

wise group.



EMPTY HOMES

FULL REPORT | MARCH 2022



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The Wise Group is a family of community organisations sharing a common purpose: to create fresh possibilities and services for the wellbeing of people, organisations and communities.

Our work spans health and wellbeing services, education and training, workforce development and research, information services and software development, employment and navigation services and business support services. Together we are one of the largest providers of mental health and wellbeing services in Aotearoa New Zealand.

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Foreword

At the Wise Group, we create fresh possibilities and services for the health and wellbeing of people, whānau and communities. Wellbeing and housing go hand-in-hand. Safe, warm and affordable housing is a basic human need. Simply put, when people are denied suitable housing, their wellbeing suffers.

For some years, the Wise Group has been concerned about Aotearoa New Zealand's growing housing crisis and how this impacts wellbeing. While targets for building new homes are important, these alone are not enough to increase housing supply numbers. If we're to address our fast-growing housing crisis we undoubtedly need to be brave, bold, and willing to trial and develop innovative solutions to increase the housing supply.

For years the prevalence of empty homes around our country has both intrigued and perplexed me. The more I spoke to people about this, the more I realised that everyone had a story to tell of an empty home in their neighbourhood or community. This got me thinking: what if we could understand more about empty homes and, in doing so, could we explore if there was a way to reintroduce empty homes to the housing supply? To fill them with people and life once again.

In 2016, the Wise Group developed our first proposal for an empty homes project and trial. After several discussions and revisions to the project scope we were grateful to receive support from the Ministry of Housing and Urban Development to begin the Empty Homes project and trial in 2021. To our knowledge, this is the first project of its kind in Aotearoa New Zealand.

Through our research into empty homes over recent years we have discovered that the empty homes conversation in our country is awash with incorrect assumptions and misleading information. This project seeks to define what an empty home is in the Aotearoa New Zealand context, understand more about the scale and

nature of empty homes, identify the reasons why homes are left empty, and explore support and solutions that might be helpful to reintroduce empty homes into the housing supply.

Everything we do at the Wise Group has a strong evidence-base. This project contributes to robust baseline data and recommendations that will assist factual and informed discourse to drive successful future solutions.

For considerably less than the cost of building one new home (not to mention the time required and other non-financial costs and restrictions) we have been able to complete this study and trial. We now have evidence and insights into the barriers and motivations around empty homes. I am hugely proud that through this trial alone - and while navigating the complexities of COVID-19 - we have been able to work with the owners of seven empty homes in the trial area of Hamilton. We have filled four of the empty homes and work continues to fill another. It is my fervent hope that this project, trial and the report that you are about to read will inform future programmes dedicated to finding and filling empty homes across Aotearoa New Zealand.

We all know someone - whānau, friends, employees, colleagues - who have struggled, or who will struggle, to find suitable housing. When we find and fill empty homes the benefits are many and far-reaching. Building safe and vibrant communities while improving wellbeing for many is work worth doing!

Julie Nelson
Joint Chief Executive
Wise Group

Acknowledgements

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There are many people and organisations who, through their contribution, have made this project possible. To those who gave your time, we thank you all.

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- Tony Alexander, independent economist
- Shaumbeel Eaqub, economist and author
- Nevil Pierse, associate professor and co-director He Kāinga Oranga
- Hamilton City Council
- Habitat for Humanity, Central Region
- Stats NZ
- Te Pou

We appreciated the time and information shared by various property developers, real estate agents, and tenants over the course of this project and trial.

Wise Group acknowledges Ren Hammington and Felicity Beadle - their foresightfulness, tenacity, and dedication have made this project possible.

The Wise Group sincerely thanks the hundreds of people who gave their time to complete the Empty Homes survey. To the people who were willing to be contacted regarding their empty home and who participated in further discussion and consultation interviews, your time and honesty were appreciated.

To the empty home owners who agreed to be part of this trial, we salute you! You shared our vision for this work. You shared openly and honestly with us. Ultimately you have helped inform future options around filling empty homes. Best of all, some of your empty homes are now (or are close to being) much-loved homes for some very grateful and wonderful people and whānau. Thank you for trusting us and for making a difference to communities and wellbeing.

Finally, heartfelt thanks to everyone who believed in this project. We couldn't have done it without you. This project provides a foundation for ongoing work towards the re-utilisation of empty homes as rental properties across Aotearoa New Zealand.

“We all know someone - whānau, friends, employees, colleagues - who have struggled, or who will struggle, to find suitable housing. When we find and fill empty homes the benefits are many and far-reaching. Building safe and vibrant communities while improving wellbeing for many is work worth doing!”

Julie Nelson

Joint Chief Executive, Wise Group

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Executive summary

Background

The Wise Group has been concerned about Aotearoa New Zealand's growing housing crisis and how this affects the wellbeing of people, organisations and communities for several years. In 2016, we developed our first proposal to develop a proof of concept project to identify pathways and solutions for bringing empty homes back into use as rental housing. The Wise Group received support from the Ministry of Housing and Urban Development (HUD) to begin the Empty Homes project and trial in 2021.

The project set out to:

- identify barriers and opportunities for housing market renewal, specifically through the reintroduction of empty homes into the housing supply
- identify the characteristics of empty homes, including location and condition
- identify owners of empty homes in Hamilton city that would be willing to participate in a trial to reintroduce their home to the housing supply
- identify potential tenants to occupy empty homes, for consideration by empty home owners.

The initial project timeframe of six months was extended by HUD to accommodate the many challenges posed by COVID-19.

Project and trial aims

There were four over-arching project goals.

1. Prove whether activities focused on empty homes can be successfully undertaken in Aotearoa New Zealand.
2. Work with willing empty home owners to return their empty home to the rental housing supply.
3. Complete steps from empty home identification to reoccupation of five selected dwellings, in Hamilton.
4. Produce a simple information kit to guide empty homes work in other regions. This will enable the assessment of the suitability of the programme for their respective region and detail the key steps to implement an empty homes programme.

This project was initially focused on matching essential workers to empty homes. It was not focused on housing the homeless. There are other agencies and projects already doing great work in that space.

Process

The project was executed over a 12-month period. There were five key stages of work undertaken to complete the project: discovery, design, data, consultation and solutions.

Method

Discovery

The first stage of project work involved global, national and local-level discovery and consultation. Given Aotearoa New Zealand's unique housing, economic and social landscape, it was decided that all homes that were empty - regardless of how long they had been empty for - would be included in the project and trial. Several global examples of empty homes taxation programmes were analysed in the discovery work. However, exploring incentive-based measures and partnership approaches, and their possible impact on empty home owners, was considered more appropriate for this project and trial.

We identified that there was limited data on empty homes. While Census data is often used and quoted, it is not reliable in terms of understanding empty homes as it was not designed for this purpose. The findings of our discovery work informed our method adopted to understand empty homes and find empty homes to join the trial.

Survey

A nationwide self-referral empty homes survey - the first of its kind in Aotearoa New Zealand - was designed and implemented. This was considered the best approach to engage empty home owners and work in partnership with them to gain reliable data and identify willing empty home owners to join the trial.

While the trial to fill empty homes was in Hamilton, empty homes are not unique to Hamilton. The reasons and motivations for leaving homes empty may vary nationally. To develop a comprehensive understanding

of empty homes, it was important to give all empty home owners in Aotearoa New Zealand the opportunity to participate.

Consultation

Property owners of empty homes in Hamilton who were willing to engage further in the trial were identified through the survey. Through the discovery stage and the survey, empty home owners and landlords conveyed that they felt vilified and had numerous concerns arising from legislation changes. Therefore, it was important to authentically engage and listen to understand their concerns and the barriers to reintroducing their homes to the housing supply.

Full one-on-one consultation interviews were conducted with these empty home owners. Deep insights were gathered, through the consultation, regarding the support and solutions individual empty home owners needed to fill their empty homes.

Findings

Survey

A total of 772 responses were received between July and September 2021.

- Auckland-based empty homes had the highest representation (28%), and almost all territorial local authorities were represented in the results.
- The majority of respondents had empty homes that were 30 years or older.
- The majority of respondents reported the condition of their empty homes as "ready for occupation". It should not be assumed that this means they are compliant with the Healthy Homes standards.

- The most common reason for homes being empty was “holiday homes”. Less than 10 percent of respondents reported their homes as being intentionally empty.
- Nearly half of all homes had been empty for less than six months.
- Respondents indicated there will be fewer homes available for long-term rental and more homes will sit empty in the future.
- The majority of survey respondents were not willing to become landlords. Common reasons related to protecting their investment and tenant matters. These included concerns about how the property might be used, past negative experience with tenants, potential changes being made to the property, selecting the right tenants, and perceived imbalance of rights between tenants and landlords.
- The cost and ability to meet Healthy Homes standards appeared frequently in comments.
- None of the proposed supports and solutions to fill empty homes were strongly favoured by respondents.
- Empty home owners are worried about the financial viability of being a landlord.
- Empty home owners and landlords want trustworthy and reliable tenants.
- Respondents noted a range of unintended consequences related to changes in the Residential Tenancies Act.
- Landlords that responded to the survey feel vilified and targeted by recent regulatory and tax changes.

Consultation

Nine empty homes in Hamilton were identified through the Empty Homes survey as being suitable for the trial.

When contacted, the majority of the owners of these homes agreed to participate in a full consultation interview. The purpose of this interview was to gain a more detailed understanding of the specifics about their empty home, explore in greater depth the support and solutions needed to fill the home, and invite them to join the trial.

The consultation provided rich insights into the needs and aspirations of willing empty home owners. It identified several key factors that are required to achieve successful reintroductions of homes into the housing supply.

- Credibility in the housing space, building trust, and authentic engagements are vital.
- Each owner and empty home needs a bespoke solution.
- Owners are concerned about finding the right tenant
- COVID-19 impacts affected the ability of some empty home owners to enter the trial and may keep other homes empty.
- There is a need for a model to support filling homes. This model would de-risk a tenancy, help find suitable tenants, and provide assistance to get an empty home ‘rent-ready’.
- There are well-intentioned empty home owners who seek positive landlord-tenant relationships.
- Filling empty homes is a time-intensive process. The time needed for the consultation phase should not be under-estimated.
- Willing empty home owners were positive about the Empty Homes project and supported its aims.

Outcomes

There are many wide-reaching benefits for people, whānau and local communities when empty homes are filled. Some of the outcomes achieved through this trial include:

- Four empty homes were tenanted in Hamilton city.
- One home was prevented from becoming empty when it was tenanted through support and solutions offered by the project trial.
- One empty home - while still undergoing renovation work - will be tenanted post-trial.

Work was undertaken to fill two additional empty homes. Whilst we were unable to tenant these homes through the trial, the valuable learnings gained from the homes filled and these two homes have informed our recommendations.

Recommendations

The project and trial resulted in a proof of concept for finding and filling empty homes in Aotearoa New Zealand.

To develop a sustainable and scalable empty homes programme that targets the right empty homes, addresses the reasons why homes are empty and overcomes the barriers owners have to tenanting their homes, the project makes several high-level recommendations.

Agree on a standard definition of an “empty home”

The project has proposed a draft definition of an empty home that is: any private residence that is currently unoccupied, has been unoccupied for at least 90 consecutive days, is not the permanent place of abode of the home owner, and is not actively for sale.

Identify and monitor the number of empty homes that meet the definition

It is not feasible to repeat the empty homes survey to identify empty homes. Utility usage data would provide a reliable and current data source for this purpose.

Design and implement an empty homes programme

This would be designed and overseen at a national level, and delivered at a regional or local level. A draft empty homes programme has been scoped and follows the recommendations section of this report.

Partnership opportunities to deliver solutions to fill empty homes were explored during the trial. The learnings from these have informed a working model that sits within the draft programme. It has been lightly defined as it is critical that regions have the flexibility to develop local-level solutions to fill empty homes. It is an example of what might be possible in other regions to reduce the number of empty homes and provide suitable housing solutions to worthy tenants.

Design and implement a website and system to support the empty homes programme

Make it available to providers and local authorities that want to establish an empty homes programme.

Implement a nationwide “Ready to rent” programme

To help address the leading concerns of empty home owners and landlords.

“It’s an important bit of work and it does have a lot of potential. But I will give you a warning: people have found this very hard to do internationally, especially when you have very limited ‘sticks’. But even getting some engagement and some wins on the board is worthwhile.”

Nevil Pierse

Associate professor and co-director He Kāinga Oranga



Introduction

This section includes information on:

- Project and trial aims
- The impacts of COVID-19
- Project timeline
- Process



Project and trial aims

Background

Wise Group sought funding from the Ministry of Housing and Urban Development (HUD) for the purpose of conducting a proof of concept project to identify pathways for bringing empty homes back into use as rental housing. It was initially proposed that this project would match essential workers (i.e. nurses, emergency services personnel, teachers, social workers, etc) to available empty homes.

The project needed to:

1. identify barriers and opportunities for housing market renewal, specifically through the reintroduction of empty homes into the housing supply
2. identify the characteristics of empty homes, including location and condition
3. identify owners of empty homes in Hamilton city that would be willing to participate in a trial to reintroduce their home to the housing supply
4. identify potential tenants to occupy empty homes, for consideration by empty home owners.

Goals

The project goals were established by HUD. They are listed below, with some additions for clarity.

1. Prove whether activities focused on empty homes can be successfully undertaken in Aotearoa New Zealand.
2. Work with willing empty home owners to return their empty home to the rental housing supply.
3. Complete steps from empty home identification to reoccupation of five selected dwellings, in Hamilton.
4. Produce a simple information kit to guide empty homes work in other regions. This will enable the assessment of the suitability of the programme for their respective region and detail the key steps to implement an empty homes programme.

The focus of this project was not about housing the homeless. There are other agencies and projects already doing great work in that space.

“I’m quite interested in Hamilton because there has been a huge crisis in terms of the rental market. There’s very few rentals available. It’s happening in lots of places now where the rental stock is diminishing. And what we have noticed in small towns where there used to be a lot of empty homes or baches, is that those baches are now coming into circulation. So once rents rise enough, the incentives become high enough that people are willing to rent them out.”

