of purchasing the home. That part there is quite important, so the loan will be based on the cost to the household. Where it's a rent to buy or a leasehold arrangement, the fund contribution is capped at 50%. And important in this part, is providers must be able to show when the whānau in the households would graduate from the progressive homeownership part of the scheme and that the progressive homeownership provider can repay the loan at year 15. You'll see there in the table on the right-hand side we have different options depending on the product type and we have some drawdown milestones there. If you go into an arrangement, this is around the actual build of the house that I'm talking now, for a turn-key arrangement with a developer, you'll see 10% on signing of the acquisition contract, 90% on completion. Option two, the provider already owns the land and is arranging for the homes to be built, that's 50% on lock up and 50% on completion. Option three, is where the provider needs to buy the land and will then arrange for the homes to be built. The drawdown milestones here are 30% on settlement of the acquisition of the qualifying PHO development land, 30% on lock up, 40% on completion. And option four is where the provider only requires the PHO funding once the home is completed and the partner household is ready to move in, and it's 100% on completion.

Right now, for all of this, if you become a progressive homeownership provider, we do have some grant funding available to the provider to support the work that they are doing to prepare their households for this, for this homeownership journey. Before they go into the home and again some occupancy support so that they can be successful, in that first 15-year period where the PHO loan maybe in use. For pre-occupancy support that is a maximum of \$7,000 per household. I'm sure that Alan, who's going to follow this, will talk to you about the work that goes on beforehand and selecting and preparing our whānau to take up this journey. The occupancy support is to support the whānau achieve full homeownership, some pastoral care and there might be some maintenance planning or some home inspections to ensure that the home is being well kept, especially in a shared equity arrangement. It is up to \$1,800 per year per household.

So, the key takeaways that we have here, the price points are based on affordability for the household. Housing outgoings must be less than 30% of annual income and the incomes are capped at \$130,000 per annum per household. There is a different formula for multi-generational households that might lift that income cap slightly. The PHO product and model, as we've mentioned a couple of times, must demonstrate that the whānau or the household will graduate in time for the PHO loan to be repaid in 15 years. There is a strong preference for new builds. There are exceptions though and we will work with you on those, but the key criteria here is that they are in locations where there are no new developments occurring within the next 12 months, and the immediate readiness of whānau to participate in progressive homeownership. And where a wait would prevent or hinder the whānau opportunity to move into

**Debbie Bean (Te Tūāpapa Kura Kāinga):**

homeownership. So, we have a couple of exceptions there and like I said we're quite willing to work with you and to consider what the needs are of the whānau that you're working with and the homes that you have available in your region that would be suitable for whānau to take on in homeownership.

And finally, because I've gone through that fairly quickly, the contact details for our team here at Te Tūāpapa Kura Kāinga. If you require the documentation that I mentioned at the start, the first email addresses are the ones to send your request to. And then the next five names that we have here Nigel Hewitson, myself, Mark Ormsby, Tracy Jacobs, and Lee Wright, we make up the team for the progressive homeownership here at Te Tūāpapa Kura Kāinga. It's been really lovely; I know that it was a very quick overview and we have been reaching out to people and we're happy for people to reach out to us to increase housing in your region, kia ora tātou.

**Mark Ormsby (Te Tūāpapa Kura Kāinga):**

Kia ora Debbie Bean. Thank you for that. We've got a few questions Debbie from the whānau out there. One of the questions was how many whānau will be helped into homeownership through this fund?

Our modeling sees around 1,600 - 4000 individuals. But there's also other questions too and I'll just run through some of those. Someone raised when you're talking about financial institutions are you talking about banks?

**Debbie Bean (Te Tūāpapa Kura Kāinga):**

Yes, we are. First tier lenders, banks.

**Mark Ormsby (Te Tūāpapa Kura Kāinga):**

Will the PHO fund work with papakāinga development or is there a separate product altogether requiring security over land?

**Debbie Bean (Te Tūāpapa Kura Kāinga):**

So, we have a few different options for security, we would like progressive homeownership, our intention is definitely for progressive homeownership to be available on whenua Māori, for papakāinga development. We haven't quite struck a model yet, but we have a number of iwi and whānau entities that are looking at that, right now. So, we all know that security over whenua Māori is the dilemma at the moment, so we have some policy work, as well as some work like I say with some iwi and whānau trust



that we try to find a workaround. What the workaround is and what the policy is that we can make stick for whenua Māori.

