

TE AHO TĀHUHU

the Progressive Home Ownership Webinar Series

Recording and Q&A Transcript

Episode 10

Home Ownership and Land Retention

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 10 – Home Ownership and Land Retention

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| Kaiwhakahaere/Facilitator | Wayne Knox | Te Matapihi he Tirohanga mō te Iwi Trust |
| Kaikorero/Speaker | Katharine Taurau | Te Kooti Whenua Māori, Maori Land Court |
| Kaikorero/Speaker | Robert MacBeth | Tauhara North no.2 Trust |
| Kaikorero/Speaker | Julie Scott | Queenstown Lakes Community Housing Trust |
| Kaikorero/Speaker | Tammy Tauroa | Mīere Limited |

Recorded Transcript

This is the transcript for the recording of Te Aho Tāhuhu, Episode 10 Home Ownership and Land Retention

Wayne Knox (Te Matapihi):

Tēnā koutou.

Hēoi ano me timata tātou.

Ake ā nei tātou.

Horā ake te mauri ka ora. He ora nō ihi, no ihi. No mana, no tapu. Kia tuia tahī manaako. Kia manaaki ngā taonga tuku iho. Kia whakaho te whakaaro. Kia whiwhita korero. Kei te ira tangata nau mai. I hara mai rā koe, i te whakaoti nuku, i te whakaotirangi. Ko tō manawa, ki to mātou manawa. Tēnei ka irihia. Whaano, whaano, hara mai te toki. Haumi ē, hui ē, taiki ē.

Nō reira kei nga, hau e whaa, ngā pito e whaa. Me ki ō nga kokonga ē whaa o tātou whare korero. Tēnei te mihi maioha te mihi mahana kia koutou kua tae mai. Koutou ē tumanako nei ki te awahi, ki te whakangāwari te huarahi mō nga whānau e hiahia ana te whai kāinga te hoko kāinga. Tēnei te mihi mahana kia koutou katoa. Huri noa tō tatou whare, tēnā koutou, tēnā koutou, kia ora mai tātou katoa.

Tēnā koutou tēnā koutou kia ora mai tatou katoa. Welcome everyone. Welcome to the 10th and final episode of Te Aho Tāhuhu, the Progressive Home Ownership webinar series where we've been profiling the Government's Progressive Home Ownership scheme, where we've had the benefit of the expertise and experience in a wide range of manuwhiri of kaikorero. So, it's my pleasure to welcome you here today on behalf of Te Matapihi and also Te Tūāpapa Kura Kāinga, Ministry of Housing and Urban Development, whom we are presenting these webinars in partnership with.

For those of you who are not familiar with the Progressive Home Ownership scheme, there's a \$400 million investment currently available from the Government to help families, individuals and whānau into their own homes. The Progressive Home Ownership fund, or the PHO fund as we'll refer to it, aims to address housing affordability for three priority groups, including Māori, Pacific peoples and families with children. The PHO fund works by providers taking an interest free 15-year loan from the Government and then partnering with individuals and whānau to help them access home ownership through arrangements such as shared ownership, rent-to-buy or leasehold. The focus of our final webinar here today, whānau, is on home ownership and land retention and in a moment I'll introduce our panel but in essence this episode is to provide insight for those of you who are new to progressive home ownership, who might be existing housing providers or CHPs, Community Housing Providers, iwi, hapu, ahuhenua, rōpū Māori and the focus of today's session is around navigating leasehold agreements, multiply-owned whenua and providing home ownership to whānau. The episode will also cover how to access Government funding, retention of ownership of whānau and iwi land assets. We will hear some information from Te Puni Kōkiri and Te Kooti Whenua Māori around key considerations when delivering housing on freehold and whenua Māori and we will also hear from experienced providers, some of their experience in delivering home ownership and exploring some key aspects such as the function of leasehold agreements.

Wayne Knox (Te Matapihi):

I'd just like to introduce today's kaikorero. Firstly, we will have Katharine Taurau, joining us from Te Kooti Whenua Māori, the Māori Land Court in Tai Tokerau, where she is the Pae Manawa, the principal liaison officer. Kath will be followed by Robert MacBeth, formerly of Te Puni Kōkiri, with many years of experience with the Māori Housing Network and prior to that a lot of experience in community housing. Welcome Robert. And he's recently moved into a role with Tauhara North Number Two Trust where he is the Kaiarahi for the Tauhara kāinga initiative. Robert will be followed by Julie Scott, the Executive Officer from Queenstown Lakes Community Housing Trust, who are one of the current providers of Progressive Home Ownership under the Government scheme but have been doing Progressive Home Ownership prior to that. And our final speaker here today will be Tammy Tauroa, Director of Miere Limited and Tammy will be drawing on some of her experience in developing a papakāinga on general freehold land down in the Waikato on behalf of Ngāti Koroki Kahukura and other experience as well, no doubt.

And towards the end of our webinar, we will also be launching some new resources which Te Matapihi have just completed, which are really around how to navigate the shared ownership agreement, so that is going to be a really helpful tool to all of those who might look at taking on board this kaupapa.

So, with that, before I invite Katharine to share her presentation, once again welcome whānau, thank you for being here, we absolutely encourage you all to take a look at this product, the scheme which can make home ownership just that little bit, to bring that dream just a little bit closer for so many whānau. So, with that I'd like to hand over to our first speaker, Kath.

Katharine Taurau (Te Kooti Whenua Māori):

Tēnā koe, kia ora Wayne, thank you for your introduction.

Katharine Taurau aho, Pae Manawa, Te Kooti Whenua Māori Tai Tokerau. Tēnā koe, kia ora Wayne, thank you for your introduction. Katharine Taurau ahau, Pae Manawa, Te Kooti Whenua Māori Tai Tokerau.

Ki te taha toku tipuna whaea, Te Rei o Rahiri te maunga, Mangakahia te awa, Ngāti Horahia te hapu. Ki te taha toku tipuna matua, Whiria te maunga, Hokianga te awa, Ngāti Whārara te hapu. Tēnā koe.

So, just here today on behalf of, as I said Te Kooti Whenua Māori, and we're really pleased to be able to be invited to present and talk a little bit about the use of whenua Māori for housing, because we know there's such a massive need out there, and I know that some of you will be looking to information on behalf of your organisation and some of you will be looking for information on behalf of yourself.

So, I can indicate the key topics that I'll cover today. Using Whenua Māori for Housing, I guess that's an obvious one. Occupation and Building and Management Structures. So that's what I'm going to cover.

So, I've based my korero on what's available to you to investigate further on our website and that link below there takes you directly to these points that I'm raising initially because there is a fundamental need, I think, for owners of Māori land, anybody dealing with Māori land, that includes advisors and people that are assisting in the process of housing, to really understand what perhaps a particular whānau position is or a particular owner position is, because you'll probably be aware yourself, no two are the same.

So, there's a need, I guess, and an invitation through me in this webinar to take some time to go on to our website because there's quite a lot of information that will assist you and one of the things is, is your

Katharine Taurau (Te Kooti Whenua Māori):

whenua really ready for a build. So is it in a position where the owners are agreeing, everybody's understanding what's happening in terms of their ownership, in terms of the structures on the whenua, in terms of the whenua itself and its capacity, what happens when there is agreements to build, is your building under a licence to occupy or an occupation order, is there finance - and we know there will be - do things need to be created, like access ways, rights of way. So that link there talks about things like transferring or selling your whenua. Well, we know that the Court is involved in all aspects of any of those sorts of activities and when I'm talking about housing, I guess I'm saying, again, does something need to be addressed in terms of who's holding shares and how the shareholding is kept.