Benefits of filling empty homes



Financial

- Cheaper and faster than building
- Less roading and environmental impacts when people live closer to their place of work
- Increased business for local economy, e.g. dairies, hairdressers, cafes, pharmacies



Tenants

- Frees up the homes tenants vacate when they rent an empty home, for other tenants to move into
- Improved mental wellbeing
- Improved social wellbeing



Empty Homes programmes

- Learnings guide more success
- Success stories build credibility and positively influence other empty home owners



Neighbourhoods and local communities

- More vibrant
- Safer



Employers

- Easier to attract staff when local housing is available
- Easier to retain staff when they have housing close to place of work



Landlords

- Increased income
- Contributing to society and being part of the solution to the housing crisis

The impacts of COVID-19

While COVID-19 had far-reaching impacts globally and across Aotearoa New Zealand, the pandemic specifically affected the Empty Homes project and trial as follows.

Disruptions caused by lockdowns and changing alert levels

Lockdowns and changing alert levels:

- affected the ability to engage with empty property owners and stakeholders safely in-person. Online engagement and partnership work is not as effective in building trusted relationships compared to time spent liaising in-person
- resulted in lengthier timeframes to complete key stages of the project, especially where potential empty homes for filling required major renovations.

These disruptions necessitated an extension to the overall project timeline.

Stakeholder fatigue

The pandemic created high levels of uncertainty and, at times, anxiety for people. This impacted empty home owners and their ability to make clearly informed decisions around their investments and/or empty homes.

After the difficult and tiring previous 2 years, many people who were critical to discussions, relationships and work to fill empty homes opted to take an extended break over the Christmas/New Year period. This included tradespeople, chief executives, project partners, and empty home owners.

Limited ability to reach employers and potential tenants

Changing alert levels followed by the arrival of Omicron in early 2022, significantly impacted the ability to engage with employers and potential tenants to fill empty homes. Employers and employees were fatigued and understandably cautious about adding any new change, stress or additional load to their work or lives. The project team had to navigate outreach and engagement with heightened empathy. It became increasingly necessary to have a sense of realism as to what could be expected of others and what might eventuate (to progress the project aims) in a COVID-19 environment.

Project timeline

COVID-19
ALERT LEVEL
IN THE WAIKATO
REGION

2016



Wise Group presents proposal for Empty Homes trial project to HUD

2019



Wise Group reconnects with HUD regarding Empty Homes project

2020



Project scope reviewed and modified by HUD

dec
2020



HUD confirms funding for 6-month Empty Homes project and trial

mar
2021



Empty Homes project begins

1

mar



Secondary research, literature review, analysis of media coverage*
*ongoing throughout project

1

mar-
sep



Consultation with key stakeholders (Local MP's, Tainui Group Holdings, NZPIF, Economists, Local Philanthropic Trusts, Hamilton City Council, Waikato Regional Council, Auckland City Council)

1 2
3 4

apr



Milestone Report 1 submitted

1

apr-
may



Empty Homes brand and external communications collateral developed

1

june



Empty Homes website, including Empty Homes survey, goes 'live'

1

june



Engagement and media plans developed

1

july



Milestone Report 2 submitted

2

COVID-19 ALERT LEVEL IN THE WAIKATO REGION



Process

Stage one: Discovery

The first stage of work involved global, national and local discovery and consultation. Sources included:

- Stats NZ Census data
- global and local literature on housing
- media (predominantly New Zealand media)
- key stakeholders across the areas of housing, economics and statistics
- global examples of empty homes projects
- indicators of macro environmental factors impacting housing in Aotearoa New Zealand (e.g. legislative changes and social issues affecting demand and supply).

Stage two: Design

Through purposeful project design and execution we sought to:

- collect wide data and understanding of empty homes in Aotearoa New Zealand
- source a pool of properties with potential for reintroduction to the housing supply, using a targeted method that empty home owners would trust, and that would elicit self referrals.

Stage three: Data

The Empty Homes survey offered empty home owners across Aotearoa New Zealand the ability to take part in a short, anonymous online survey. Being the first primary research of its kind in Aotearoa New Zealand, it provided essential findings, understanding and authentic connections to empty home owners. This data provides a valuable baseline for the future.

Stage four: Consultation

During this stage of work, one-to-one consultation was conducted with the owners of Hamilton-based empty homes who indicated, through the survey, a willingness to engage further. Consultation included questions and probes to gain deeper understanding of:

- the current state of the empty home
- work required for the home to be rent-ready
- any previous experience and concerns as a landlord
- support and solutions that may assist the owner to bring the home back into the housing supply as a rental
- concerns about renting the empty home
- what was required for a successful outcome if the home was to be tenanted
- willingness and capacity, given COVID-19 impacts, to become part of the trial to fill their empty home.

Stage five: Solutions

Support and solutions required to reintroduce homes to the housing supply as rentals were scoped, tested, trialled and implemented in partnership with willing empty home owners and/or project partners.

Discovery

This section includes information on:

- Empty homes internationally
- Housing in Aotearoa New Zealand
- Empty homes in Aotearoa New Zealand



Empty homes internationally

Reasons for empty homes

There are many examples of international projects to address the problem of empty homes, including initiatives in North America, Europe, the United Kingdom (UK) and Asia. However, many of these projects exist in cities and areas where there has been de-population due to the effect of industry closures, resulting in not just a few empty homes, but entire empty suburbs. This leads to abandoned and derelict homes, which can invite anti-social behaviour, squatting, increased crime, vandalism and arson. This adds pressure to local authorities and emergency services responsible for addressing emerging issues.

Many of the empty home projects in these off-shore locations are working to achieve grand scale revitalisation and redevelopment.

The UK Action on Empty Homes project reports that the poor condition of housing stock is a factor contributing to high numbers of long-term empty homes in some neighbourhoods. Reasons include owners not being able to fund repairs/maintenance to sell or rent out their homes, owners/occupants allowing homes to become uninhabitable, and/or low housing demand due to perceived social problems.

Implications for the Empty Homes project

None of the international projects or models reviewed aligned neatly to the Aotearoa New Zealand empty homes issue and wider housing environment. Some elements of the UK project provided learnings for formulating primary research questions and consultation with empty home owners in Aotearoa New Zealand. However, our unique housing landscape coupled with our different social and economic factors, determined the need for dedicated exploration of the reasons contributing to houses being empty in Aotearoa New Zealand.

Focus on long-term vacancies

A common attribute of many international projects is a focus on long-term vacant dwellings. This recognises there can be good reasons for short-term vacancies that are unavoidable, such as probate or sale and purchase changeovers. Long-term vacancies are more indicative of an owner's intent (ie intentionally keeping the property vacant), whereas short-term vacancies may naturally be returned to the housing supply. The definition of 'long-term vacant' varies across international projects, from 6 months to 2 years vacant.

Implications for the Empty Homes project

This informed a key primary research question to find out how long properties had been empty. However, due to Aotearoa New Zealand's different circumstances (including a fast-evolving property market, regulations and tax changes), we considered short-term vacancies worthy of inclusion in our work and potentially within our definition of an empty home. For the purposes of this project - a first in Aotearoa New Zealand - any length of being empty was considered worth understanding and exploring.

Taxation as a remedy

In some countries, empty homes attract additional taxes. Some international projects used taxation as a disincentive to leave homes empty and a means to motivate owners of empty homes and under-utilised properties to put them onto the rental market.

According to the 2018 Journal of Australian Taxation (Volume 20) article “Vacant Property Taxes and the Human Right to Adequate Housing”, Britain, France, Ireland, Scotland, Australia (Victoria State), and Canada (British Columbia) were identified as having some form of empty homes tax.

Implications for the Empty Homes project

Whilst there were established global examples of empty homes taxes working effectively, the appetite for taxation as a deterrent in Aotearoa New Zealand needed careful consideration and exploration during the project and trial. Given recent taxation changes on housing as an investment, it was important not to limit the success of the project and trial by suggesting further taxation. Incentive-based measures also needed to be explored to establish what would impact Aotearoa New Zealand empty home owners more.

Vancouver, Canada

In Vancouver, an empty home tax came into force in 2018. Owners are taxed based on the assessed value of a home that isn't their principal residence or isn't rented out for at least 6 months of the year. Home owners are required to submit a declaration each year to determine if their property is subject to the Empty Homes Tax. The tax rate started at 1 percent between 2017 and 2019 and rose to 3 percent in 2021.

United Kingdom

In the UK, some councils may charge additional tax up to double the normal tax if the home has been empty for 2 years or more (with many exceptions). Some use enforcement powers to bring empty homes back into use (such as Empty Dwelling Management Orders in Hull, UK).

Partnerships and funding

A number of the international projects reviewed use partnerships to work collaboratively on bringing empty homes back into the rental supply. In particular, the UK's Action on Empty Homes has many case studies that sought funding and cooperation from a wide range of sources, including charitable organisations, local authorities, and private funders. Examples of these positive partnerships working collectively to achieve housing market renewal include:

- some coordinate with community groups to connect with empty home owners who may be willing to lease their properties
- some councils offer a "Refurb and Rent" scheme offering grant funding for renovations in return for making those properties available for lease for 5 years.

Implications for the Empty Homes project

The benefits of a partnership approach are undeniable in terms of successful outcomes in filling empty homes and sustainable long term project gains. Working together with a wide range of stakeholders aligned closely with the values and preferences of the government, HUD and the Wise Group. Establishing and fostering high-level, organisational and one-to-one home owner partnerships was pivotal from the outset of the project.

Housing in Aotearoa New Zealand

House prices and affordability

Aotearoa New Zealand is in the midst of a housing crisis. House prices are setting new records nationwide with many million dollar suburbs. The impact of COVID-19 has further exacerbated the problem, with continuing low interest rates¹ and increasing rents. Predicting house prices is complex in this environment. House prices have continued to rise and buyers scramble to get in quick before house prices increase further.

The 2021 CoreLogic NZ Housing Affordability Report states that most affordability measures deteriorated in Q2 2021, especially in Tauranga, Hamilton, Wellington and Dunedin. Furthermore, the trend across most of the North Island has been one of worsening affordability.

Implications for the Empty Homes project

The pattern of increasing house prices has become an expected norm for New Zealanders; getting on the housing ladder is getting harder. People seeking a home to rent join long queues at viewings, desperate to be the lucky one - the successful tenant selected by landlords who are overwhelmed with demand and navigating their obligations.

“There needs to be more conversation around the housing issues in New Zealand. The housing crisis is a complex problem. And there’s no one answer that’s going to solve it.”

Empty home owner

Survey respondent

Emergency housing and housing wait lists

Whilst the focus of this project and trial was not on meeting the needs of those in emergency housing or addressing homelessness, it’s worth noting that emergency and social housing wait lists are growing. This highlights the challenges of finding affordable and suitable housing across the spectrum of need in Aotearoa New Zealand.

It’s also important to recognise that the financial cost of emergency housing is a significant burden on the country - not to mention the social costs. Initiatives that re-introduce existing homes into the rental supply may alleviate part of this financial pressure, evidenced in the following points:

- Nationwide, in the 5 years since September 2016, there has been a 530 percent increase in the number of people listed on the MSD Housing Register.
- In Hamilton over the same period, the increase is 915 percent, from 159 in September 2016 to 1,614 in September 2021. Hamilton has the third largest wait list by territorial authority, behind Auckland (8,376) and Christchurch (1,770).
- In a 2019 Cabinet Paper “Preventing and reducing Homelessness in New Zealand”, the cost of Emergency Housing Special Needs Grants (to pay for motels) is approximately \$1,500 per week, or \$78,000 per annum.
- In total, the Government paid motels and hostels \$365 million in 2021 to accommodate those in need.

1 The Official Cash Rate has since risen from 0.25 to 0.75 as at November 2021. Further increases are anticipated.

Implications for the Empty Homes project

By reintroducing empty homes back into the housing supply, back-fill opportunities - created if essential workers move from one unsuitable home into the empty home - may be created. Their previous rental could be suitable for emergency and social housing recipients. There may also be some empty home owners who, with the right support, could be willing to consider people currently living in social and emergency housing. While the obvious benefit of this is housing solutions for more people, there will also be fiscal and social benefits when people move out of government-funded emergency housing into a home more suitable for their situation and whānau.

Media

Since initial discussions began in 2019 with HUD regarding this project, there have been hundreds of media stories and opinion pieces published about housing in Aotearoa New Zealand. Some focus on the issue of empty homes and commonly misreport the actual number of empty homes.

Implications for the Empty Homes project

Media-led commentary and debate informs and influences the views of a wide cross section of Aotearoa New Zealand society. As a result of this coverage, the housing crisis has become a common topic of conversation among affected families, at kitchen tables and at social gatherings across the country. Empty homes have been highlighted as an issue deserving attention and the outcomes of this project and trial will be closely followed by both the media and the public.

The Residential Tenancies Act

Recent changes to the Residential Tenancies Act (RTA) came into effect on 11 February 2021. These introduced changed rules for no-cause evictions, rent increases, the ability for tenants to make minor changes to a property, assignment of tenancies, and more.

In the lead up to this change, home owners and their representatives, tenants, and tenant representatives attracted significant media attention. Some claimed that the changes to the RTA would cause a rapid mass exit of investors from the property market due to the excessive changes, lack of control, and potential risks for home owners due to unruly tenants. Yet, this did not eventuate (Interest.co.nz, 2021). The concerns raised were at the extreme ends of the rental market. The impact of unruly tenants and rent arrears garnered much media attention, but these are not representative of the entire rental market. The changes for most home owners were “not a big enough deal to make them throw their property toys out of the cot” (Interest.co.nz, 2021).

“The laws, both tenancy and tax, have been altered to the detriment of landlords so significantly now that it is no longer sensible to offer permanent tenancy in the property.”

Empty home owner
Survey respondent

“The no cause termination change and loss of that ability is a little bit of a concern. You just have to be really careful of who you give property to at the start as best as you can.”

Empty home owner

Survey respondent

Implications for the Empty Homes project

The negative media attention may have caught the attention of empty home owners. This is a consideration as the media conversation has lacked balance - attention must be paid to correcting any misperceptions of the changes, and how those might impact a landlord/renter relationship. For empty home owners that have not rented their properties before, or have decided not to rent their properties (for whatever reason), overcoming the perceptions of the rental market and the recent regulation changes introduces additional challenges for this project.

“So people who are just sick and tired of all the RTA regulations will just say forget about it, I'm just going to Airbnb.”

Hamilton-based Property Investor

Interviewed during Discovery stage

The ‘Sharing Economy’

Alongside the changes in the RTA, we have seen growth in the sharing economy. The rise of Airbnb and other sharing platforms has led to an increase in the monetisation of housing. This can be particularly appealing to home owners of both occupied and unoccupied properties. Short-term rentals of this nature aren't subject to the rules and regulations of the RTA, can be financially lucrative, and offer owners more freedom and flexibility by comparison to long-term rentals.