**Mark Ormsby (Te Tūāpapa Kura Kāinga):**

Another question here from Lisa - Can Māori CHPs choose either the provider pathway or Te Au Taketake?

**Debbie Bean (Te Tūāpapa Kura Kāinga):**

Yes, they can. A Māori provider can choose which pathway they would like to enter. I would like to think you'd like to come into the Te Au Taketake pathway, but it is your choice.

**Mark Ormsby (Te Tūāpapa Kura Kāinga):**

And just around being an approved provider Deb, could you shed some light on those that are I guess have CHP status and those that don't have CHP status. What is the likely timeframe to become an approved provider through PHO?

**Debbie Bean (Te Tūāpapa Kura Kāinga):** We're talking just to become an approved provider, so I'll go back to the first part of that question. If you are already an approved community housing provider and you have community housing provider status, the process will be slightly quicker to come into Te Au Taketake as an approved provider or just as an approved provider. The process to become an approved provider would take, provided we have all the documentation that we require, we should be able to confirm that approval within six weeks, from receiving the documentation.

Hēoi ano tātau, we're going to move on to Alan Thorp who's the group CEO for Habitat for Humanity to give us a provider perspective of how the PHO fund has been working. Tēnā koe Alan.

**Alan Thorp (Habitat for Humanity):**

Kia ora Mark and kia ora koutou. It's a wonderful privilege to be on this webinar today and I'm so excited that the \$400 million fund is wanting to get out there and for progressive homeownership to become something that's part of a New Zealand society and fabric. Because we all know that homeownership is so so important. I guess that you're on this webinar because you actually want to help people into homeownership.

**Alan Thorp (Habitat for Humanity):**

You'll see there that I've got you know there's a group of people in the middle, but there's a bunch of questions there about how do we actually finance this? Ultimately, our goal is to help families and whānau into homes. The critical piece here is that it's not just about good intentions, but actually each organization has to have an ability to prove to MHUD that it can actually go through the process of due diligence. The critical piece down the bottom there which I've got on the slide is that you need to demonstrate to your funders that your organization and your proposed product is sustainable. And it's not just for your organization, but also for the families that you put into those homes, and you need to be able to demonstrate that in the long term.

If we need to have 50% of the funding that's coming from MHUD then you've got to find that other funding from somewhere else. That could be commercial finance, it could be finance from your own organization. The 50% doesn't also mean that you will have to actually put some equity from your own organization into this process.

So, Habitat for Humanity has been operating for 30 years. It's delivered about 550 whānau into homeownership. Through our process with MHUD, we sort of crystallized what we have done in the last 30 years, and we believe that there are five components to progressive homeownership and that first component, there is preselection. Selecting our families is probably the most critical success factor. If you select the wrong whānau then the whole process is going to be very difficult to actually complete and succeed. We select families not based on their current circumstances, but actually on their future potential and their willingness to partner with us. So that's a really important piece is that somehow, you've got to be able to select people who are ready and are financially ready and able, but they can't accumulate a deposit, they can't access the housing system as it currently stands. They do need some help to do that, but they have a motivation and a desire to enter into homeownership.

So, this is why through that process and designing this fund with MHUD, MHUD actually recognize this and has put \$7,000 per whānau into the pre-selection phase. As Habitat for Humanity, we totally think that's so important, because the choice of the partner is actually so critical to the overall success of the program. The next component there is our support services and again MHUD, as Debbie has put up on her slide, are offering \$1,800 per year per whānau for that support services. And that's small but it's a recognition that actually it's not just about a transaction that's one off in time, this is actually a process. That's \$1,800 for 15 years and it means that as an organization, we can offer pastoral support. And, as we know we all go through ups and downs in our life, and we have difficulties, and we need people to come along and work alongside us. And so, as an organization MHUD will give you that funding to walk alongside your partner families, and we think that is so critical.