The whenua itself, is there title improvement, and that means are you looking to perhaps partition whenua, are you looking for a subdivision of your whenua or to amalgamate or aggregate any blocks. And there are different processes that can be followed in each of those title improvement sections. I touch on leases and licences, so you'll be aware that if you have a licence to occupy perhaps, that's a temporary occupation that you're entitled to and it's between owners and the other party, so it's between owners and perhaps a trust and the Māori Land Court doesn't get really involved in that, we note it on the memorial.

Finance, we've heard a lot in the webinar that you've maybe kept up with through these series about finance, and I won't touch on that too much, but one of the issues about retaining whenua Māori is that mortgages are manageable, because if a mortgage is in default there is a potential for it to be sold. It's sold still as freehold Māori, but it may not be sold within the whānau, and it can be sold at any price to anyone.

Access ways, rights of way, roadways. Often our whenua is not ready to develop because there's an issue with access. We have a landlocked land, there's a new process in the Māori Land Court in terms of landlocked land where an application to the Court for reasonable access can be considered. But again, these are fundamental elements to making sure that your whenua is ready for building. And I would urge you to go into that link that I've popped in there, just to start to trawl through that material, take a cup of tea because it's not a quick or an easy read and you might have to do it quite a few times, there's a lot of information in there. But it does inform you about some of the issues that might crop up in your particular build or your development. I've made a little note there, I haven't touched on local authority housing and subdivision requirements at all in this presentation, that's another element.

So, the other part of the title improvement was the ability to either occupy or build on your whenua. And that's one you can look at again, because if you're looking at a one-off build then you're looking perhaps for an occupation order and that's linked in terms of your area of land that you're able to occupy, to your shareholding being sufficient to do that. It's a straightforward sort of how many owners in the block, how big is the block and then divide that and you'll give yourself the area on what you'd be entitled to build potentially, but that would also depend on lots of other factors, including the block itself. So maybe a lot of it isn't able to be built on at all because it's in bush, which nobody wants to clear, or it's a steep and isn't accessible or has a waterway running through it. So, what might look like a sufficient shareholding, when you then go to visit the whenua itself, that might restrict the total area.

Agreement of others - so if you're not a sole owner and there are other shareholders or owners in that whenua, you'll need to speak to them and you'll need to seek their agreement, and that's not always easy, as we know. Lots of whenua Māori has not been succeeded to so even though you are able to obtain a

Katharine Taurau (Te Kooti Whenua Māori):

list of owners, they're not necessarily the people that are available or actually alive to speak to. So, succession is a big part of our business in the Māori Land Court, and you would need to find out about those sorts of things as well. I'll talk more about that a bit later.

Also, is there an entity that's in place to manage the whenua - that's a trust or incorporation and do the trustees agree with your plan. So, in other words has that trust already got a place and plan, are they thinking about housing on the whenua, have you been to meetings about that and are you aware of whether that incorporation or trust is active and able to make decisions. Again, quite big and important issues but fundamental when you're looking to build on multiply owned land. I've put the link in again to that particular issue of occupation and building for you to go and have a look at some of the issues that I've touched on.

So, just going in here a little bit more to Māori land trusts and incorporations, and I know a lot of you will probably maybe be shareholders in a trust or in an incorporation and be aware of their activities in terms of governance over the whenua. And I've just noted the general aspects there, if you're not in a trust or an incorporation but you're looking to create one, then that's something that you can start to canvas amongst the owners and have meetings and actually decide to do that and put an application into the Court.

But just while I'm talking about applications to the Court, why I'm talking about these issues today is because the process of building and getting yourself into a position where you're able to create housing on your whenua is probably going to be long and applications to the Court that are needed can be identified quite early and then filed and submitted quite early, so that it's not something that's holding progress of your development up, you've got applications in the Court and you're aware that, yes, we're going through that process to make sure that you're in a position to take advantage of the opportunities that are around in the housing arena at the moment.

So, if you do have a trust or incorporation, obviously there are trustees and a committee of management in terms of incorporation that oversee and manage the whenua in line with their trust order and in line with their duties as trustees or committee of management members and they're more akin probably to directors of a company than trustees, but certainly have trustee type duties as well.

If perhaps a trust or incorporation isn't operating particularly well, you can voluntarily come to the Court for the Court to review the trust or enforce obligations and that sometimes is a useful activity or useful application to file where things perhaps have not been progressing as people want and particularly meetings haven't been held, for example, and the beneficiaries and owners are keen to have the trust reviewed.

I've just put a note in there about these entities may apply for Māori authority status from the IRD as well. I popped that in because it's a little-known fact, but something that if you are in a trust or incorporation, the financial side of things is one also to be cognisant of and make sure that, particularly the tax obligations are minimum. I've popped the link in there to where I have referred to the points above and, again, I would urge you to go and have a look at that for a bit more information about what I've touched on today. Okay, so in terms of the key takeaways today, I really wanted to just I guess highlight the areas where we're looking to both use and retain whenua Māori. That's the key, so using it for housing is a really important element that a lot of whānau are wanting to look at doing, quite rightly, and there's

Katharine Taurau (Te Kooti Whenua Māori):

opportunities to do that. But making sure that you are able to take advantage of that, if you are able to retain control of the whenua and you know about what is required in terms of utilising your whenua Māori for housing. So that's what I wanted to point you towards today. And also, to urge early planning - what is the plan to build and occupy that whenua. Again, it takes some time to work those things out. But that's another fundamental and along with that is the structures that will be needed, if they're not in place already, to manage the whenua. And again, something that needs careful thought. It's easy to say oh we'll put a trust, oh we'll put an incorporation in, but again understanding how they work, how that works for housing and what's required to put applications into the Court and get them through, so as I said earlier, you're not perhaps stymied by applications in Te Kooti Whenua Māori.

So, I've just popped up there our national panui which is down on the right-hand corner of the screen there. So, every month we have a panui that comes out and it lists all the applications before the Court and the applications that have been filed but are not ready for Court. So, if you're ever curious about if anything's happening on your whenua, it's always good to have a look at that, that's available online and you can actually subscribe to it and have it sent to you as well online.

We also have a website which I've referred to throughout this presentation and that's my contact details. I'm a Pae Manawa in Tai Tokerau but we have Pae Manawa throughout the country and I'm more than happy for you to contact me if there's anything that you'd like to follow up on, and I can come back to you or refer you on to other parts of Te Kooti or other Pae Manawa in your district that might be able to help you.

So, I hope that's been helpful today, and thanks again for coming along to the webinar. Kia ora.

Wayne Knox – (Te Matapihi):

Thank you so much for your presentation, some really valuable information in there and noting that there's a lot on the Māori Land Court website, so it's a good first port of call for whānau and I think all of us appreciate the complexities of dealing with whenua Māori and reflecting on the recent engagement around the Māori housing strategy, MAIHI Ka Ora, there was very strong sentiment that desire from our people to retain land, but also to acquire whenua to support housing objectives and other objectives. Just a couple of patai, Kath, just to round up – what happens if I call a meeting to discuss housing on the whenua and no-one attends?