There are examples of home owners making their otherwise-occupied primary residence available for short-term rental to take advantage of housing demand during peak periods (such as Fieldays or other large events), or times when they are away.

Short-term rentals are not without risk.

There are examples of properties being used inappropriately (parties), damage, theft, and disruption for neighbours. To de-risk this for hosts, Airbnb provides a Host Guarantee which provides property damage protection in the rare event a host's place or belongings are damaged by a guest or their invitee during an Airbnb stay, although this comes with conditions. Nevertheless, this offsets the potential risks for home owners, something not present when renting under the Residential Tenancies Act.

Implications for the Empty Homes project

The appeal and benefits of short-term renting are key considerations when working with empty home owners. Such flexible and profitable alternatives may be more enticing opportunities than the prospect of long term renting, particularly for homes that don't meet the Healthy Homes standards.

Empty homes in Aotearoa New Zealand

What is the impact of empty homes in Aotearoa New Zealand?

The inability to find safe, secure, affordable, and suitable housing affects personal wellbeing and may have wider impacts on neighbourhoods, communities and society. Employers may find it difficult to attract and retain staff because their employees are unable to find suitable housing. Employees may need to live further from their place of work, increasing transportation costs and time, and reducing time spent with family. Choosing where to live is increasingly complex, especially in family households where local amenities are a consideration (such as schools, parks, access to transport and other services).

Building new homes is essential, but it is not the only solution to the housing crisis. Building homes is expensive and takes time. COVID-19 supply chain issues are now further exacerbating new build timeframes. A key question of this project is if there is under-utilisation of our existing housing supply, is there an opportunity to better use under-utilised homes?

Reintroducing empty homes to the housing supply could be an innovative tactic that would deliver wide benefits.

In areas with high housing demand, homes that sit empty for sustained periods are a wasted resource - particularly when there is a housing crisis. However, for a number of reasons, they may not be contributing to the housing crisis. It's important to consider their purpose, the reasons why they sit empty, how long they have been (or will be) empty, and where they are.

For example:

- homes that are empty because they are going to be redeveloped will ultimately benefit the housing supply. Properties that have been purchased for the purpose of removing a single dwelling and replacing it with multiple homes will contribute to increased housing supply.
- homes that have been purchased in holiday destinations may be seasonally empty, but they fulfil their purpose and aren't necessarily a wasted resource.
- homes in remote areas may be empty because there isn't high demand for housing in that area.

What were the key insights from early stage consultation with key stakeholders?

To understand why homes sat empty, we met and consulted with various stakeholders, property developers, real estate agents, property commentators, property investors, local MPs, owners of rental properties and people looking for rentals.

- There was wide acknowledgement that not all New Zealanders will be able to afford, or want to buy, their own homes. Renting, for some, is an accepted way of life.
- To support effective landlord/tenant relationships, there is scope for programmes to educate tenants on their obligations when renting. This is particularly important for people who are new to renting, and may not be aware of their responsibilities. This starts right from viewing the property to maintaining a successful tenancy.
- There was recognition that exploring empty homes could create new opportunities in housing.
- The impact of the regulations and changes are not well understood by the public. These changes have unintended consequences and have contributed to increased costs for both landlords and tenants alike.
- It's expensive to leave a home empty, but it can be preferable compared to the costs and risks associated with letting to an unsuitable tenant.
- The way that landlords and empty home owners are viewed is discouraging to open conversation and building partnerships to benefit housing solutions.

“There’s a total lack of understanding of what we actually do. We are seen as taking away supply, we’re not seen as providing accommodation.”

Hamilton-based Property Investor

Interviewed during Discovery stage

Why do homes sit empty?

The early stage research conducted as part of the project highlighted that there can be many reasons why homes sit empty. These include properties that are:

- in between ownership or tenancies
- second residences, holiday homes and worker accommodation
- vacant while residents are away
- temporarily unoccupied for decontamination, maintenance, renovation or redevelopment
- pending insurance claims, consents, or code of compliance
- held under estate/probate
- asset being held for capital gain.

Implications for the Empty Homes project

Some of these reasons can be explained by normal patterns within the housing supply. Not all are a problem that needs attention or an opportunity worth tapping. However, there will be some empty homes that are in areas of high housing demand that - with the right supports and solutions - could be re-introduced to the housing supply. Working with these empty home owners could be one way to alleviate housing pressures and create new opportunities.

What information was available about empty homes in Aotearoa New Zealand before the study?

Other than anecdotal evidence, little is reliably known and/or quantified about empty homes in Aotearoa New Zealand. One of the aims of this project was to quantify the number of empty homes by reviewing a range of data sources. A range of known existing data sources were explored.

The Census

The Census is a point-in-time measure conducted every 5 years by Stats NZ to develop insights about the population and trends. Housing measures are included in the Census, with distinctions made between homes where the resident was away on Census night (“Residents away”), and homes that were empty (“Empty dwellings”).

The purpose of the Census’ “empty dwellings” measure, the way it is measured, when it is measured (time of year), and its frequency of measurement are key challenges that affect the data reliability and its currency. The housing market moves quickly; homes that were regarded as empty on Census night may be filled shortly thereafter. There is also a degree of subjectivity in the assessment. Homes may be incorrectly classified as empty despite cross-checks conducted by Stats NZ with other administrative data sources to improve accuracy.

Utilities consumption data

There are other potential data sources for identifying empty homes, although these are not publicly available. Household power and/or water consumption levels can be an indicator of whether a home is occupied or not. Homes with sustained, very low consumption of power or water (below what an average occupancy would consume) may be an indicator that they are empty. The availability of such data would address the issue of Census data timeliness, but there remain limitations including obscurity caused by shared utility meters, and distinguishing between residences and business.

Notwithstanding utility data limitations, numerous efforts were made during the project to obtain summarised utility consumption data by suburb. For privacy reasons, property addresses were not sought; rather the percentage of properties in each suburb where there was lower-than-expected utility consumption for more than six months was requested. Watercare (Auckland) and WEL Networks (Hamilton) were approached directly and through professional contacts on several occasions. Despite initial interest from Watercare in working with the project, follow up communications and requests for non-identifiable, aggregated data at the mesh-block or suburb level failed to elicit any response. No response was received from WEL Networks.

This project understands that a programme of work is under way within Stats NZ to collect and report on household utilities consumption data. Future empty homes work may benefit from the outcome of this programme.

Limitations

Whilst the Census and utilities data can provide high-level insights into the number of empty homes (each with their own limitations), neither give detail on the specifics of the dwellings nor insights into owner motivations and barriers to fill. Knowing that a home is empty is simply not enough information to truly understand empty homes, or their potential, in Aotearoa New Zealand.

Census data on empty dwellings

Notwithstanding the limitations of the Census and what it considers to be an empty dwelling, it can still give a range of insights into the number of potentially empty dwellings in Aotearoa New Zealand.

There are several ways to review the Census empty dwelling data.

- Counts - the numbers of empty dwellings
- Rates - the number of empty dwellings as percentage of total private dwellings
- Density - the number of empty dwellings per square kilometre.

Tables on the following pages have been included to demonstrate the difference in results depending on which measure is used.

Counts and rates of empty dwellings are interesting, but can be misleading as these numbers do not take into consideration the size of each district. Districts with similar empty dwelling rates or counts can be very different in terms of geographic spread, population and housing needs.

As an example, Hamilton does not feature in the highest ranked TLAs by empty dwelling counts or rates. However, it has the highest density of empty dwellings in Aotearoa New Zealand: 13 dwellings per square kilometre. This is nearly four times greater than for Auckland, and nearly double that of Wellington City.

There can also be suburbs within districts with higher densities of empty dwellings. In these suburbs, empty dwellings would likely be more noticeable. Inspection of Census empty dwellings data at the SA2 level (the next geographical area beneath TLA) reveals many areas within districts with very high density of empty dwellings. See Appendix D on page 115 for a list of the top SA2 areas by empty dwelling density.

In Hamilton City - the project trial area - the suburbs with the highest empty dwelling densities were Greensboro (135 per sq km), Swarbrick (77 per sq km), Whitiara (53 per sq km) Melville North (52 per sq km), and Hamilton East Village (47 per sq km).

Implications for the Empty Homes project

Identifying where the highest density of empty dwellings is can inform focus areas for future empty homes work.

Local knowledge will be vital when considering data at the suburb level. For example, in Hamilton, Greensboro is adjacent to Waikato University and has a high student population. It would not be a viable focus area for work to reintroduce empty homes into the housing supply long term, as housing occupancy has a student focus and is likely to fluctuate depending on the time of year.

2013 and 2018 Census empty dwelling counts by local authority - Highest ranked 10

For a full table showing all local authorities, refer to Appendix A on page 108

Local authority	Empty dwelling counts				Ranks		
	2013	2018 ▼	Change	Change (%)	2013	2018	Change
Auckland	22,152	17,130	▼ 5,022	-22.67%	1	1	
Thames-Coromandel District	11,319	8,349	▼ 2,970	-26.24%	3	2	▲ 1
Christchurch City	14,556	6,732	▼ 7,824	-53.75%	2	3	▼ 1
Taupō District	4,863	3,582	▼ 1,281	-26.34%	4	4	
Queenstown-Lakes District	3,720	3,105	▼ 615	-16.53%	7	5	▲ 2
Whangarei District	3,951	2,766	▼ 1,185	-29.99%	6	6	
Far North District	4,380	2,760	▼ 1,620	-36.99%	5	7	▼ 2
Wellington City	3,372	2,217	▼ 1,155	-34.25%	9	8	▲ 1
Marlborough District	3,393	2,001	▼ 1,392	-41.03%	8	9	▼ 1
Southland District	2,466	1,923	▼ 543	-22.02%	14	10	▲ 4

2013 and 2018 Census empty dwelling rates by local authority - Highest ranked 10

For a full table showing all local authorities, refer to Appendix B on page 110

Local authority	Empty dwelling rates			Ranks		
	2013	2018 ▼	Change	2013	2018	Change
Thames-Coromandel District	47.26%	32.71%	▼ 14.55%	1	1	
Mackenzie District	41.30%	31.66%	▼ 9.65%	2	2	
Ruapehu District	30.18%	17.38%	▼ 12.80%	3	3	
Taupō District	25.05%	17.32%	▼ 7.73%	5	4	▲ 1
Queenstown-Lakes District	23.76%	16.23%	▼ 7.53%	7	5	▲ 2
Kaipara District	23.86%	15.39%	▼ 8.47%	6	6	
Hurunui District	20.75%	13.16%	▼ 7.59%	8	7	▲ 1
Southland District	16.91%	12.64%	▼ 4.27%	13	8	▲ 5
Kaikoura District	25.22%	11.49%	▼ 13.73%	4	9	▼ 5
Westland District	16.12%	11.02%	▼ 5.10%	15	10	▲ 5

2018 Census empty dwelling density by local authority - Highest ranked 10

For a full table showing all local authorities, refer to Appendix C on page 112

Local authority	Area (sq km)	Empty dwellings			Occupied dwellings		
		Count	Per sq. km.	Rank ▼ per sq. km.	Count	Per sq. km.	Rank per sq. km.
Hamilton City	110.37	1,464	13.26	1	55,056	498.82	1
Tauranga City	135.12	1,671	12.37	2	50,739	375.52	2
Wellington City	289.78	2,202	7.60	3	75,195	259.49	3
Napier City	104.90	549	5.23	4	23,772	226.61	4
Christchurch City	1,415.86	6,705	4.74	5	139,098	98.24	9
Kawerau District	23.63	90	3.81	6	2,511	106.25	5
Thames-Coromandel District	2,207.08	8,355	3.79	7	12,927	5.86	27
Auckland	4,941.57	17,091	3.46	8	498,786	100.94	7
Lower Hutt City	376.40	876	2.33	9	37,275	99.03	8
Porirua City	174.81	381	2.18	10	17,877	102.27	6

Key findings from Census

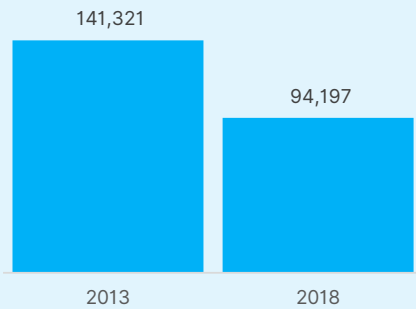
Census 2018

- There were nearly 95,000 empty dwellings across Aotearoa New Zealand. Nationwide, that's an average rate of 5.1% of total housing supply.
- Auckland had the highest number of empty dwellings at 17,130 (or 3.2% of total private dwellings), followed by Thames-Coromandel (8,349, 14.6%), Christchurch (6,732, 5.4%), Taupō (3,582, 7.7%), and Queenstown-Lakes (3,105, 7.5%).
- Nine local authorities combined account for more than half of all empty dwellings in Aotearoa New Zealand.
- Hamilton City, the trial area, had 1,464 empty dwellings as at Census 2018 (2.5% of total private dwellings), ranked 16 out of 67 territorial local authorities.

Changes since Census 2013

- There were both declining counts and rates of empty dwellings nationally and across every district.
- Nationwide, the number of empty dwellings had reduced by a third, down to 94,197 (compared to 141,321 in 2013).
- All local authorities saw a reduction in the number of empty dwellings.
- Christchurch City saw the largest reduction in empty dwellings, although this was skewed by the impact of the 2011 earthquakes. Thousands of homes were damaged and this was reflected with a spike in the number of empty dwellings at the following Census, increasing from 5,844 (2006) to 14,556 (2013).
- Hamilton City saw a reduction of 495 empty dwellings, dropping from 1,959 to 1,464 (a decrease of 25.3%).