The third component that we believe, as part of progressive homeownership is having stable tenure and giving people the ability. So, we know stability actually produces significant results, people are more likely to retain their jobs, the children are more likely to be educated, people are embedded in their communities and their overall wellness is so much more significant when they actually have an ability to stay in the same place. The fourth component there of progressive homeownership is a subsidy and that's why we're so glad the government has come up and suggested that they could fund 50% of the capital

**Alan Thorp (Habitat for Humanity):**

costs as a loan. So, the subsidy here is not being given 50% of the capital costs, but it's actually been loaned that amount and it's quite a significant piece, because what it means is that we can then pass it on to our families. So, our families effectively only need to be able to support the mortgage on half the capital cost of a home. And we will partner with them through that process. So, the subsidy is really important.

And then, finally, a well-priced house. Habitat uses well priced homes and not elaborate homes, but obviously they need to be healthy and fit and sufficiently for the families to actually be housed adequately. And one of the things which we're just exploring right now is actually working with the Kiwibuild homes that have already built around a certain price point, they meet a certain standard and actually they can be delivered into this PHO Program.

Alan Thorp: Those are the key components, we know that the subsidy is really important, because house prices are so large, 11 times the average income in Auckland. We've got two-bedroom apartment units in Manurewa that are selling for \$600,000. That's a huge price, so if you're able to get 50% capital loan from the government, then that effectively takes it down to \$300,000. And that means that our fortnightly rent for that particular family needs to be able to cover the cost of our financing as Habitat for Humanity. And so, we can pass on that subsidy to the families and actually do what this fund is meant to do, which is to prioritize Māori and Pacific peoples and also families with children.

I won't go into detail on to this, there is going to be another session on the details of the Habitat for Humanity product, but effectively our product has been a 10-year life cycle. We enter into a Tenancy agreement with our families, but we have an overall agreement where our families are given what they need to do to partner with us and to prove that partnership over time. And at a certain point we'll offer them a sale and purchase agreement, that sale and purchase agreement is not settled immediately it's settled at the end of 10 years or 15 years, as long as it takes for them to do that and effectively, they move from becoming a renter to an owner. In possession, but we don't transfer title to them.

So, at the end of that process their incomes gone up, they've been able to accumulate a deposit then they are able to go out to a commercial bank and refinance and then pay Habitat back the money. And then Habitat pays back the government on the PHO fund and then we pay back our commercial providers the other 50%. So that's effectively, that's just a very quick overview of our products.

And I suppose the key takeaways here for everybody that's on the call for the final slide is that don't reinvent the product. Chris has already said that I think Debbie said that as well. Don't reinvent the product, there's some good proven products out there from Housing Foundation shared equity. We've got Queenstown Lakes with leasehold, and we have Habitat for Humanity, which is a rent to own product. We've got the documentation around that; we've had lawyers go over it multiple times. It's there and we're willing to share that with others, and we're also willing to partner with other organizations to assist them along their journey.

The second key takeaway is that family selection and partnering over the long term is critical to success. This is why it's called progressive homeownership, it's not an individual transaction, it's a partnering and you know Habitat loves that word. We love to partner, and we love to collaborate and when we

**Alan Thorp (Habitat for Humanity):**

collaborate together, I think you know, this is one of the things which is so exciting about this fund, is that we can actually take control of this problem and find solutions around our housing issues in New Zealand when we partner together.

And then, thirdly, as an organization, you need to demonstrate that your organization is actually, and the product, is actually sustainable in the long term. So, this is 15 years, it's not just a one-off thing that you might think oh I want to do this tomorrow, but then you're not interested in a week's time. You actually need to commit to this, it's a long-term piece, there's a 15-year horizon, at least, and so that's why MHUD are so critical on doing due diligence around your organization. But again, we're here to help, Habitat would like to help and so just the next slide my contact details are there If you'd like to contact me, you're welcome to do that. But of course, Habitat for Humanity has affiliates across New Zealand and each of those affiliates I can put you in contact with those people too, to talk to people who are local in and on the ground in your local area. Thank you everybody. Thank you, Mark.

**Mark Ormsby (Te Tūāpapa Kura Kāinga):**

Tēnā koe Alan, thank you for that comprehensive korero. Just got a couple of questions for you. For an organization that's not established, what do you think is the most important aspect to have in place in order to meet the requirements of the ITP? Now whānau the ITP is the Invitation to Participate.

**Alan Thorp (Habitat for Humanity):**

Yep, so thank you Mark. I think probably the most important thing is actually to have a proven product. And once you've got that product then the next thing is actually proving that your organization is actually sustainable, has good governance and is able to actually take that product and implement it. So, there's probably two answers to that question.