Katharine Taurau (Te Kooti Whenua Māori):

That's a question that we get, I want to do something, and I've put notices in the paper and I've panui-ed on Facebook and nobody's responded. Often people are not perhaps present around their whenua, so they are residing elsewhere. Perhaps there is a succession matter so that may be in a block of a hundred owners, 10 or 20 have passed away and not being succeeded to, so nobody's quite sure if they are an owner in that block even though their nana or their parent was.

So one of the issues for that, because it can be off-putting, and what I would say is if you've done what's required in terms of the Rules around seeking to hold a meeting, so that means you've panui'ed in a newspaper, you have used social media publicly, you've got hold of the owners that you do know and you've let them know the place, the time and agenda for the hui, but it's not been well attended or not attended at all, then you can still come and make an application and point out the steps that you have taken, and maybe seek some direction about what's next. So, I wouldn't let that stop me, but you do have

Katharine Taurau (Te Kooti Whenua Māori):

to be able to show that you have genuinely made an attempt, according to the rules, to panui and hold a hui and then go from there, but an application can still be filed.

Wayne Knox (Te Matapihi):

Ka pai, and it's often the case, isn't it, that we are disconnected from having anything to do with the management of the whenua so it's good to know that there's a way through that. Another question, how can I check when the next whenua trust AGM will be held?

Katharine Taurau (Te Kooti Whenua Māori):

Yes, and again we have queries about that, and it does come down to a little bit of investigative work. So, we in the Court don't hold the details. I know on the Māori Land Online website you'll see all of the details of who the trustees may be, but you may not know how to get hold of them and we don't hold their contact details. So where there is a query like that, you're really kind of thrown on the mercy of your whānau, maybe locally, that might know who's able to give you that information, but again I would encourage you to ask, pop it on to social media contacts that you have perhaps, do look at Māori Land Online to see who the trustees are and if any of those names are familiar or you're able to go through whānau that might be able to ask for you, you can do that. Again, unfortunately, people do contact us about that, but we don't actually hold the contact details of trustees, even though we could, and we probably should, we don't in a lot of cases. So that's where I would, as I say, urge you to go back to your contacts, go to Māori Land Online, look at the names and maybe ask within the whānau.

Wayne Knox (Te Matapihi):

Ka pai, so we have to rely on the old kumara vine for that.

Katharine Taurau (Te Kooti Whenua Māori):

Unfortunately, and it's something in the pae manawa space that we want to look at about how we can perhaps hold those kinds of records, because obviously the trustees should be available to your beneficiaries, but there's also privacy issues etc, so that's something that we are looking at in the Pae Manawa space and getting some more clarity so we can perhaps be useful if that would work.

Wayne Knox – (Te Matapihi):

Ka pai. So, thank you, Kath, such an important issue, unlocking the potential of whenua Māori and our next speaker has had a really important role in recent years around supporting many ahu whenua, many whānau, to unlock that potential for housing. So, Te Puni Kōkiri, through the Māori Housing Network, have been absolutely instrumental in supporting a range of papakāinga projects over recent years and really, I think the expert on this, we're lucky to have with us today, and would like to hand over to you now Robert. Kia ora e hoa.

Robert MacBeth (Tauhara North No.2 Trust):

Kia ora koutou, ko Robert MacBeth ahau. I was until the end of last week with Te Puni Kōkiri, Māori Housing Network, and before that with the Social Housing Unit and I've been involved in housing, particularly Māori housing, for many years. I currently pick up the role of Head of Housing and General Manager of a new housing trust established by Tauhara North Number Two, ahuwenua trust, called Tauhara North Kāinga and we've already got our first tranche of papakāinga happening. We've got three papakāinga and in the process of working up another 25 houses and I'm just going through the process of getting registered as a Community Housing Provider and also, we're looking at being involved in the

Robert MacBeth (Tauhara North No.2 Trust):

Progressive Home Ownership programme as well and supporting whānau into their pathway to home ownership.

My focus in my korero this morning is particularly around how Progressive Home Ownership and how home ownership can work on whenua Māori. There is some light at the end of the tunnel, but there are some issues which I want to touch on.

So just some just some general context, in the context of how home ownership works for whānau Māori, in reality most whānau Māori who are buying or building a home have traditionally done so on general title land. Obviously, that's where most of the land is and for reasons I'll talk about, it's just so much easier. That doesn't mean that achieving home ownership on whenua Māori is not a good thing, in fact it's a very, very good thing, but it does bring some challenges. There are challenges and complexities, they're not insurmountable with the right settings.

I have to say that at the moment, the Progressive Home Ownership settings for whenua Māori are not yet in place and that's a challenge that we, as a sector, and our colleagues in the Government side are going to have to work on pretty smartly in my opinion, and I think it is starting to get some attention. Even Te Puni Kōkiri's role in Te Ara Mauwhare in terms of trialling progressive home ownership, all but one of those six trials is on general title whenua, and that says quite a bit. The one that is on whenua Māori is Ricky Houghton's He Korowai Trust up in Kaitaia. That is whenua Māori. And that works on whenua Māori because of the way the Te Puni Kōkiri, the funding is provided, it is a rent-to-buy model, there's no requirement of external third-party bank finance in there. And that's your hurdle when dealing with whenua Māori, is how to get external finance in, which for most progressive home ownership is a critical component. In the case of He Korowai, that's not a requirement, so we were able to do it.

Just picking up on some of the korero from Katharine, our mantra in Te Puni Kōkiri and it is certain the same where I am now, it's all about the order - it's about whānau, whenua and then whare. And I think there's always an instinct to jump to the houses, but if you don't get the whānau and the whenua dynamics right at the start, it potentially creates problems later on. So, building on all of Te Puni Kōkiri's, and my experience with papakāinga, it's about that whānau, the papakāinga feasibility, getting all that right before you rush in to building houses. There's a lot to do and as Katharine said in terms of making sure the legal structure around the whenua is properly in place. She mentioned becoming a Māori authority under IRD, it makes a huge difference. The tax rate for Māori authorities is 17.5% as opposed to 33%. So, it's worthwhile getting all those settings in place. But the last thing you want is to start a housing project, even for home ownership, where there's no consensus, so that's really, really important.

Robert MacBeth (Tauhara North No.2 Trust):

So, I just wanted to touch on this concept because I think it's one that is always lurking there, but we need to be absolutely upfront about. Building houses on collectively owned whenua Māori is about collective home ownership. Even if those houses are in the rental space, you know, we talk about papakāinga, sometimes they're rental housing, but it's collectively owned, they are actually owned by the landowners. And then there is a distinction between individual home ownership. In our papakāinga experience there are three types of papakāinga effectively – there's those that are collectively owned rentals, they are owned and occupied by beneficial owners of the whenua, they're just under a rental arrangement, but the assets and the wealth is collective.

There are papakāinga on whenua Māori where all of the houses are individual home ownership under a licence to occupy. This is where the Kāinga Whenua loan scheme for individuals comes in and in all cases to Te Puni Kōkiri can provide infrastructure grants there. And individual home ownership is possible on whenua Māori, with Kāinga Whenua loans. Licence to occupy have an ahuwenua trust, it's reasonably simple to do. Just a word of warning, not occupation orders, it has to really be a licence to occupy. Or potentially a papakāinga can have a mixture of rental, collectively owned rentals, and individual home ownership. And there are examples across the motu of all three types of papakāinga.

Just to summarise, collectively owned rental homes are owned, they're just collective wealth, it's not individual wealth. Home ownership on whenua Māori individual wealth is possible, but there is a caveat, and this is a thing that you need to take into account when you're thinking about progressive homeownership on whenua Māori.