Aotearoa New Zealand



Total empty dwellings
Census

94,197

Total empty dwellings
Census 2018

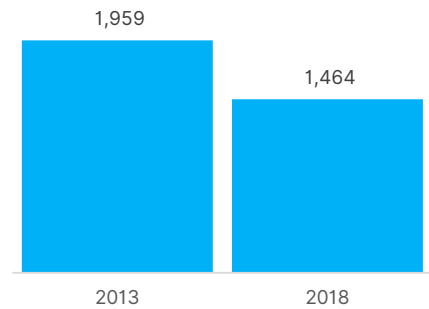
5.1%

Empty dwelling rate
Census 2018

-33%

Change in empty dwellings
From Census 2013 to Census 2018

Hamilton City



Total empty dwellings
Census

1,464

Total empty dwellings
Census 2018

2.5%

Empty dwelling rate
Census 2018

-25%

Change in empty dwellings
From Census 2013 to Census 2018

Data

This section includes information on:

- The Empty Homes survey
- Survey results
- Discussion of survey findings



The Empty Homes survey

Purpose

The Empty Homes survey was the primary method used to identify and connect with empty home owners who may have potential to become part of the trial to reintroduce their home(s) to the housing supply. The purpose of the survey was to:

- gather data directly from empty home owners
- understand more about the nature of empty homes in Aotearoa New Zealand
- understand the barriers and motivations behind leaving a home empty
- understand what support and solutions could be useful to reintroduce empty homes into the housing supply, specifically as rental properties
- explore barriers and motivations for leaving properties empty
- explore an owner's willingness to rent their empty home/s
- test the appeal of a range of supports and solutions to bring homes back into the housing supply
- identify if a home owner was willing to engage further in the trial.

A transcript of the survey can be found at Appendix F on page 119.

Survey design

After reviewing global examples (predominantly from the United Kingdom) of online empty homes surveys, and considering all findings from early stage research and interviews, a short survey was developed for the Aotearoa New Zealand context. The survey was designed and hosted through SurveyMonkey.

The survey included a mix of questions to:

- understand the characteristics of empty properties
- understand how empty properties have / will be used
- understand how long properties were empty

Privacy

Participants were not required to supply any identifying information such as the address of the home(s) in question, their name, or contact details. This information was purposefully not required as the primary purpose of the survey was to gain insights about empty homes.

At the end of the survey, all respondents were asked an optional question "If we have questions about your response, can we contact you?". For those that indicated "Yes", only a first name and contact details were asked for. Twenty percent of respondents provided contact information.

Promotion and targeting

The Empty Homes survey was accessible online through emptyhomes.co.nz. A range of promotional tools, outlined below, were used to share information about the project, the website, and the empty homes survey.

Print

- Flyer insert included with posted Hamilton City Council rates notices
- Brochures for distribution in presentations and meetings

Electronic direct mail/online

- Third party editorials
- Third party advertising
- Hamilton City Council rates notices via email
- Corporate intranets

Media

- Third party mentions in radio interviews

In-person engagements

- New Zealand Property Investors Federation
- Hamilton City Council
- Waikato Regional Council
- Tainui Group Holdings
- Tony Alexander
- Crockers
- Hamilton and Waikato MPs
- Waikato Collective philanthropic funders
- The People's Project Governance Group
- Real Estate agents
- Property developers
- Word of mouth

Targeted channels

Through the establishment of several partnerships, a small number of targeted channels were used to disseminate information about the project to a wider audience. Paid and pro-bono channels adopted include:

- New Zealand Property Federation (NZPIF)
- Tony's View (Tony Alexander EDM)
- Hamilton City Council rates notice (direct mail and email versions).

Analysis

Survey results were exported from SurveyMonkey for data analysis. Responses were analysed using a combination of statistical tools including R, Microsoft Excel, and custom developed tools for review and classification of qualitative responses.

Limitations

There are some known limitations to the methodology for the survey.

Self-selected participants

People were able to choose if they wanted to take part in the survey, Therefore, specific groups in the population may be underrepresented in the results.

Verification of empty home ownership

It was not possible to verify that participants actually owned an empty home. Whilst some responses were removed from the survey after review indicated concerns with their authenticity, there is an assumption that the remaining respondents were truthful in their answers.

Source of referral

The majority of the 772 responses (58 percent) were referred to the survey from the Tony Alexander weekly newsletter, “Tony’s View”, which has 20,000+ subscribers. Tony provides independent economic commentary on a range of matters. Banner ads were placed in several of these newsletters promoting the Empty Homes survey. Tony urged, through his introductory editorial, readers who owned an empty home to participate in the survey. Subscribers to “Tony’s View” may have different views than non-subscribers.

Completion rates

Not all questions were answered by all participants.

English only

Given the short timeframe of the study, the survey was provided in English only. There was not an equal opportunity for non-English speaking owners of empty homes to share their views.

Promotion in Aotearoa New Zealand only

The promotional channels used were focused on Aotearoa New Zealand readership only. There may be empty home owners living overseas (particularly during the pandemic) who were unaware of the opportunity to participate in the Empty Homes survey.

Key project and survey design considerations**Why was there no mechanism included in the project for the public to report an empty home?**

A tool and system for reporting empty homes was initially considered but abandoned for many reasons: complexity; the risks of misreporting; the work required to investigate and validate empty home reports; the impact on relationships with, and perceptions of, home owners; and privacy issues.

Early stage research and consultation highlighted that there was already considerable mistrust among empty home owners and landlords.

Adopting an approach that may be viewed by empty home owners as ‘dobbing in an empty home’ was therefore considered too risky as it could impact the levels of engagement, numbers of surveys completed and the overall success of the project. It was also important to manage any reputational harm for the Wise Group and HUD.

Given the short timeframe of the study, the need to achieve an adequate sample size of empty home owners, and the above factors, direct and authentic engagement with willing empty home owners was selected as the preferred approach.

Why wasn't a definition of "empty" stated online or in the survey?

There is currently no definition of what an empty home is in Aotearoa New Zealand. An outcome of this project is to better define "empty" in the Aotearoa New Zealand context. For this reason, broad eligibility criteria for participation in the survey and trial were defined. If a respondent owned a home that's empty (either some of the time or all of the time) they were eligible to participate. Home owners could decide for themselves whether they should participate. This gave insight into what owners consider to be "empty".

Throughout the survey period, only one respondent contacted us via the Empty Homes website to ask for a definition of "empty".

Why was the survey anonymous, and why weren't home addresses collected?

To encourage participation in the survey, it was important to establish trust with empty home owners. By taking an anonymous approach, participants could take part in the survey openly and authentically without consequence.

Consistent with this approach, home addresses were not collected. For the purpose of the survey, knowing the empty home address was not necessary. Additionally, it was felt that participants would have been more likely to engage knowing that no identifying information needed to be supplied.

Why weren't social media or the press used to promote the survey?

Given the short timeframe for the project and trial, promotion of the project was limited to channels that directly engage with and target empty home owners. Whilst social media platforms and the media have broad reach, use of these mediums would have invited unhelpful misinformation, speculation, and negative sentiment about home owners, landlords, and empty homes in general.

It was important to the project to allow empty home owners to participate in the survey without additional media and social media influence or bias.

Information about the project was shared by third parties through social media and in response to media enquiries from The New Zealand Herald and Stuff.

If the trial was in Hamilton, why was a national survey conducted?

Empty homes are not unique to Hamilton. The reasons and motivations for leaving homes empty were likely to vary nationally. To develop a comprehensive understanding of empty homes, it was important to give all empty home owners in Aotearoa New Zealand the opportunity to participate. Additionally, owners of properties may not reside in the same locality as their empty home. For example, the owner of an empty home in Hamilton may reside in Wellington. One of the empty home owners who indicated a willingness to engage further, was evidence of this - living in Auckland while owning an empty home in Hamilton.

By creating a national survey, this allowed for many more responses and deeper insights to be discovered. It was an opportunity to gather a national view of the issue rather than a narrow area-specific view, providing a greater return on investment for the project. The terms of the project and trial required that a Starter Kit be developed and available to any other regions and areas who may wish to run an Empty Homes programme in the future. Through this national survey there is representative nationwide data on actual empty homes and a source of empty home owners willing to be contacted. This could be useful for future projects.

However, because the housing environment changes quickly and the intentions of owners also change, this data will date. Therefore, to be useful as a source of potential empty homes for filling, it will need to be further validated.

Why weren't there any questions about Healthy Homes standards?

The Healthy Homes standards only apply to rental properties under the Residential Tenancies Act. No presumptions were made about whether an empty home owner had experience with rentals under the Act, familiarity with the standards, or adequately understood the standards. Asking whether a home meets the Healthy Homes standards was not relevant for all participants. Instead, the survey focused on empty home owner perceptions of empty home conditions. This could be answered by all participants, regardless of their exposure to, and understanding of, the Residential Tenancies Act.

For the properties identified as having potential to be part of the trial to fill empty homes, deeper conversations regarding Healthy Homes were then conducted with home owners during the consultation stage.

How were the support and solutions proposed in the survey devised?

Discussions with property stakeholders during the early stages of the project (prior to the survey) revealed many home owner frustrations and challenges. When asked "what would make a difference?", a broad range of supports and solutions were identified. These, together with learnings from international projects and surveys, were adapted and refined into a list of options to test with the wider audience during the survey.

Survey results

Response rate

Participants

The Empty Homes survey was launched on 25 June 2021 and was closed (for collation and analysis purposes only) on 5 September 2021. A total of 772 responses were received during this period.

Following the close-off of the survey, additional responses were received. One of these had potential to become part of the trial, and was therefore progressed into the consultation stage.

Screening

All participants were asked to declare home ownership. Non-owners of homes (158 responses, 21%) were disqualified from participation.

Disqualifications

All completed survey responses were analysed for answers that indicated ineligibility, such as not owning a home or spam responses. Additional scrutiny was applied to international responses to check for spam. Twelve completed responses (1.8%) were disqualified from the survey results. Responses were also checked for duplicates; none were identified.

Source of responses

Most participants were referred by the Tony Alexander newsletter

Eighty three percent of participants heard about this project and survey through the primary promotion channels we adopted: 58% via the weekly Tony Alexander newsletter, 14% via the New Zealand Property Investors Federation; 7% through Hamilton City Council rates notices; and 4% through Crockers/MyRent.co.nz.

The remainder heard about the project through media, social media, online search, friends and/or family/whānau, and corporate intranets.

A small percentage of participants responded from international locations

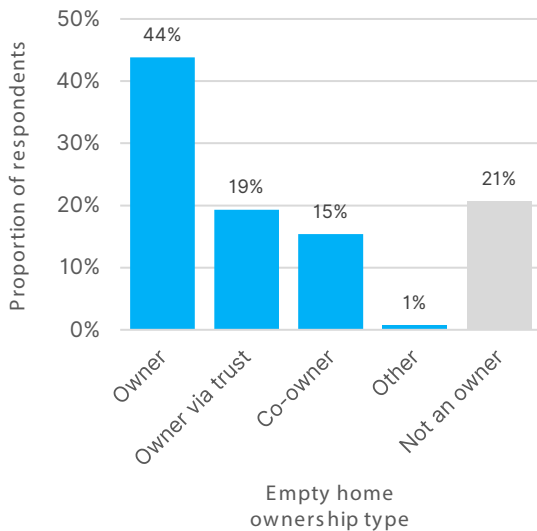
Ninety four percent of participants in the survey completed it from Aotearoa New Zealand, followed by Australia at 2%. Responses were also received from the United States, Cook Islands, Singapore, the United Kingdom, Nepal, Canada, Hong Kong, Kenya, Russia, Sweden, Taiwan, and Thailand.

The majority of international respondents owned a home in Auckland. Only one international response was for a home in Hamilton.



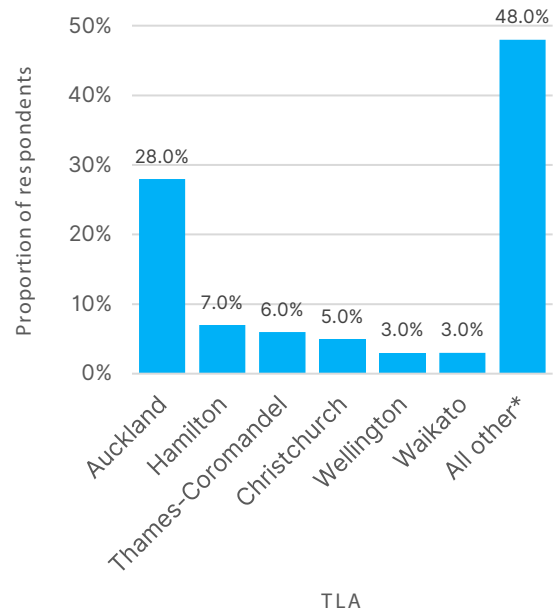
Ownership of empty homes

Participants were asked about their ownership of an empty home. Respondents who did not own an empty home were disqualified from the survey.



Locations of empty homes

Participants were asked for the location of their empty home by the territorial local authority (TLA). Almost all TLAs were represented in responses.



- “All other” includes all other TLAs with fewer than 3 percent of total responses.
- The majority of responses came from the North Island (79%), which generally aligns to Aotearoa New Zealand population distribution.
- No responses were received for empty homes in Central Hawkes Bay District, Chatham Islands Territory, Gisborne District, Gore District, Grey District, Invercargill City, Lower Hutt City, Otorohanga District, Rangitikei District, Waimate District, and Waipa District.



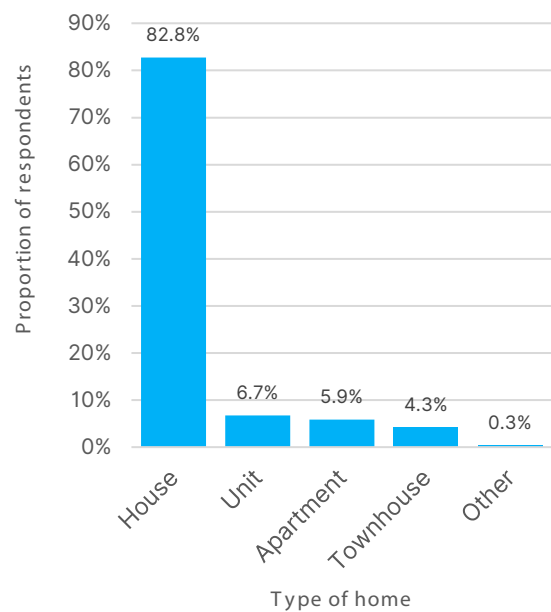
Hamilton suburbs

Respondents in Hamilton City were also asked to identify the suburb of their empty home.