**Mark Ormsby (Te Tūāpapa Kura Kāinga):**

Kia ora Alan.

Hēoi anō whānau, kua tae mai tātou ki te mutunga o tēnei webinar, hēoi anō tēnei te mihi atu ki a koutou e whakarongo mai ana ki a mātou i tēnei wa. that's it for us, I'll let you get back, hopefully you'll have a beautiful day wherever you are in the country, we certainly have got it going on down here in Wellington. Hēoi anō tātou ngā mihi nui ki a koutou katoa, tēnā koutou, tēnā koutou, kia ora mai tātou katoa.

# Questions & Answers

## Episode 1

### Te Au Taketake and Provider Pathways

*These are the questions that were answered by the Panel in written format and therefore not included in the recorded transcription above.*

Questions	Answers
<b>Will the presentations be available?</b>	Yes. You can download these directly from Te Matapihi's website as a PDF file by visiting <a href="http://www.tematapihi.org.nz">www.tematapihi.org.nz</a>
<b>How many whānau will be helped into home ownership through this fund?</b>	It is estimated that between 1,600 and 4,000 whānau will be supported through this fund.
<b>Can rōpū Māori chose either the Provider pathway or Te Au Taketake pathway?</b>	Rōpū Māori can choose to apply under either fund. Te Tūāpapa Kura Kāinga would like to see more rōpū Māori applying under Te Au Taketake.
<b>Interested in whether a practical example (or diagram) is available to show how this model works.</b>	Please see the presentation of Alan Thorp from Habitat for Humanity.  Further models were also shown in Episode 2 – PHO Products Explained. You can view this episode by visiting <a href="http://www.tematapihi.org.nz">www.tematapihi.org.nz</a>
<b>With Habitat for Humanity as a current PHO, are there many homes available for whanau with 6 or more tamariki? What is the average cost?</b>	There are not many homes available for whanau with 6 or more tamariki. This patai was answered during Episode 2 – PHO Products Explained. You can view this episode by visiting <a href="http://www.tematapihi.org.nz">www.tematapihi.org.nz</a>
<b>Does Habitat for Humanity partner with whenua Māori aspiring PHO providers?</b>	Yes. This patai was answered in detail during Episode 2 – PHO Products Explained. You can view this episode by visiting <a href="http://www.tematapihi.org.nz">www.tematapihi.org.nz</a>
<b>I'm working with a client who's developing a regenerative ecovillage and wants to curb gentrification by offering affordable housing- -how can we take advantage of this PHO?</b>	In the first instance, please visit the website of Te Tūāpapa Kura Kāinga to understand if the objectives of the PHO fund are a good fit for your client.

If it is, we would then encourage your client to contact us at [PHO@hud.govt.nz](mailto:PHO@hud.govt.nz) to arrange a hui and work through the process.

**Kia ora, what amount of security is required by PHO?**

Sufficient to protect the amount of the loan – there are various security arrangements available, most commonly registering a mortgage against the property is sufficient to cover the loan, interest and costs.

This patai was also addressed during Episode 3 – First Home Partner Pathway. You can view this episode by visiting [www.tematapihi.org.nz](http://www.tematapihi.org.nz)

**What is the definition of approved security e.g. what security is required?**

The security offered needs to be adequate to meet the loan and will be assessed against the specifics of that loan request.

This patai was also addressed during Episode 7 – Key Contracts and Considerations. You can view this episode by visiting [www.tematapihi.org.nz](http://www.tematapihi.org.nz)

**Can funding be secured over the whare via a Licence To Occupy agreement as with papakāinga?**

This patai was answered during Episode 10 – Home Ownership and Land Retention. You can view this episode by visiting [www.tematapihi.org.nz](http://www.tematapihi.org.nz)

**An average home to buy land and build may end up being \$450k. (\$150 land, 300k new build). \$576 per week repayment over 15 years. Doable. But what is in it for PHOs?**

Alan Thorp answering for Habitat – we get to deliver our mission, which is a “world where everyone has a decent place to live” Of course we need to be sustainable as an organisation, but we have other means than the PHO funding to do this.

**If whanau are interested in tiny homes or transportable homes on a piece of land, is this acceptable for PHO?**

The objectives of PHO are to create sustainable, long-term homeownership opportunities for whānau. While tiny homes and transportable homes are not excluded, HUD would want to understand why this solution is preferred and what security is being offered.