Most progressive home ownership schemes, whether it's a shared ownership or even a rent-to-buy, in reality assumes capital gains, assumes a house price value appreciation. On whenua Māori, that's different to what it is on general land. You know the story, in the old days, young people would buy a starter house, they would live in it for a few years, then they would trade up and trade up and trade up. The concept is you buy in low cost, and you build up and eventually you own a more expensive house. And there's premised on buying, selling, buying, selling, and also, it's premised on the fact that alongside the repayment of a mortgage the house value is increasing exponentially as well. So, the actual, your individual wealth, is increasing. Now on whenua Māori, that doesn't happen in the same way. It's not to say that the house is not valued and valuable, but it doesn't appreciate in the same way, because there's not that capacity to sell it - if it's on whenua Māori, you have to basically sell the house to someone who has a right to a licence to occupy. And therefore, the market for selling houses is restricted and the way the valuations in the Te Ao Pakeha way works, isn't the same.

So, home ownership on whenua Māori is much more than a house. Home ownership on whenua Māori is about a homestead, it's about a way of living, it's about permanency, it's about the expectation that that home is continued in whānau ownership and the children and the children and the children. It's not something that you hold on for a while and then you sell it and move somewhere else. So that's a factor that has to be considered when you're looking at Progressive Home Ownership products on whenua Māori.

There's a jigsaw that has to be in place for home ownership on whenua Māori, and some parts of that jigsaw is in place, there are still bits that need to be put together. As I mentioned before, it's about sorting out the whenua, making sure that Te Ture Whenua trusts are in order, the licences to occupy are in place, avoid the rush to building houses without the whānau-whenua dynamic being resolved. The big elephant

Robert MacBeth (Tauhara North No.2 Trust):

in the room, and it's one that is going to arise and arise and arise until we have collectively solved this problem, and when I say we - I think it's the sector, it's the landowning sector, it's iwi, it's Government and its banks - have to come up with some solutions. At the moment, access to finance on whenua Māori is pretty much restricted to Kāinga Whenua loans.

And they in themselves, because they are not a bespoke solution, have significant limitations. One of the limitations for Kāinga Whenua loans, and it's something that we've had to raise time and time again, is that it's not a home ownership assistance mechanism, it doesn't provide a home ownership subsidy, all it's doing is underwriting the fact that the Bank, and in this case Kiwibank, the only bank that participates in the Kāinga Whenua loan scheme at the moment, can't secure its loan with a mortgage over the whenua. The land is effectively inalienable, which means that the bank can't step in and sell the lands in the case of mortgage default. So, what happens with the Kāinga Whenua loan is that the Government through Kāinga Ora underwrites the loan, so if it becomes an issue of default Kāinga Ora would step in and the security is effectively over the house, not the land, so the houses have to be removable. Nowadays, that means the houses are generally more expensive because building on concrete slab is the standard, not on piles. So, there are some limitations with the Kāinga Whenua loan scheme, just in the stock standard way of getting access to finance to build houses on whenua Māori. Now, when you're thinking about Progressive Home Ownership, Progressive Home Ownership is a way of sharing or gradually achieving home ownership, but as its principal tenet, it requires that access to finance being in place. So, until we get that access to finance sorted it's going to be really difficult to enter into a Progressive Home Ownership on whenua Māori.

So, for Progressive Home Ownership to work on whenua Māori, which being inalienable cannot be readily mortgaged, or the banks won't consider it to be readily mortgaged, so Katharine mentioned the fact that if it's freehold Māori land, if you've only got one owner, yes, it could be mortgaged. But from a bank's perspective it's more than just security, it's about reputational risk, and so the banks would always be worried when it gets to their credit team in the bank, they would be really worried that in the case of mortgagee action they would be in a position of having to assume control or take over ownership of whenua Māori. And that's a significant reputational risk to a bank. So, banks are very cautious, they don't want to take reputational risk, so they generally don't want to lend on whenua Māori, even if they could put a mortgage on it and could register that.

So, for Progressive Home Ownership to work on whenua Māori, there needs to be an appropriate security instrument in place. There currently isn't. The security instrument for Kāinga Whenua loans, I would argue, won't necessarily work for Progressive Home Ownership. There needs to be access to bank finance, because the whole premise of Progressive Home Ownership is that it's a provider having some share of ownership, it's the whānau bringing in what mortgage they can from the bank, with a bit of deposit, and then gradually expanding their share of the ownership. So, in every case it requires a bank loan of some description. So, in the case of whenua Māori, if you had a bank wanting to participate in the Progressive Home Ownership, how would they secure that loan and that's an issue that will need to be resolved.

And I would suggest that we need to, for Progressive Home Ownership to work on whenua Māori, we need to understand the concept of collective sharing of ownership and collective sharing and risk mitigation, probably with a land only trust. This is probably one way forward to expand the capacity to provide access to finance carte blanche, but we need that in place for Progressive Home Ownership particularly.

Robert MacBeth (Tauhara North No.2 Trust):

Now there is light at the end of the tunnel. At the moment I'm not saying that it's unresolvable, it can be resolved, we need to really put our thinking caps on and really have some wananga, really sort this out. But there are examples of home ownership – the team were on me to make sure that we did get across the message that there are examples of home ownership. So, as I mentioned earlier on, a number of our papakāinga have home ownership in place. For example, Aorangi Māori Trust Board in Waipatu in the Hawkes Bay has a mixture of whānau with licences to occupy getting their individual Kāinga Whenua loan and buying their house under a licence to occupy alongside some collectively owned rental homes. There's a few papakāinga across the motu that have achieved that. The thing is, its individual home ownership, it's a stock standard whānau coming in with what deposit they have, getting a loan for 90% of the construction from the Kāinga Whenua loan and they're just paying that off over 25 years. It's not really a shared ownership or a rent-to-buy mechanism. Potentially could be but generally they're not. Also, Te Puni Kōkiri since 2014 with the Kāinga Whenua infrastructure grants have supported a number of whānau to achieve home ownership on their whenua alongside getting a Kāinga Whenua loan. Probably I'd say maybe about 10 to 15 whānau a year have achieved home ownership that way, so it's not a big thing but it is possible.

As I mentioned earlier, from our experience of Te Ara Mauwhare, all but one of those trials is on general title whenua. I'm not aware of any Progressive Home Ownership happening on whenua Māori to date, except for He Korowai Trust in Kaitaia. And as I said before, that was possible because there's not that requirement of a bank loan to back it up and therefore there was no bank that had to have a security arrangement or a shared ownership arrangement in place.

There is some serious thinking happening. We've been talking over the last few years around housing equity co-operatives and how they might work on whenua Māori. In many respects the concept of co-operative housing, you know New Zealand has the biggest co-operatives in the world – Fonterra, Farmlands, fertiliser companies, New World supermarkets – so we're not actually inexperienced in the case of co-operatives, but for some reason it hasn't transliterated into housing responses. And when I look at papakāinga and ahu whenua trusts and that concept of collective ownership, actually it's not alien to a Te Ao Māori world. So, there's possibilities of actually forming sort of a co-operative shared collective ownership in a Māori way and that's something that could be explored.