Hamilton suburb	Count	Rate
Chartwell	4	10.3%
Fairfield	4	10.3%
Flagstaff	3	7.7%
Hamilton Central	3	7.7%
Rototuna	3	7.7%
Beerescourt	2	5.1%
Enderley	2	5.1%
Frankton	2	5.1%
Hamilton East	2	5.1%
St Andrews	2	5.1%
Bader	1	2.6%
Chedworth Park	1	2.6%
Dinsdale	1	2.6%
Forest Lake	1	2.6%
Glenview	1	2.6%
Hamilton Lake	1	2.6%
Hamilton West	1	2.6%
Hillcrest	1	2.6%
Melville	1	2.6%
Nawton	1	2.6%
Queenwood	1	2.6%
Not answered	1	2.6%
Total	39	100.0%



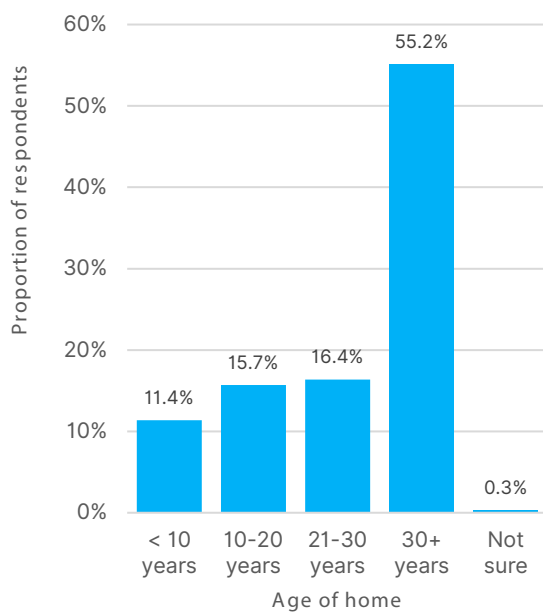
Types of empty homes



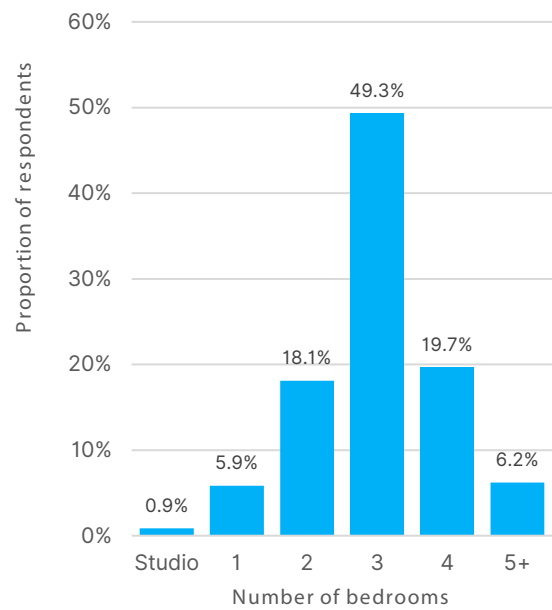
- The number of apartments reported in the survey was lower than expected, especially given the pandemic. Student accommodation is typically apartment based, especially in Auckland, and often used by international students.
- With reduced immigration during the pandemic, it was anticipated that more apartments would be reported in the survey. Apartment owners were not well captured by the channels used to promote the survey.



Age of empty homes



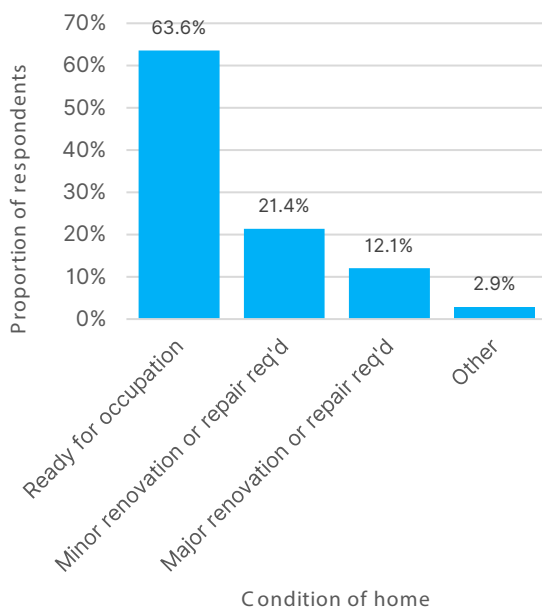
Number of bedrooms



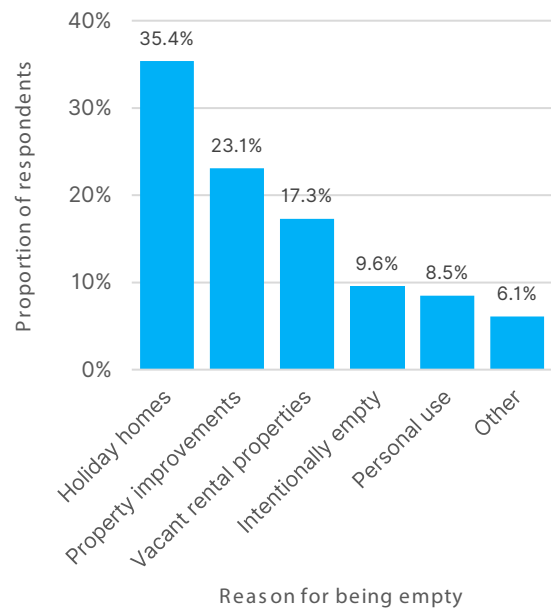
- These percentages did not vary significantly by other factors in the report, such as reason for being empty.



Condition of empty homes



Empty reasons



- Where homes were classified as 'ready for occupation' this was based on the owner's interpretation of what this meant. The survey did not further qualify this. Owners' understanding of legislative requirements for occupying the home with tenants, or meeting these, was not explored.
- Other includes "Rather not say" and "Unsure" responses.



Empty reasons breakdown

Holiday homes - 35.4%

Being a holiday home was the most frequently stated reason for homes being empty.

The majority of these homes were in districts known to be popular holiday destinations including Thames-Coromandel (15.3%), Auckland¹ (10.2%), Taupō (5.6%) and Queenstown-Lakes (5.1%).

Property improvements - 23.1%

Property improvement includes decontamination, repairs/maintenance, renovation, redevelopment, awaiting consents and/or insurance claims.

Nearly one in four empty homes fell into this category. Of these, nearly one third (32%) were in Auckland, one in ten were in Christchurch (10.9%), and nearly one in ten were in Hamilton (8.6%).

Vacant rental properties - 17.3%

Vacant rental properties include long-term rental properties, worker accommodation and rentals with healthy homes compliance issues.

Of these, the majority were in main urban centres: Auckland (37.5%), Hamilton (10.4%), and Wellington (6.3%).

Intentionally empty - 9.6%

Nearly one in ten participants described the home as being deliberately empty. Nearly half (45.3%) were in Auckland, followed by Hamilton (9.4%).

When compared with other questions in the survey, these responses often signalled a change of intent for the home.

Personal use - 8.5%

Nearly one in ten participants described the home as being empty because it is for personal use only. This includes second dwellings, properties disputed under divorce proceedings, or where residents are away. Examples of residents away include people unable to return home due to the pandemic, or where the residents have been placed into care.

Four in ten of these (40.4%) were in Auckland, and just over one in twenty (6.4%) were in both Christchurch and Hamilton cities. The remainder were distributed across 17 other districts.

Other - 6.1%

Just over one in twenty properties were being sold or pending sale, and less than one percent provided no reason for the home being empty.

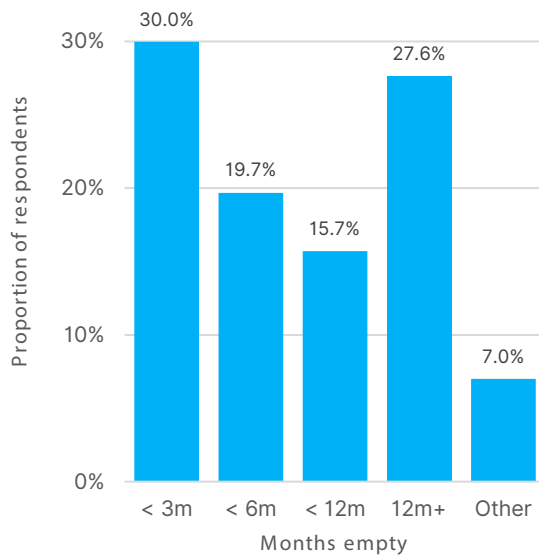
Nearly four in ten (38.2%) were in Auckland, followed by nearly three in twenty in Hamilton (14.7%).

¹ Auckland includes Waiheke Island, Hibiscus Coast and Great Barrier Island



Empty durations

Nearly half of all homes had been empty for less than six months



- Other includes “Rather not say” and “Don’t know” responses.
- Overall, more than one in four (27.6%) homes had been empty for 12 months or more - the second highest response to this question. However, this result was heavily influenced by the reason homes were empty - holiday homes, properties left intentionally vacant, and homes for personal use followed this pattern. Where participants selected ‘other’ as the reason for homes being empty, there were fewer properties that had been empty for more than a year.

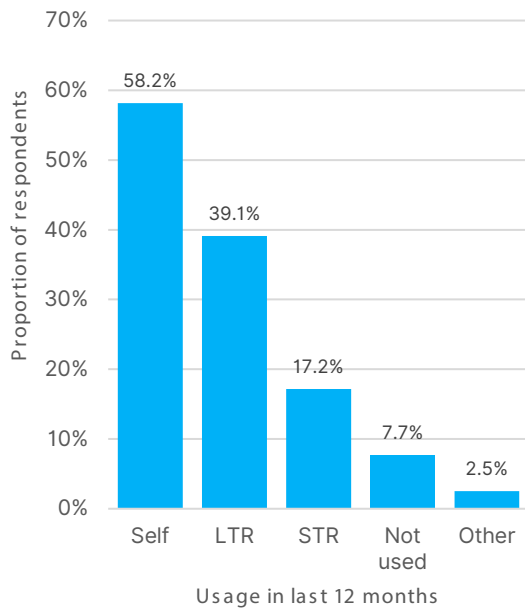


Usage profile - use over the last 12 months

All participants were asked to identify how their home had been used in the past 12 months. Participants were able to choose one or more options for each question in this section, as a home may have had mixed use.

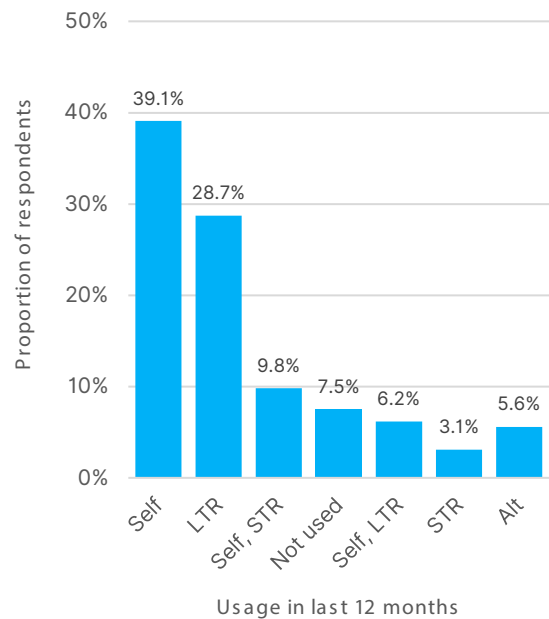
Past use net scores

The following chart shows the overall number of survey respondents who chose each option.



Past use combinations

The following chart shows the common combinations of options chosen by survey respondents.



Key

- Self - "Used by myself, family/whānau, or friends"
- LTR - "Used as a long-term rental (under the Residential Tenancies Act)"
- STR - "Used as a short-term accommodation (Airbnb, bach, etc)"
- Other - includes "Leased to a business", "Worker accommodation", and "Unknown"
- Alt - includes all other combinations of options

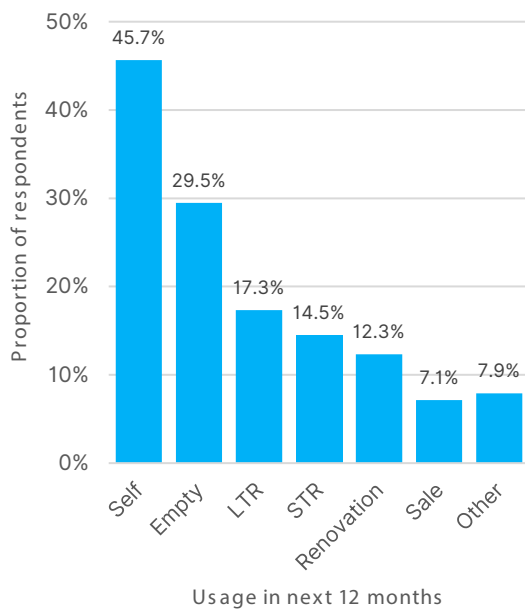


Usage profile - use in next 12 months

All participants were asked to identify how their home will be used in the next 12 months. Participants were able to choose one or more options for each question in this section, as a home may be used in many ways.

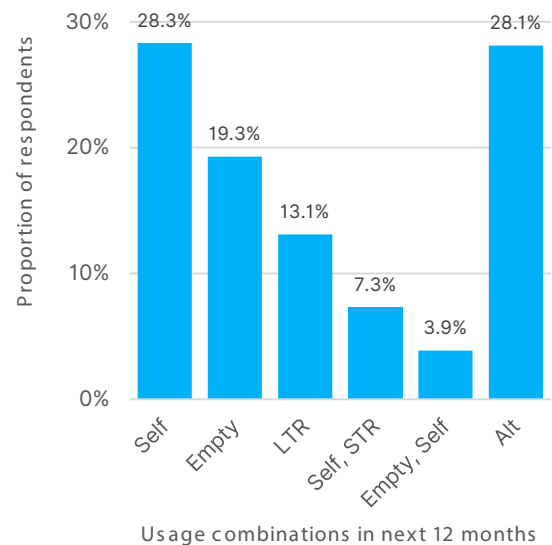
Future use net scores

The following chart shows the overall number of survey respondents who chose each option.



Future use combinations

The following chart shows the common combinations of options chosen by survey respondents.



Key

- Self - "It will be used by myself, family/whānau, or friends"
- Empty - "It will remain empty"
- LTR - "It will be let out as a long-term rental (under the Residential Tenancies Act)"
- STR - "It will be let out as short-term accommodation (Airbnb, bach, etc)"
- Renovation - "It will be renovated"
- Sale - "It will be sold"
- Other - includes "It will be redeveloped", "It will be leased to a business", and "Other"
- Alt - includes all other combinations of options



Usage profile breakdown

The number of homes being used as long-term rentals signalled to reduce by two-thirds in the next year

Of those that had indicated they had used their home as a long-term rental in the last 12 months (39.1%), less than a third of these indicated they would do so in the coming 12 months. A further four in ten of these indicated that the home would remain empty.