**Are providers considered a financial institution if they are then on-lending PHO funds to whanau?**

In Habitat’s model, we do not technically lend to our families. We accumulate a deposit for them, and that deposit increases over time, and then ultimately, they settle the full purchased price by getting a loan from a commercial bank and then Habitat transfers title of the property to the family.

**In order to keep the subsidies rolling over to the next family ownership, will the PHO provider or HUD be giving priority to housing developments on a Community Land Trust or**

PHO is a demand driven response, rather than a supply driven response.

**Housing Trust and those with a capped resale?**

PHO aims to improve whānau health, social, and economic wellbeing outcomes through homeownership. This sets the platform for intergenerational health, wealth and cultural practice and transmission.

PHO Providers have the ability to recycle PHO monies repaid within the 15-year period, and to retain their partner equity share in any capital uplift to recycle in their PHO scheme.

The Provider can propose delivery options for their PHO product which could use CLTs or Trusts if it meets the Fund's Approved Provider eligibility requirements.

**Is this package aimed primarily towards non-Māori whenua eg: general land and are there a minimum number of houses that need to be built in order to receive the funding?**

PHO is open to both General Title and Whenua Māori. In both instances, PHO schemes will require bank lending to the household. The Lender will require some form of security which is usually over the land or other assets held by the Borrower or Guarantor.

There is no minimum number of houses required for PHO funding.

**How do you keep the affordable housing affordable into the next generation? So the first round of homeowners aren't the only ones to benefit from the subsidy and then capitalise on that to sell at market, thereby negating the subsidy? How do we ensure affordability into perpetuity?**

From Habitat's perspective, it is difficult to keep affordability. The PHO fund could potentially be used with providers that actually do have a retained affordability product, but that is still relatively untested in the NZ market.

'Right to occupy' leasehold product can allow for the provider to recycle the use of the home if the original household decides to leave.

**Tēnā koutou e ngā pūkenga o Te Aho Tāhuhu. Many iwi and hapū will be able to establish an entity to participate in the PHO programme through funds received as part of their Treaty Settlements. What type of support is available for iwi and hapū who have not received any Treaty Settlement related funds, and what are some of the other ways that you see iwi and hapū having the initial equity or start-up funding to establish a partnership as a provider with you? I see the grants to support which is absolutely great, but can we actually get into the programme?**

As it is with the administration of Government funding, agencies must undertake due diligence on the governance, operational and financial performance of an entity to ensure monies are managed and used for the purpose for which it was intended. This is best represented where there is existing organisational capability and infrastructure in place. This may pose a problem for new organisations or service providers without a track record.

We are confident that we have (and can attract more) PHO Providers who will be both willing and able to partner with new and/or smaller Māori entities to achieve the housing aspirations of their

whānau. This approach has the advantage of bringing system expertise and administration efficiencies to the partnership and should result in timely delivery to whānau.

The current funding commitment to Progressive Home Ownership is \$400 million over 4 years, to June 2024.

Māori Providers who want to build their capability to deliver housing programmes are encouraged to consider entry through Whai Kainga Whai Oranga:

[Whai Kāinga Whai Oranga | Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development \(hud.govt.nz\)](https://www.hud.govt.nz)

Whai Kāinga Whai Oranga was covered in more depth during Episode 6 – MAIHI Funding. You can view this episode by visiting [www.tematapihi.org.nz](http://www.tematapihi.org.nz)

**Are there any discussions occurring with the Māori Banking Roopu to make the process easier to navigate when it comes to lending especially when Māori trusts or whenua Māori are involved as this can be one of the greatest barriers?**

We are aware of a few different conversations between stakeholders and the banking industry and eagerly await the outcomes of these.

HUD is also undertaking policy work in conjunction with other agencies and stakeholders to identify financial and other instruments that will improve finance options for housing on whenua Māori.

**Why is the MHUD contribution to supporting families in their home ownership journey so much lower than the MSD contribution to supporting families in transitional or emergency housing?**

The caps for Grant Funding support were determined as a result of input from Providers involved in the design of this PHO Programme. Most of the Providers involved in this phase had significant experience in the delivering a PHO scheme and the grant is made to the Provider to support it in its ongoing work with the household during their PHO journey.