I believe, from my knowledge from within Government, that there is some serious thinking to be done and that process has started around access to finance. Now my personal view is that for too long, going right back to the 1980s when the first papakāinga loan scheme was put in place, and more recently in the case of the Kāinga Whenua loan scheme, what we as Governments or what we've done is we basically tried to adapt a Western concept of lending to a Māori concept of land ownership, and they don't particularly gel. It's like a square peg in a round hole. And then, of course, when you're trying to create, using a Western concept of lending and security, and you're trying to apply that to effectively communally owned whenua, it doesn't work particularly well. So, my view is that the answer could include a continuation of the underwriting and Kāinga Whenua loans, but I think there needs to be other ways as well. And I think the way would be to actually more actively involve the landowning trusts in the collective sharing and the collective risk, because at the end of the day, an ahuwhenua trust is the one that issues the licences to occupy, is the one that actually can step in if something goes wrong much earlier than anybody else, and you want them to step in before the bank or the Government, so they can solve things internally much more readily.

Robert MacBeth (Tauhara North No.2 Trust):

There are other ways that a land trust or a resource trust – and I'm thinking of Tauhara North I guess in some respects – where we could be involved much more actively in terms of supporting whānau into home ownership, providing some basis for giving them access to finance, whether it's direct or in an underwriting way. There are ways that within our community we can potentially be much more involved. In the past there has been talk about Iwi Bank and Iwi involvement and maybe the next step would be to have more direct control over how finance is made available from within Māori business and in Māori community.

I also am aware that other lenders now are starting to show interest, not just banks, there are other entities like Community Finance who are really interested in finding ways that they can provide finance on whenua Māori. So, there is some light at the end of the tunnel. My view is that we need, with Te Matapihi, Wayne, to really push that a little bit faster, because we need to solve this if we're going to make Progressive Home Ownership available on whenua Māori.

So, my takeaways, my domino's moment. Home ownership on whenua Māori is more than a house and we need to understand the expectations of collective versus individual wealth. Sometimes collective home ownership, collective wealth, is actually a more practical solution for whānau. And maybe the concept of individual wealth, maybe that's better left for general land because that's where we can really build individual wealth, but in saying that we don't want to give away the opportunity to whānau to build their own homes on their whenua.

I just keep repeating it, whānau, whenua, whare. Resolve whānau and whenua, particularly understand the whenua's inalienability and the collective ownership matters first, and only then start thinking about whare. Don't rush into building houses without setting the platform right at the outset. And just to reiterate, access to finance is a critical barrier, it is a critical barrier, it's basically a barrier at the moment for Progressive Home Ownership on whenua Māori and unless we want Progressive Home Ownership to just be available on general land, we're going to have to really work hard to resolve this. And I would encourage that, and I guess from my current position I'm really keen to do my bit to move this along. There is light at the end of the tunnel, we can solve this problem.

We are the only country in the world with whenua Māori, we've got this situation where the concept of multiple ownership was Te Ao Pakeha concept onto whenua Māori, we've got to solve the issue and the answer is not to try and keep trying to put Pakeha Western concepts onto it, we've got to come up with our own answer to make it work.

So, there's my current contact details guys, I'm going to be in this space from within Tauhara North, we're going to be exploring this big time and hopefully maybe in our own way maybe come up with some ways of some examples or some potential slivers of light to help along the way. Ka pai.

Wayne Knox (Te Matapihi):

Kia ora e hoa, thank you very much for sharing your wisdom. Whānau, whenua, whare – the mantra there. And thank you also for pointing out that on the current settings Progressive Home Ownership, it's hard to see it actually working on whenua Māori, we need to find a way through and revisiting the Kāinga Whenua loans and how that works is going to be critical to that.

Wayne Knox (Te Matapihi):

So, as we know, many of our whānau are finding going back home to be the main solution as housing affordability and other areas is decreasing. And so we need to look at innovative options and one of the innovative options that we've seen be quite effective and still allow for collective ownership of whenua is a leasehold approach and we have seen that work in instances on whenua Māori, and here to share how that's worked for the Queenstown Lakes Community Housing Trust we are pleased to be joined by Julie Scott, the Executive Officer, so over to you Julie, thank you.

Julie Scott (Queenstown Lakes Community Housing Trust):

Morena everyone and thank you very much for having me along on this session. So, this Progressive Home Ownership model is based on a leasehold model, and we call it the Secure Home Programme, and this superseded our Shared Ownership model which we ran for 10 years.

So, the very basic premise of this programme and why it was set up it to enable the Trust, that's our Trust and we are a registered community housing provider, to own the land in perpetuity. So that's the whole basis behind this leasehold model, at least, is that we hold the land in perpetuity.

So that household buys a lease to the property with their own mortgage and deposit. At the moment we're working with SBS Bank but we're getting close to getting another couple of banks on board. And the deposit can be as low as 5% depending on if they qualify for the Government's First Home Loan scheme.

So now the purchase price to buy this lease, which technically is a right to occupy, the purchase price for that right to occupy is the cost of construction of the home. So, we've separated out the land and we said okay, we're going to build a house and you are going to buy into the property at the cost of that home, just the improvements, not the land. And then, because we've separated out the land, we say on an ongoing basis you're going to pay a ground rent to the Trust and that's currently set at 1.5% of land value. Now a typical commercial return on land value, you might be looking at something like 4% to 5% so it is well below market. If we're talking about a piece of land worth \$350,000, you're looking at about \$100 a week. It would be up to individual organisations, be that Community Housing Providers, trusts or Māori Iwi as to how they determine what that percentage is, but for us at the moment it's around 1.5% of land value.

If land values keep going up, we probably would look to reduce that down a bit because the whole purpose of this programme is to make it affordable for the households, so if the percentage in ground rent is too high, then it's not going to work for the household and the programme falls over. So, the key aspects here is we then retain the freehold title, on behalf of the community, because we're a community-owned organisation, we hold that in perpetuity and we've created a separate leasehold title which the Bank has security against.

Critical components of this programme are that it's a 100-year lease with ground rent increasing annually with CPI. That is how we've set it up, you could choose a lower termed lease, perhaps 50-odd years, and I think it would still work okay.

The resale price, so say the household wants to sell, well they have to sell back to us, and we have to buy it back, so that resell price is capped with CPI, that's inflation Consumer Price Index, and I'll give a little example of how that might look in a minute. And like I said, it can only be sold back to our Trust, and that

Julie Scott (Queenstown Lakes Community Housing Trust):

maintains that it's maintained in ownership within the community in the Trust in perpetuity. Then a new household buys in at the same price that we just bought it back for, so it's always qualifying households who are buying these properties, rather than anyone else. And we really encourage households to make improvements to the property, so if they do, and we approve those improvements, then we'll add that into the resale price and we'll also include inflation increases along the way. So that encourages people to treat it like their own homes because they may be there for a very long time. At the moment, like I said, most people can get in with a 5% deposit because of the First Home Loan scheme, but if they don't qualify for that at the moment, the banks require a 20% deposit. And people can also use their Kiwisaver and the Home Start grant which is fantastic additional resources to tap into.

So, here's a little example, this is a house we are building in a Queenstown suburb called Lake Hayes Estate at the moment. It's costing us \$380,000 to build all up, so that's total turnkey, that's your drapes, carpets, landscaping, fencing, driveways, the works. Basically, you walk in with your washing machine and fridge freezer but everything else is there.