More homes will sit empty

7.5% of participants identified their home had not been used in the last 12 months. Yet this figure more than doubles in the next 12 months, with nearly one in five (19.3%) reporting they will leave their home empty, with no other intended use.

One in five homes used as long-term rentals will be renovated and/or redeveloped in the next year

Overall, 16.2% of participants indicated their home would be renovated and/or redeveloped. However, this rate increases to one in five (20.2%) for those that had indicated their home had been used as a long-term rental in the last year.

Over one in ten homes used as long-term rentals will be sold in the next year

Of those that had indicated they had used their home as a long-term rental in the last 12 months (39.1%), one in ten of these indicated they would sell the home in the next twelve months.

Use of homes for short-term rentals remains relatively consistent

The number of homes used for short-term rentals changes slightly in the next 12 months, reducing to 14.5% from 17.15%.

“We have a second rental home in a lower socio-economic area which has been empty for three months while we renovate and will also sell this in summer. Will be empty in the mean time.”

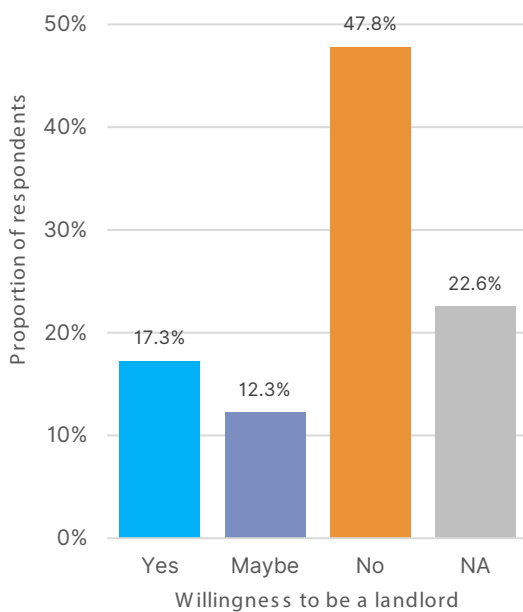
Empty home owner

Survey respondent



Willingness to be a landlord

Overall, most participants are not willing to be a landlord



One in five participants dropped out of the survey at this point

This question saw the largest dropoff rate among participants: 22.6% of participants did not answer this or any following questions. The rates mentioned below exclude these participants.

Closer inspection of the results to this question revealed variances depending on the reason the home was empty.

Owners of holiday homes, homes for personal use, and homes left intentionally empty were least likely to consider being a landlord

The groups below showed the least interest in being a landlord (“No”).

- Owners of holiday homes - nine in ten (87.6%)
- Owners of homes for personal use only - four in five (79%).
- Owners of homes intentionally left empty - seven in ten (72.9%).

Owners of rental homes, or homes undergoing home improvements, were more likely to consider being a landlord

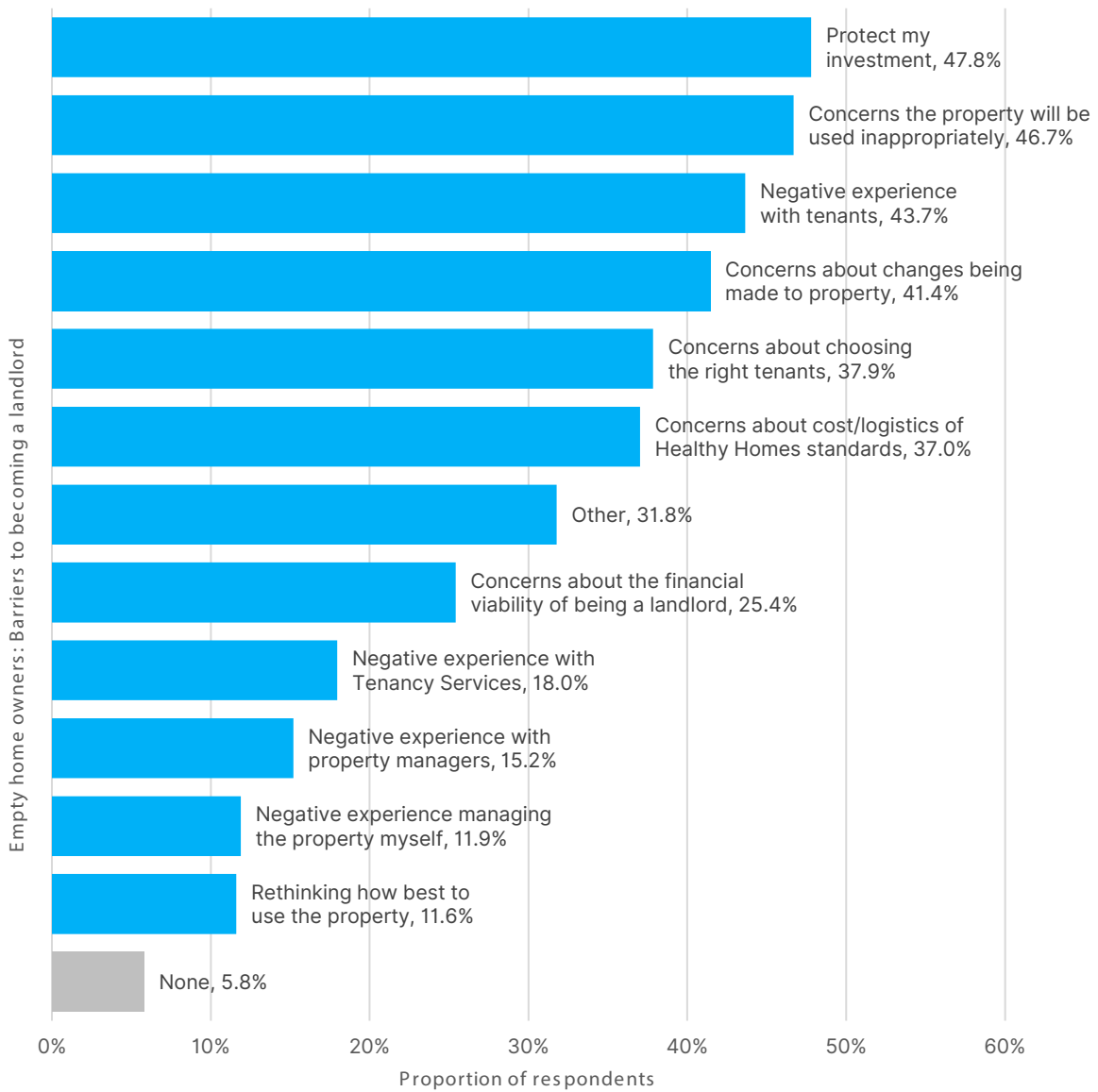
The groups below showed the highest interest (either “Yes” or “Maybe”) in being a landlord.

- Owners of rental homes - four in five (78.6%).
- Owners of homes undergoing home improvements - seven in ten (67.4%). This may be a signal that properties are being improved to meet relevant standards for the purpose of being rented.



Barriers to being a landlord

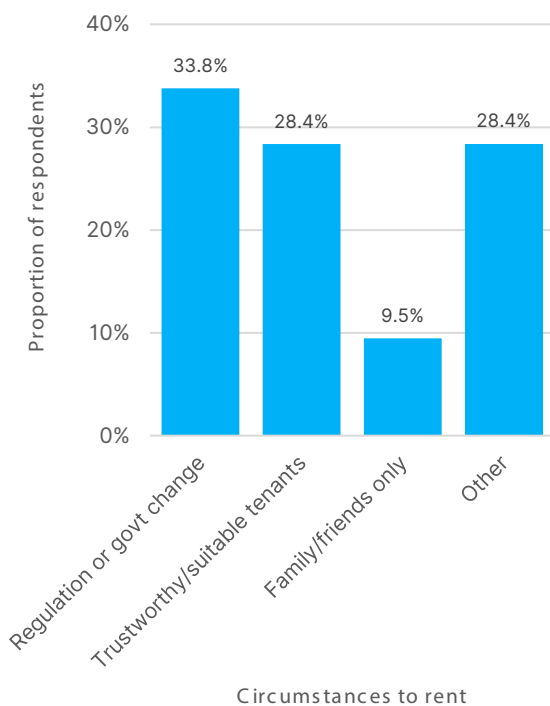
Participants that answered “Maybe” or “No” when asked if they would consider being a landlord were asked an additional question about the factors that influenced their position. Participants were able to choose one or more options from a list. Choosing “None” prevented other options from being selected.





Circumstances to rent

For participants that answered “Maybe” when asked if they would consider being a landlord, an additional question was asked to understand under what circumstances they might consider becoming a landlord. This was a free-text question. All responses were reviewed and categorised into common groups.



Other includes:

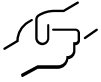
- If the financial situation required it
- If there were financial supports available
- Once renovations are completed
- Short term rental only.

“The current government has made it too difficult to be a landlord and to remove bad tenants - I would never consider renting this particular home on a long term basis.”

Empty home owner
Survey respondent

“Will not be renting three properties out at the moment as current government is very unpredictable and unsure what further changes will be thrown at providers of rental properties next. Feel very insecure that we have lost control of our properties and do not want to risk moving any one else in as it will be too difficult to move them out if a wrong tenant is selected that may ruin the house.”

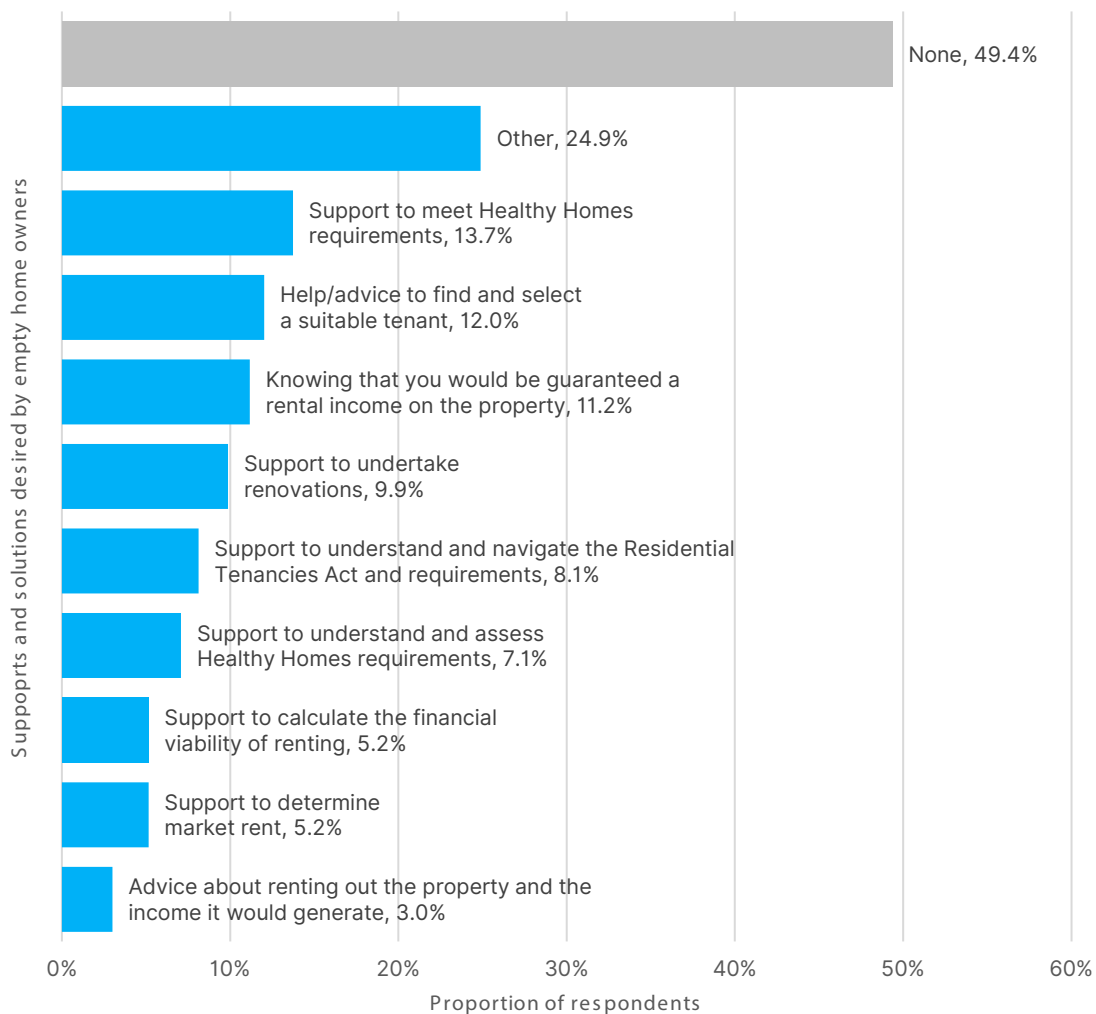
Empty home owner
Survey respondent



Supports and solutions

All participants were asked about a range of possible supports and solutions that might be either appealing (for participants willing to be landlords), or influence their decision (for participants who responded “Maybe” or “No”). The range of options provided were devised based on early discussions with property stakeholders and other findings from discovery stage work.

Participants were able to choose one or more options from a list. Choosing “None” prevented other options from being selected.





Supports and solutions breakdown

Most owners who aren't willing to become landlords are unlikely to be influenced by any of the proposed supports/solutions

More than seven in ten participants (70.5%) who aren't willing to become landlords chose "None" for this question. This option was exclusive, preventing other options from being selected.

The next highest selected option for this group was "Support to meet the Healthy Homes requirements", chosen by just 6.3% of participants.

The range of supports/solutions offered were not generally appealing to most participants

None of the predefined list of answer options presented under supports and solutions attracted a strong response from any of the participants.

The group that showed the most interest were those who were willing to consider being a landlord:

- Help/advice to find and select a suitable tenant - 26.9%
- Support to meet the Healthy Homes requirements - 26.9%
- Knowing that you would be guaranteed a rental income on the property - 23.1%
- Support to undertake renovations - 20.2%

Participants who might consider being a landlord showed a similar pattern, but with lower rates:

- Support to meet the Healthy Homes requirements - 24.3%
- Help/advice to find and select a suitable tenant - 23%
- Knowing that you would be guaranteed a rental income on the property - 23%
- Support to undertake renovations - 20.3%

Regulation and/or change in government was a top alternative support/solution nominated by respondents

In the predefined list of answer options, participants were able to select "Other" and provide an explanation. These were reviewed and categorised.