So, let's break that down, say the household's got a 10% deposit, they've got \$38,000, and they get a mortgage of \$342,000 because they're buying it at the price it cost us to build it, so that's \$380,000 is their purchase price. Now the mortgage repayments on that might be around \$355 a week, they might be paying rates, insurance and maintenance of around \$100 a week, and they're paying ground rent of around \$100 a week. So, all up they're paying about \$555 a week to live in this property. Well, if they went to the open market and tried to rent that same property, they'd be looking at around at least \$650 a week. So, when you compare apples for apples, Progressive Home Ownership under a leasehold model versus renting in the free market, it's a clear no brainer if you're talking strictly about financially but also about security of tenure. Here you've got a 100-year lease. We all know that in the rental market things can change pretty quickly, even though the Government has brought in new legislation to make it a little bit tougher for landlords to kick people out, it still is something that sits there. And you're paying off your own mortgage, you're paying off your own principal on your mortgage. So, at some point you can get down to a position where you've paid off your own mortgage and you might just be paying the ground rent. And then you might be in a position to transition out of this programme and into the open market. And that's the whole idea with Progressive Home Ownership.

So we would like to say that this programme has all the benefits of home ownership, except the ability to make large capital gains, and that's because typically those capital gains sit with the land and here we're saying no actually the household's not buying the land, the land is going to be retained by the Trust in perpetuity and therefore any capital growth that comes with that land over time sits and remains with the Trust and the house, of course, remains in the community in perpetuity because it's only ever being sold and bought back by approved households who qualify under our programme. Any organization who is setting up their own programme would have their own list of eligibility criteria, be that Māori Iwi or whatever it is they're looking at.

And we have this little catch cry, we like to say, "it's a nest, not a nest egg", and I think that's quite a good summary of Progressive Home Ownership, in general really is about giving people that security of tenure, somewhere to live, not necessarily giving them the retirement model.

This is a few little pictures, so this is where we launched our Secure Home programme nearly three years ago, and we put six into a secure home there.

Julie Scott (Queenstown Lakes Community Housing Trust):

And then we did another four over in Wanaka in a little subdivision called Hikuwai. When we do developments, we like to do mixed tenures typically, so here we've done four into the Secure Home programme and two into rentals, one of those is public housing and one of those is a rent-to-buy programme. So, we kind of operate across the housing continuum.

And this is a really good one, this is where we got our first Progressive Home Ownership fund from the Ministry of Housing and Urban Development which I'm sure a lot of you are aware about the PHO fund, we got around a \$5.3 million interest free loan for 15 years and that's been put into 26 Secure Home households. So essentially the Government has supported funding the land component of the apartments and then the householder has bought in the improvement component. It's a little bit more tricky separating the land and improvements in an apartment complex, we had to do a bit of modelling to make it work for the households because what you would normally see is that the improvement side is very, very high and the land component is very low, so we had to model that a little bit, tweak it a bit to make sure it was going to be affordable for the households. But that's the beauty of this programme is that you can tweak it to make it affordable for households.

So, the key takeaways here guys is that land is separated from the improvements and it's retained by the Trust or by Māori Iwi or whatever organisation it is in perpetuity. That's one of the key reasons that we set up the programme and so that will always be the case.

Now, technically how that works is our Trust holds the freehold title and this can be used as security to HUD which is what I was just talking about, the PHO funding, so HUD currently has a mortgage over the 26 Toru apartments and then of course the leasehold title is created which the bank, which is lending to the household, has security over. So, there's two titles there – the freehold and the leasehold – and you can use those for security for whatever purposes you need.

The Secure Home agreement is registered with LINZ as a lease and that's what I was just talking about, used as security by the household's bank. So that's this programme in a nutshell. I've gone through it reasonably quickly but happy to take questions. That's my contact details if you would like to get in touch, happy to share information learnings as we go.

Wayne Knox – (Te Matapihi):

Thank you so much Julie. I think Queenstown Lakes Community Housing Trust are really the leaders in this space nationally around how to make leasehold work in a Progressive Home Ownership context and quite inspiring what you've been able to achieve down there apart from making us all want to now come down to Queenstown.

Just a couple of questions, thanks Julie: What happens if a household can't maintain their loan, or the Trust is not in a position to buy that property back when the household wants to sell?

Julie Scott (Queenstown Lakes Community Housing Trust):

So, in that situation the household or the bank can sell the leasehold title on the open market and it's a really unusual situation that this would ever occur, but if it were to occur, the bank needs to have that security, so they have the right to sell if the Trust can't buy it back. And if that happened the Trust still retains ownership of the freehold title, so again that land retention mechanism is still there, but it's just the improvements, the lease, that's been on sold without the normal restrictions of the Secure Home programme.

Wayne Knox (Te Matapihi):

Ka pai. I think you've referred to this, but does it need to be a 100-year lease, because Māori land can be restricted to a maximum of 51 years?

Julie Scott – (Queenstown Lakes Community Housing Trust):

I think we liked the idea of a 100 year lease when we were creating it because it is such a phenomenally long time that you know that no one individual is likely to stay in the property that length of time, so it gives that true security of tenure, but I do think that 50 years would also give that and I don't see why if there were restrictions and it had to be 50 years on Māori iwi land then why that couldn't be the case and it may be able to be rolled over at 50 years if the organisation decided that that was appropriate.

Wayne Knox (Te Matapihi):

Awesome, I see so much potential in this model, not only are you able to provide more affordable home ownership pathways, more affordable than rental, but the community is still able to retain the whenua collective ownership and I think there's so much alignment with a kaupapa Māori approach there. So, thank you again Julie and thank you for your offer to provide further information to our whānau out there listening.

So that brings us to our final speaker, another innovator, another-get-things-done-person. So, I'd like to hand over to Tammy who's going to share a bit about her papakāinga project down in Mangatautari, so over to you Tammy.

Tammy Tauroa (Miere Limited):

Kia ora tatou katoa. Tuatahi ake kei te mihi kia tātou i tēnei ra. Tēnā koe Wayne mō te karakia whakatuwhera i ā tātou i tēnei ra. Ōtira kia tātou, kua huihui mai ki raro i te maru o tēnei o ngā hui. Tēnei te mihi kia koutou. Ko Tammy Tauroa toku ingoa. Ko Ngāti Kuri te iwi. Noo muriwhenua ahau, no te Tai Tokerau. I tēnei wa, ē noho ana ahau ki raro i te maru o Maungatautari, ki Pohara marae. I marena ahau ki a Ngāti Koroki Kahukura. Kei te mihi ki a tātou i tēnei ra.

Bit of a tough gig, fourth in the row. Keeping quite a complex and extensive programme to 10 minutes is quite a challenge but, like Julie, I'm going to try and nail it.

I'm just going to speak about my experience in supporting to develop, lead and manage a new papakāinga programme. I'll acknowledge Robert because he's in this room with us today too. Good luck with your new adventures, Rob. You were a champion, a stalwart, in our mahi, in our papakāinga. You came with us, you rode those challenges, and here we are today so kei to mihi ki a koe.

Just a quick image, this is within Ngāti Koroki Kahukura in the top right-hand corner in the red zone, you can see the area in which I'm talking about today. I'm talking about general freehold land title. In the yellow is our whenua Māori governed by Te Ture Whenua and across the road in green is another parcel of farmland. So, in the red this traditionally was in farm ownership and the iwi of Ngāti Koro ki Kahukura purchased this back in 2001.

I just want to talk about the journey of papakāinga development, often it's not about houses at all, and while we're in a housing crisis I recognise that, yes, the momentum is being pointed towards getting houses up quickly and we have diverse realities, and we have diverse ways of working. So, this is our story and we started, and I won't repeat anything from my previous korero, because I had a korero in Episode

Tammy Tauroa (Miere Limited):

8 about working with whānau and some of this was there, so if you're interested in that korero it's in that webinar. But basically, we looked at land utilisation as our kaupapa going forward. We had an idea about well we've got all of these business and enterprise opportunities, we want to bring our whānau home, where are our people? Willie Te Aho is the Managing Director and through my experience and research, we came together and worked on ways in which we could look at opportunities and we quite simply came up with the idea that if a trust, if an organisation had whenua, why couldn't we use that whenua as an opportunity for whānau and to bring whānau home. And that's quite simply the concept.

Our kaupapa is kia mau ki te whenua hei papakāinga mō ake tonu ngā Kingi Tawhiao e nei korero e tuku na mai kia tatou. This was a saying, a tongikura, by one of our Māori kings and it was basically the tūāpapa, the grounding, for Ngāti Koroki Kahukura and our mahi. Kia mau ki te whenua, hold on to the whenua, to the land, as a place to stand for evermore.

So, here's our beginnings. I want to acknowledge Rau Hoskins from Design Tribe, what we set out to do was create a papakāinga on general freehold land title. While it's general freehold land it is owned by Māori. It was bought back by the Iwi from the farmer who offered it to the Iwi, who wanted the Iwi to own this whenua again, so that's how the land was acquired. And we brought some experts in, we engaged the best and we went with people and partners that we knew would champion our kaupapa. What we didn't realise at the beginning phase and the pre-hui phase with Council was that this would be a first of its kind. We didn't also realise how challenging it would be when you quite simply want to exercise your right or your resistance to hedge your money, I might just add, and occupy your whenua for papakāinga.

So, I do see papakāinga as a site of resistance. I do see papakāinga as a wealth creator, not in terms of money, but in terms of hauora, in terms of whanaungatanga, in terms of aroha, in terms of your whānau. I will challenge the korero that papakāinga is, you know, it's about multiply-owned housing, it's about this or this – actually in these modern times why not challenge, why not challenge. Our tikanga is not a static process, our tikanga is an evolution of our whakairo, our thinking, our way of being, and I think that's what we did. This papakāinga example is a contemporary response to papakāinga – it's not for everybody and I recognise and disclaim that everybody has different needs and we, through our kaupapa, we went and surveyed whānau to understand what our needs were. So, our papakāinga is a subdivided papakāinga – every whānau owns their own house and land but we did fight the definition of papakāinga through our Resource Consent process. We were challenged, we were objected to, and we did go to a full hearing. We were heard by independent commissioners, and we won. And we reverted to the National Policy Statement for papakāinga, and we challenged legally as well through the process on what the definition of papakāinga were at a local government level. And we as an iwi said you will not define or tell us what papakāinga is, we will tell you. Anei, anei mātou. So, like I said, this is a contemporary response. The values we hold on a papakāinga are about communal living.

While we have 11 individual lots, the Iwi retain the ownership of the common lot and all of the right-of-ways. We also have a covenant on our whenua and it's a first of its kind shared equity model as well because it is the first time Westpac Bank have loaned to a papakāinga development in this way whereby there is individual owners. So, I love the presentation around leasehold that was shared earlier with Julie, I think more and more of that needs to occur across our whenua and our platforms and, again, it's another way of working, and we need multiple ways of populating and creating different opportunities. For our whānau this is about intergenerational retention of wealth and equity and support and ownership. For

Tammy Tauroa (Miere Limited):

us on this opportunity, whānau wanted to feel like full homeowners, while retaining the integrity of a papakāinga.

So, these are some highlights, we have one bespoke wastewater treatment system. I acknowledge Te Puni Kōkiri who supported us in the infrastructure. Now without support in infrastructure in this way, often these projects just never fly, they are so difficult to navigate. The resourcing requirements often can become overwhelming. So, support through the networks and likes of Te Puni Kōkiri for infrastructure really is an enabler. One thing I can say from experience is to be ready, be ready when you enter that door.

So, we designed our very own wastewater treatment system, we developed our own permaculture plan, we integrated for the first time the ecology of Maungatautari Maunga and the rakau and taonga of that Maunga back into our whenua. We developed the new financial lending model because there was nothing that existed that worked in the way that we needed to. I'll go back to the korero "kia mau ki te whenua hei papakāinga mō ake tonu", with that the iwi did not want to lose interest in the whenua. So, while we have individual house and land packages for whānau where we have ownership, through the shared equity model, the covenant instrument that is in place indicates that if ever you needed to sell, move on, or do something, you recognise "Ngāti Iwi te ra whenua e tā koha". It was a gift from the iwi, and you recognise that that exists. So, the iwi will not buy their whenua back, you will remove a one-third share from that arrangement, and you will provide the opportunity to the iwi to purchase that whenua back first and foremost and then through that we recycle the model of affordability into the next whānau.

So, I just want to note that we didn't necessarily need a deposit for this model, the land actually became the security for the model, we were able to exercise Kiwisaver and it was also sort of like a first, we really had to use our legal team to support us through that process, as well as the Kāinga Ora grants that some of our whānau were wanting to obtain.

I've spoken about the permaculture design, so we don't have fences and like Rau talks about, you know, fences are a restriction and a prohibition between you and your whānau next door and that's not really how you live on a papakāinga where you restrict yourselves from one another. So, we don't have fences but what we do have is screening and we have landscaping and things like that and it's also part of our Resource Consent requirements for visual amenity and impacts in a rural zone.

So I've talked briefly about this, all I can say is get the best of the best, so we engaged a legal team, Neverman Bennett Law and I'd like to acknowledge him in this process, as well as Westpac and the Iwi, the Iwi leadership and we co-produced our model and we ensured that whatever we did with the model that we had chosen recognising that whānau wanted to own their own homes for forever in this papakāinga scheme, was that we had to keep the Iwi safe, ourselves safe, but we also had to make sure we were going to get finance, because it's no good developing models and you turn up to a bank and they're not going to touch you, you've just wasted your time. So, we engaged really, really early and I've mentioned this in the other webinar as well.

This is an image of construction. We've been in our homes for a year now, just to let you know, but this is an image of what are where look like just before moving in. I want to acknowledge GJ Gardner. We had one house build provider so while we were all individually building our whare, we had an overarching master plan. I went to 17 different housing contractors, we refined that to seven, ultimately to three and

Tammy Tauroa (Miere Limited):

developed a head of agreement with GJ Gardner and we used scale to support whānau into their own home. So, our house prices range from \$268,000 for a three bedroom home up to \$410,000 for a high end four-bedroom home. They are all built by GJ Gardner and all 10 of these whare were built within six months. I'd like to tautoko Julie's korero about rent versus home ownership and the transformation that has occurred with our whānau, because we have three single income earners, all of which obtained a mortgage through Westpac under the normal lending criteria based on this model, this model was an enabler to allow that to occur, where traditionally it would not have occurred. So, it is a game changer for our whānau when you look at rent versus ownership and the positive variation that's left, the putea at the end of the day has been quite remarkable.