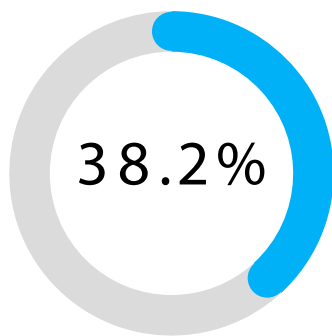
The most cited support or solution amongst this group called for a change in government or regulation, even amongst those who had indicated they would consider being a landlord.

- 13.5% of participants who are unwilling to consider being a landlord
- 29.7% of participants who might consider being a landlord
- 26% of participants who would consider being a landlord



Survey comments

All participants were asked an optional question for final comments at the end of the survey.



Nearly four in ten (38.2%) participants provided a comment in some form.

All comments were individually reviewed and then classified.

“The changes to tenant management have raised our requirements for tenant selection. In the past we have taken a risk on tenants we believe are going to be ok and that has worked. The new rules add complexity to remove bad tenants, so we are extra cautious.”

Empty home owner
Survey respondent

Regulations featured most prominently in comments

More than two thirds of commenters made remarks related to regulations. These include concerns about:

- government and local council interference in the free market
- the imbalance of rights between landlords and tenants
- the complexity and unintended consequences of the Residential Tenancies Act
- recent changes to the Brightline test¹ and interest deductibility rules
- building code standards, which are lower than those for residential tenancies
- cost of compliance, and the impact on rent as a result
- consents and rules governing new builds
- the impact of the regulations on housing supply, and subsequent demand for emergency housing
- the difficulty of removing tenants
- the impact of the rules and unintended consequences for good tenants
- the impact on the time taken to select suitable tenants
- the risks for home owners who choose to be landlords
- limitations, responsiveness and perceived bias of the Tenancy Tribunal
- intention to sell the home in response to regulation changes.

¹ A Brightline test provides a way to tax the financial gains people make when they buy and sell a house for income.

The purpose and intention of the home featured in nearly half of comments

Nearly a quarter (24.4%) of commenters made remarks about the purpose of the home. Nearly one in five (19.1%) made remarks about the intentions for the home. And one in ten made remarks about the underlying reasons for being empty. These include:

- home owners have the right to use the home in whatever way they see fit
- homes may be purchased or held intentionally for use by family/whānau or friends
- capital gains exceed interest rates - it can be cheaper to leave a home empty than having tenants
- renovations and repairs are complicated by the costs and ability to find suitable tradespeople and supplies.

“Anyone that owns a house should have complete/ absolute discretion as to whether they choose to have the home occupied or not.”

Empty home owner
Survey respondent

Tenants featured in almost one in five comments

Nearly 17% of commenters made remarks related to tenants. These include concerns about:

- the level of respect and care tenants have for rental properties
- the risks associated with choosing tenants
- abuse from tenants
- the risks of overdue rent
- the risks of damages to the home (especially when they significantly exceed bond deposits)
- the challenges of recovering costs from tenants.

“Too many rights in favour of tenant and less to the owner, and when renovated (again) tenants don’t look after or respect it belongs to someone. Lost interest in providing a home to rent. It’s not worth the hassle.”

Empty home owner
Survey respondent

Discussion of survey findings

Understanding the types of “empty”

The focus of this project was to find and fill empty homes. If there is to be a future formal programme of housing market renewal that reintroduces empty homes into the housing supply, it is important to understand the different types of empty homes.

The survey results revealed a broad and complex spectrum of participants’ perceptions of empty. Not all of these, however, could truly be considered “empty homes”. There are a number of factors to consider including the reasons why homes are empty, how long they have been empty, and whether they are primary residences.

Homes that are temporarily unoccupied for short periods should not be considered “empty”

Nearly a third of survey participants’ homes had been unoccupied for less than 3 months. Analysis of these responses revealed a range of reasons that can be explained by the natural rhythms and patterns within the housing market and any home’s life cycle. These can result in periods where a home is unoccupied. For example, when residents are away on vacation, when homes are being renovated or repaired, or when homes are in between owners or tenants. These periods tend to be relatively short, temporary, and aren’t a signal of an intention for the home to remain unoccupied long term.

There would be little merit in classifying these types of homes as truly empty, as most will eventually and naturally be occupied in the near term without any intervention or encouragement. This is particularly true for primary residences where the owners normally live.

Homes that are underutilised may be considered “empty” depending on their usage pattern

Holiday homes, second residences, and homes for personal use only fall into this group, and account for nearly forty percent of the survey responses. By design, the purpose of these homes can result in low or reduced utilisation by comparison to primary residences. For example, holiday homes may be unoccupied or rarely occupied during low seasons, or second residences may be used at different intervals and durations. Whilst they serve a purpose for the owners, they may exhibit diverse occupancy patterns throughout the year that could lead others to perceive those homes as empty.

The pattern of use of these types of homes, and the number of consecutive days they are unoccupied at any one time, is an important consideration before they could be considered to be truly empty homes. For example, a second residence that is used for a few days every week or fortnight may only be used 30% of the time, but rarely experiences sustained periods where it is unoccupied. Despite the low utilisation, it would be inappropriate to describe it as “empty”. However, a holiday home with sustained unoccupied periods during the low season, exceeding 3 months, could be classified as “empty”.

Homes that are being redeveloped may be considered “empty” depending on lead times

Around 20% of survey participants reported property development (or related activity) as the reason for their homes being empty. Property development benefits the housing sector and is a key contributor to housing renewal and growth. However, it can be a complex and often lengthy process involving councils, tradespeople, supply chains, buyers, and many others.

Naturally, homes need to be vacated in order for redevelopment to take place, but whether or not these homes could be considered “empty” depends on the lead time between acquiring the property and works commencing. Where there is a significant lead time and the unoccupied period extends beyond three months, these homes could be classified as “empty”. However, if consents are in place and developers can demonstrate active intentions to commence works, classifying these homes as “empty” for the purposes of a housing renewal programme would serve no purpose. These homes are effectively withdrawn from the housing market, and could not be occupied.

In the survey and during the discovery stage, property developers also shared that it would be impractical to tenant or otherwise occupy such homes. Even if there is a significant lead time, the homes may not meet the relevant standards for rentals and it would be wasteful to make improvements. Additionally, tenanting these types of homes means navigating the Residential Tenancies Act and managing tenants, which can further complicate the development process, and impede or delay development; nor is it a property developer’s core business.

Homes that are unoccupied for sustained periods can be classified as “empty”

Nearly half of survey respondents reported their homes had been empty for more than three months or more. More than a quarter reported their homes had been empty for twelve months or more. The reasons amongst these responses were diverse. Regardless of the reasons, the majority of these homes could be classified as “empty”, although there may be some exceptions. For example, some responses were for primary dwellings where the residents are currently overseas, and unable to return due to border closures and limited MIQ slots.

“It’s not tenable to let houses short-term awaiting redevelopment due to the changes to legislation.”

Empty home owner
Survey respondent

Interpreting “empty”

“Empty” is not a judgement of home owners

Many survey respondents raised concerns about, and objections to, any potential consequences of having an empty home. These included the possibility of penalties for owning an empty home, or being judged for having an empty home. A common theme was that it is the right of the home owner to use or not use their home at their discretion. This was expressed most by holiday home owners and second residence owners.

A home that is classified as “empty” is a description of state only. It should not be perceived negatively, nor is it a judgement upon home owners. It is a standard way of describing whether a home is being utilised. If there is to be a housing market renewal programme that reintroduces empty homes into the housing supply, having a standard definition of “empty” is an essential starting point.

Not all “empty” homes merit attention for housing market renewal

Whether or not all “empty” homes would merit attention under a housing market renewal programme depends on a range of factors. Two important considerations are location and housing demand.

Homes in remote locations may be empty because there is low population and low demand for housing. They may be empty, but not for lack of trying to fill them. There would be very limited return on investment focusing on these types of empty homes.

By contrast, in towns or cities with high housing demand, working with empty home owners to tenant their properties could be beneficial.

“A bach a long way from a town is only really suitable for holidaymakers.”

Empty home owner

Survey respondent

Changing environment for home owners and landlords

There have been many regulatory changes in the last two years designed to improve the quality of rentals in Aotearoa New Zealand, reduce speculation in the housing market, and cool interest in property. These include changes to lending criteria, tax deductibility, the Brightline test, and the Residential Tenancies Act. Regulation emerged as a key issue for home owners in both the survey and early stage discussions with property stakeholders.

Property owners are concerned about an imbalance of rights

In early stage discussions with stakeholders, and in responses to the Empty Homes survey, many home owners raised concerns about recent regulatory changes. In particular, the pace and scope of the changes has led to increased uncertainty, distrust, and cynicism about what might come next. Key concerns include the degree to which the changes favour tenants, perceived biases of the Tenancy Tribunal, and limited recourse when things go wrong. There were many comments in the survey that suggested the changes have gone too far in favour of tenants, and have created disincentives for home owners to remain landlords.

Property owners are worried about the financial viability of being a landlord

Compliance costs and changes to tax deductibility were cited frequently in the survey. There were strong objections to the removal of tax deductibility for rental properties, and questions raised about the fairness of this rule change. Some respondents noted that being a landlord is a business, and the same rules should apply to all. Landlords feel unfairly targeted by this change. There were also many concerns raised about the Healthy Homes standards and the associated costs.

“There needs to be a better balance between landlord and tenants rights - this has shifted too far in favour of the tenant and makes renting a lot more costly for tenants and less desirable for landlords.”

Empty home owner
Survey respondent

The compounding effect of increasing costs will have a flow on effect for tenants. Increasing rents (and thus average market rents) will be an inevitable outcome, and one respondent described the changes as a “tax on tenants”. A landlord’s ability to recover costs through rent alone, however, will be limited to what the market can sustain. This could result in the withdrawal of rental properties from the market and was reflected in the survey: Two-thirds of the respondents who had used their home as a rental would not do so in the coming year.

Challenges for landlords - finding and selecting tenants

Changes to the Residential Tenancies Act in 2021 removed no-cause evictions, changed the rules, process, and timeline for the removal of undesirable tenants, and introduced limits on the information available on potential tenants through the Tenancy Tribunal. In the survey, many empty home owners expressed frustration at the rule changes and noted there are flow-on consequences for tenants.

Landlords want trustworthy and reliable tenants

Owning a rental home is a significant investment for home owners. Protecting that investment emerged as the most common barrier for home owners becoming landlords. For landlords, finding trustworthy and reliable tenants is important to reduce risk and protect their long-term investment. The ability for a tenant to pay rent consistently is not the only consideration. Among other things, landlords also want tenants to care for the home, respect neighbours and the local community, and maintain good relationships with the owner and/or property manager. These are cited as some of the key characteristics of a successful renting relationship.

“The fact that it’s empty, doesn’t worry me. If we rented it out and it got badly damaged or the right people weren’t really occupying it, then it would be heartbreaking.”

Empty home owner
Survey respondent

Concerns about tenants is a common barrier for landlords

Concerns about tenants featured prominently in the survey as barriers to being a landlord. These included concerns about a home being used inappropriately, concerns about changes being made to a home, and concerns about choosing the right tenants. The tenant selection and screening process is an essential risk management strategy for home owners to find the right tenants.

Choosing the wrong tenant can have consequences for a landlord, neighbours and the local community. For example:

- Financially, a landlord could go weeks or months with unpaid rent, or incur significant home damages, with limited options to recover resultant costs. Many landlords are not in a position to absorb such costs, particularly for rentals with a mortgage and highly mortgaged owners.
- The behaviour of tenants towards neighbours or the local community can impact on a landlord's reputation. One landlord noted that anti-social behaviour of a tenant damaged their relationship with their former neighbours.

"Some tenants are good. Some are bad. The damage a bad tenant can do far outweighs the rental income. Rent includes a premium for risk. The good tenants are the ones who end up paying for this."

Empty home owner
Survey respondent

Assessing tenant applications is more complex and takes longer than previously

Given the potential consequences of choosing the wrong tenant in the current environment, the process and criteria for selecting a suitable tenant has become more complex, stressful and involves a stricter risk assessment. What might have been considered a low risk tenant in the past has now become a moderate risk tenant; criteria that might have had a low weighting previously on tenant applications has now become more important. As a result, tenant applications may be declined because of minor tenant issues that might have been acceptable in the past. With high demand for rentals, this has the potential to marginalise otherwise suitable tenants, further compounding the housing crisis.

"...the home has been emptier for longer than expected due to needing to be much more careful with selection of tenants."

Empty home owner
Survey respondent

High demand for rentals has led to some undesirable practices

High demand for rentals is also affecting the selection process. For landlords and property managers, it is not uncommon to receive tens of applications for a rental (particularly affordable ones), which can be time consuming to review and assess. In response, some landlords have raised rent to reduce the pool of potential tenants and simplify the selection process (although there can be other factors affecting rent). This eases some pressure for the landlord but adds stress to rental affordability, and raises average market rents. For those seeking a rental, the market is highly competitive and can be demoralising. To gain an advantage over other applicants, they may use tactics such as voluntarily supplying more personal information than they would otherwise have to. This might improve their chances, but also increases privacy risks and may not necessarily result in a better tenant for the landlord. Gaming the system in these ways is an unfortunate response to housing demand and changes to the rules, and introduces unfairness to the rental market.

“If you don’t know how to deal with the Residential Tenancies Act, and managers and tenants, I can understand why people choose to simply leave the house empty. It is not necessarily profitable or worthwhile actually tenanting the property.”

Empty home owner
Survey respondent

Landlords are frustrated by limited background information available about tenant history

Finding information on shortlisted tenants is also challenging. Other than credit checks and references, there are limited sources to understand a potential tenant’s renting history and suitability as a tenant. In one of our Empty Homes consultation interviews, one landlord shared that it was easier to find information and relevant references on a parolee than for other applicants. The same landlord also shared that information and open discussions held with Corrections staff were trustworthy and reliable, and led to a successful tenancy. By contrast, relying face-value on information supplied in tenancy applications without access to robust background information was riskier for the landlord.

Since February 2021, tenants and landlords alike can apply for their name and personal details to be removed from published Tenancy Tribunal records if certain conditions are met. Notwithstanding the reasons for this change, this has removed potentially valuable information for landlords who want to reduce risk. Knowing whether a potential tenant has repeatedly failed to pay rent, caused significant damage, or been evicted for anti-social conduct is cited as being important to know. Some landlords have attempted to address this by developing renter databases using private social media groups. There are many issues with such an approach including serious privacy concerns - renters can be unaware their information is being held and shared with others, with no means to see what’s been recorded or ability to ask for corrections. This type of underground information collection and sharing is inappropriate, but highlights the challenges and importance of screening tenants for landlords.