I'll just touch lastly on collective negotiations because I think that's really important. For us when we worked and put whānau through, all 10 of us at the same time, we went through one mortgage broker, one lawyer, at both ends, whānau end and Iwi end, one financial lending institution. Now we went through that because it was actually really hard to knock on the door and say you're a papakāinga. There is a lot of tension within the financial lending institutions and understanding and professional development that needs to occur. We didn't have time to allow that process to happen, so we created a think tank and we brought in some key liaison people, and I'd like to acknowledge Fonteyn Moses Te Kani, Steve and Heiko from Westpac, they cut directly through and could see the potential of our kaupapa and sometimes, whānau, that's what you have to do. When you realise, you're butting your head against the wall, don't keep banging it. Move on and break through the ceiling in another way and don't take no for an answer. And we went with one project lead and one build contractor.

I just want to play this so you can actually just see our papakāinga completed. You can see in the background there our bespoke system. The plants haven't quite grown up so you can't see the screening inbetween the whare, but I can assure you, there is some screening inbetween the whare now. And we have 24 tamariki permanently on our papakāinga with that increasing.

And so, this is just the beginning journey but it's one example that I think complements Julie's kaupapa quite nicely. This is a full home ownership model. And I think that's it for me really.

Oh, my final takeaways is our model is about intergenerational equity and opportunity, it is about a place, a sense of place forever, it is premised upon whenua, whakapapa and whānau and I know Rob in his korero talked about the transition and the steps there. I talk about this in a way that's not lineal so while it's written on the paper across like this, it's actually circular, so you often come back around, come back around and you'll put in, you'll invest back into your whenua, you invest back into your whakapapa and your whānau, even once you are in your home. This is not in the home and that's it – this is actually occupation of whenua. Mō ake tōnu.

Be bold, be brave in this space and employ new and innovative solutions to complex land structures. Don't be overwhelmed by the land structures. I'm disclaiming, I'm not a legal expert, I'm not a papakāinga housing expert either – I had no experience in this space before coming into it but had a passion and determination to have whānau into homes – and so find the right people to work with and be ready for that change. Kia ora.

Wayne Knox (Te Matapihi):

Ātaahua ē kare. Thank you for sharing this inspiring example of whānau reclaiming their whenua, whānau living on the land next to their tupuna awa, their tupuna maunga and their tupuna marae and that's what it's all about. So, thank you once again Tammy for sharing your wisdom, experience, the ups and downs and insights from your successful project.

Before we close up, I do just want to make mention of these new resources that are now available from Te Matapihi that have been developed in conjunction with Te Tūāpapa Kura Kāinga and Kāinga Ora. So, this resource package came about from the mahi that we did to support Te Tūāpapa Kura Kāinga and Kāinga Ora to develop the Shared Ownership Agreement. So, the Shared Ownership Agreement is one of the key tools that is part of your Progressive Home Ownership package, and it is what is utilised with the banks, and so on, and as part of our involvement the Government made a commitment that the Shared Ownership Agreement was available. So, this will have the added benefit of a common agreement, it's available, which should see the benefit and assurance of banks and reduced legal fees. The approach of Te Tūāpapa Kura Kāinga and Kāinga Ora to develop an agreement that benefits the whole sector is an approach that is welcomed by Te Matapihi and one we hope to see across more funding streams. So just to give you a quick look at one of the resources there, whānau, and you'll see that this package helps bridge the gap between the knowledge that exists within those of us that were part of the design of the Shared Ownership Agreement and those whānau that are coming to it fresh. So, all the legal jargon has been translated into plain English and there are lots of visual aids that support the explanation of the agreement process and its requirements. This resource is part of Te Matapihi's commitment to see as many Māori rōpū and whānau enjoy the opportunity and benefit from the PHO fund.

So, there are three resources, whānau, this one here is the Shared Ownership Agreement Guidance Notes. There is another document here which is the overarching presentation that can be used by rōpū to help guide whānau through the process. And there's also some presenter notes that have everything, all the key information that anyone who's walking whānau through the Shared Ownership Agreement to support them with that.

In closing, whānau, I just want to again acknowledge all of our speakers here today for their generosity, sharing your time, your knowledge, with all of those who are not just on the call here today, but all who might pick up our webinar series online. It's been a huge contribution I think, not just to those interested in Progressive Home Ownership, but those interested in home ownership full stop and getting the mahi done.

I also want to acknowledge all of the speakers, all of the kaikorero or manuwhiri that we've had throughout the whole 10 episodes of Te Aho Tāhuhu, so you can see them there. I also want to make special mention of Mark Ormsby and Malo Ah-You who have been working in partnership with Te Matapihi to deliver this webinar series. And, last but not least I want to acknowledge, Kirby-Lee and Jen who have put in so much time and effort to pulling this webinar series together. Thank you both for your time and your dedication.

So hēoi ano whānau, ko tātou tēnā mō tēnei wā. Kia nui ā ngā mihi kia tātou manuwhiri ō tātou kaikorero mō tēnei waha no tātou, no reira Kath, Rob, Julie, Tammy, kotou mā. Tēnei te mihi awa kia kotou kātoa. Me motu kawa ki tātou i roto i te reo whakamoimiti kianga tātou. Heretau, kia tātou katoa, te ata whaeata tātou ariki ā karaiti me te aroha ō te aatua me te whiwhingatahitangata wairua tapu. Ake, ake ake, amene.

Questions & Answers

Episode 10

Home Ownership and Land Retention

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

| Questions | Answers |
|--|--|
| Do you have advisors that can walk us thru the process until it's all done? | Ae, we are able to assist with applications to Te Kooti Whenua Māori prior to them being filed, through our advisory team and Pae Manawa. |
| Tēnā koe, is the kōrero presented today also relevant for Māori Reservations? | Ae, Māori Reservations also have the ability to develop papakāinga. |
| The other conversation that needs to be had is recognition of Occupation Orders as well as License To Occupy? | Yes. The issue is for Kāinga Whenua loans, they need a security arrangement which includes the land trust. An Occupation Order doesn't involve the Trust - it's possible to have both. |
| Do any presenters have a slide of criteria or a profile that shows what an approved application that ticks all the boxes would look like? | QLCHT has a set of eligibility criteria https://qlcht.org.nz/our-programs/ . But in essence a typical household in our Secure Home property would have a household income of at least \$70k and deposit of \$30k. But if you can get the build costs down (as we did with the Toru apartments), you can reduce income requirements. Hope that helps! |
| Why can't CHPs access PHO funding? | I believe it's a legal interpretation of the Act within HUD. Or the wording of the Act is somewhat ambiguous. It's illogical in my view. |

Kia ora koutou katoa, is Succession orders a possible way forward?

Ae, if succession to deceased owners are outstanding, applications to succeed can be made as one of the initial first steps for whānau to be able to progress housing plans for the whenua.

How could a shared ownership model work on whenua Māori?

If the land trust (e.g., the Ahu Whenua Trust) was the provider shareholder, it could work. That way it connects the collective ownership.

External bank finance would be through the Trust (security could be on other removable houses or other assets) and potentially the whānau could have an individual Kāinga Whenua loan - but that would require a change to the Security Agreement to make it a shared ownership. Possible.

Why is it so hard to find solutions for accessing finance to build on Māori land?

It goes right back to pre-Treaty when the Te Ao pakeha concept of individual ownership and shares was applied to a Te Ao Māori concept of collective whenua ownership.

Access to finance is also a western concept which assumes individual ownership, mortgage security with the last resort of the bank being able to step in and take ownership and control. This is an anathema to whenua Māori.

The solution must empower and involve the collective ownership in effectively being the lender and managing issues within, rather than having an external third party with step in rights. Possible but will require innovation and leadership from the land-owning sector.



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Te Tūāpapa Kura Kāinga

Ministry of Housing and Urban Development