Potential consequences for the rental sector

Some landlords noted in their survey response that it has become “too much hassle”, leading to an intention to either repurpose, develop, sell, or leave the home empty. One noted that the costs related to an undesirable tenant can far outweigh the costs of leaving a home empty, especially where there has been considerable damage and rent arrears, and there are limited means to recover those costs. Whilst selling, developing or repurposing a home has wider benefits for housing, leaving an otherwise suitable home empty because of the complexity and risk associated with choosing the right tenant and being a landlord is undesirable.

Challenges for landlords - the Healthy Homes standards

The Healthy Homes standards introduce specific and minimum standards for rental properties. These standards set requirements for heating, insulation, ventilation, moisture ingress and drainage, and draught stopping in rental properties. They are designed to improve the living conditions for the hundreds of thousands of Aotearoa New Zealanders who rent. Whilst there are some exemptions, from 1 July 2021 all private rentals must comply within 90 days of any new or renewed tenancy, and all private rentals must comply by 1 July 2024. It is the responsibility of the landlord to ensure their rentals comply with the standards.

“Many empty houses can not be legally rented out because, although they are fine for owner-occupiers, they are quite unfit for tenants and would require several thousands of dollars spent to upgrade to Healthy Homes standards.”

Empty home owner

Survey respondent

New and old homes alike may require modifications to meet the standards

The impact of the standards on a given home vary depending on a range of factors including the age and condition of the home. More than half of the empty homes reported in the survey were at least 20 years old, and may be more likely to require improvements to meet the standards. That being the case, there is also no guarantee that newer homes comply. Some survey respondents noted that their new properties purchased as rentals required immediate modification, and they were confused as to why the standards are higher than the building code.

The standards are viewed by some as unreasonable, wasteful, and out of touch

The survey revealed tension between owners' perceptions of what is a liveable home and the Healthy Homes standards. More than two thirds of survey respondents described their properties as "ready for occupation", however this should not be confused with meeting the Healthy Homes standards. Many expressed frustration that despite their homes being perfectly liveable for the owners, they would require extensive modification in order to be compliant rentals. The difference between what is acceptable for an owner and what is acceptable for a renter is a barrier for some home owners. Some noted that using a home as a short-term rental (such as Airbnb) was preferable simply to avoid the compliance costs and hassles associated with the Healthy Homes standards.

"...the anti-landlord sentiments, over-engineered Healthy Homes requirements (heating requirements which tenants rarely, if ever, use), and government rules around tenancy are making us rethink our future choices."

Empty home owner
Survey respondent

One landlord noted that while they don't object to the underlying intent and reason for the requirements, they did have specific concerns with the rules, the way in which they are prescribed, and their ability to keep pace with changing technologies in the housing sector. For example, the installation of a shower dome in a bathroom - an effective means of reducing condensation - is not considered in the standards, and an extraction fan would still be required to meet requirements. The heating standards are also complex, and there was concern that they may result in heating being installed but not necessarily being used by tenants.

Not all modifications to meet the standards will be welcomed by tenants

Making improvements to a home to meet the Healthy Homes standards may not always be welcomed by sitting tenants. Changes can be disruptive for tenants and may result in additional running costs and/or rising rent. In some cases, they may be actively resisted. This can be frustrating for tenants and landlords alike, as the changes may not always result in perceivable benefits, particularly where the tenant is comfortable with the current home condition.

Even if tenants and landlords agree that the current conditions are acceptable, there would be risks for landlords should they choose not to upgrade properties to the acceptable standard, including significant penalties.

Findings tradespeople and supplies to undertake improvements is difficult in the current environment

Finding the right tradespeople and supplies to undertake necessary improvements was also noted as a key challenge for landlords, particularly in the current environment. In addition to finding available, reliable, affordable and willing tradespeople, there can also be lengthy delays waiting for improvements to be undertaken. Finding supplies (such as suitable heat pumps) can also be difficult given the impact of COVID-19 on supply chains. All these factors create additional financial burden due to lost rental income.

“Mine isn’t empty on purpose. Had to evict the tenant, they left it in disgraceful manner with damage which needs to be repaired before it can be let again. I also need to make sure it is Healthy Homes compliant. It is not easy getting tradies in...”

Empty home owner
Survey respondent

The standards can be costly to meet and funding may be a challenge in the current environment

Of those that either wouldn’t consider or might consider renting their empty homes, nearly forty percent noted concerns about the costs of meeting the Healthy Homes standards. Many comments noted the high costs of compliance. Meeting the costs of improvements may prove to be challenging for some landlords, particularly where extensive improvements are required. Some may not have sufficient funds to pay for necessary improvements.

“In our situation, the cost involved in bringing it up to Healthy Homes standard to re-rent is too onerous.”

Empty home owner
Survey respondent

Whilst some might argue that landlords have been able to take advantage of capital gains in recent years, rising capital values don’t necessarily assure access to finance. Recent lending rule changes take serviceability into consideration. In response, some survey respondents indicated that rents will need to rise to offset costs; others indicated they would reconsider their position in the rental market and consider alternatives.

Challenges for landlords - public perceptions

Respondents to the survey and landlords interviewed in the discovery stage of the project noted the negative perceptions and attitudes towards landlords as a barrier. They felt vilified and targeted by recent changes. Tenants and the general public are often unaware of the realities and, in recent times, the increasing costs of being a landlord.

Actions of the minority unfairly shape public opinion of landlords in general

Positive stories about successful landlord/tenant relationships are rare; it is far easier to find negative media articles about the landlords that behave badly. Analysis of comments sections on such articles often reveal polarised, visceral, and over-simplified views between those that are landlords and those that rent. Many respondents to the survey describe these perceptions as largely unfair and discouraging.

“More houses need to be built in order to address the current supply/demand problem. Demonising landlords and discouraging property investment is not going to work.”

Empty home owner
Survey respondent

Goodwill is often unrecognised by the public

Kind acts, good deeds, and social goodwill offered by some landlords are often invisible to the wider community. Some survey respondents communicated that they offer lower-than-market rent to tenants, knowing they will care for and respect the home; some offer pathways to home ownership for long term tenants; some make modifications to properties to meet tenant needs, beyond what is reasonably required under regulations. Yet these actions are often unrecognised. Should a landlord need to raise the rent in response to rising costs, they can be perceived as greedy or opportunistic, despite any prior social goodwill towards tenants. This can be discouraging for landlords.

“The government is creating an environment where it's okay for people to abuse a landlord's goodwill. I'm just an ordinary person who would happily rent out my house, but am completely without protection or incentive to do that now.”

Empty home owner
Survey respondent

Any perception or expectation that landlords should absorb rising costs is unreasonable

The perception that all landlords are wealthy is also unhelpful. Whilst landlords can benefit from capital gains, there are still risks associated with rentals, and capital gains are unrealised until the home is sold. Many have underlying mortgages and expenses that aren't necessarily offset entirely by rental income. These aren't often well understood by those who don't own their own homes. Even if costs are covered, they are rising and ultimately erode rental yield. The ability for a landlord to meet those costs will be limited by a range of factors including the level of debt on the home, whether additional finance is available in the current lending environment, and the ability to supplement any shortfall from personal income. This is felt more acutely for landlords that have high mortgages, and/or those that need to conduct extensive repairs and maintenance in response to damages left by former tenants. An expectation that landlords should entirely absorb these costs was viewed as unreasonable.

In some discussions with home owners, it was also noted that there is a perception that landlords remove opportunities for first home buyers. One noted that there is a need for rentals, and landlords provide an essential service. Not all New Zealanders want to or will ever be in a position to buy their own home. Continued investment in housing is needed, both for those wanting to buy their own home(s) and those who want to rent. Suggesting all landlords are greedy and therefore have contributed to the housing crisis is unhelpful.

“With the recent costs of healthy homes (of which I have no dispute - tenants should be able to live in warm, dry houses) and the removal of interest deductibility I have had no choice but to start increasing the rents.”

Empty home owner

Survey respondent

Perceptions and attitudes towards landlords may impact the number of rentals

The extent to which public perceptions of landlords may affect the number of empty homes is unknown, but the survey indicates that these do have an impact on the wellbeing of landlords, and act as one barrier for empty home owners who might have considered becoming landlords. Selling, repurposing, or leaving a home empty may be preferable to some rather than facing the current level of public scrutiny.

Consultation

This section includes information on:

- Identifying empty homes for consultation
- Consultation process and content
- Key findings
- A perfect storm



Identifying empty homes for consultation

Purpose

The Empty Homes survey served two primary functions.

1. To create a baseline of understanding around empty homes in Aotearoa New Zealand
2. To identify owners of empty properties in the trial area who were willing to engage with the project further regarding their empty home.

There were 118 empty home owners from across Aotearoa New Zealand who, by giving consent in the survey, indicated a willingness to engage further. Of these, there were nine empty homes located in Hamilton - the trial area for this project.

The individual survey responses relating to these nine homes required deep assessment. The primary purpose was to determine if there was any probability that the homes could be reintroduced into the housing supply as a rental within the project trial period.

How did we determine who to consult with?

Survey responses were analysed as they were received. All contactable survey respondents for empty homes across Aotearoa New Zealand were added to a database. The following fields from the survey were used in the database:

- the location of their empty home
- condition of the home
- if they would consider making the home available for rent.

These provided the basis for assessment to move forward into the consultation phase.

Potential Hamilton properties were independently assessed by two Empty Homes team members to minimise any selection bias.

What did we look for?

An empty home (and its owner) was selected to progress into the consultation phase where:

- the home was located in Hamilton
- the home was either ready for occupation, needed work to bring it up to Healthy Homes standard, or needed repairs and renovations to make the home 'rent ready'
- the owner had responded that they would consider renting the home, or that 'maybe' they would.

Given the short trial period within the overall project (at the time the assessment was made), if there appeared to be an opportunity to work with the home owner to either complete a re-introduction or to get part way through the process, steps were taken to engage directly with the owner for further discussions.

Progress to consultation phase

Given the dynamic nature of housing, we needed to first check with the owner if circumstances had changed in the short time since they had completed the survey. Therefore, the owners of the selected empty homes were phoned and asked if they were still willing to discuss their empty home(s) further. This phone call determined if there was value in progressing with a full consultation interview. If so, the consultation interview was verbally explained and the need for informed consent was outlined. After the full process was explained, owners confirmed their willingness to participate in a consultation interview. Through these phone calls, it was identified that a full consultation interview was not necessary in one case as the owner immediately offered their empty home to be part of the trial.

Profile of empty homes and owners

Characteristics		1	2	3	4	5	6	7	8	9
Suburb	Hillcrest	Queenwood	Enderley	Enderley	Chartwell	Dinsdale	St Andrews	Central	Beerescourt	
Dwelling type	House	House	House	House	House	House	House	Unit	Unit	
Bedrooms	3	5+	2	3	3	5	3	3	2	
Duration empty (months)	12+	< 3	< 12	< 12	< 3	< 3	< 6	< 3	< 3	
Condition		1	2	3	4	5	6	7	8	9
Ready for occupation	✓		✓	✓		✓	✓			
Major renovation or repair		✓								✓
Other / rather not say					✓			✓		
Influencing factors for leaving home empty		1	2	3	4	5	6	7	8	9
RTA changes and Healthy Homes requirements	✓	Not answered	Not answered	Not answered						Not answered
Concerns about choosing the right tenants					✓	✓	✓	✓		
Costs and/or logistics of the Healthy Homes standards					✓					
Concerns about potential changes a tenant might make to the property					✓					
Concerns a tenant may use the property inappropriately					✓					
Protect my investment					✓	✓	✓			
Rethinking how best to use the property						✓				
Negative past experience with tenants							✓	✓		
Negative past experience with property managers								✓	✓	
Negative past experience with Tenancy Services (Tribunal)								✓		
Negative past experience managing the property myself						✓				
Support and solutions of interest		1	2	3	4	5	6	7	8	9
None	✓		✓			✓	✓		✓	
Support with Residential Tenancies Act and requirements		✓			✓			✓		
Support to determine market rent		✓		✓				✓		
Support to calculate the financial viability of renting		✓								
Help/advice to find and select a suitable tenant		✓						✓		
Guaranteed rental income on the property						✓				
Support to meet healthy homes requirements						✓				
Outcomes		1	2	3	4	5	6	7	8	9
Contact made with participant	✓	✓	✓	✓	✓	✓	✓	✓	x	✓
Willing to participate in consultation interview	x	✓	✓	✓	✓	✓	x	✓		✓
Reason for not participating in consultation interview	COVID hesitancy						Rented since response		Unreachable	

SURVEY RESPONSES

ASSESSMENT

Consultation process and content

Before embarking on one-to-one consultation with identified Empty Home owners, guidance was sought from specialist social researchers at Te Pou, a Wise Group entity. This ensured the approach was based on robust research methodology and met necessary research ethical and safety standards.

Consent

A full informed consent form (refer Appendix G on page 126) was emailed to those that agreed to participate in interviews, along with a Zoom invitation for the one-on-one consultation interview. Interviews did not proceed without a returned signed informed consent form. There was a 100% return rate of signed consents.

Methodology

A consultation guide was designed for use during interviews to enhance understanding of the following for each empty home owner.

- Intentions for the empty home pre-survey
- Length of home ownership
- Current status of home
- Interest to tenant the home
- Support and solutions required to tenant empty home
- Any previous experience with property manager(s)
- Knowledge of community housing provider scheme
- Intentions for managing the home moving forward
- Concerns about tenancy legislation
- Intended rent for home
- Ideal tenant
- Desired timeframe for tenancing the home
- Concerns around tenancing the home
- What a successful outcome would look like

The full consultation instrument and guide can be found at Appendix H on page 128.

All consultation interviews were conducted via Zoom due to the difficulties posed by lockdowns and changing alert levels in Hamilton and across Aotearoa New Zealand. Interviews were audio recorded, using the Otter app, with backup through a voice-dictaphone. This enabled thorough post-interview analysis and reporting of feedback. Audio recordings were deleted from devices once analysis was completed.

Progress to trial

Following a general introduction, outline of the project aims regarding filling empty homes and disclosure that the interview would be recorded, participants were again asked if they were happy to proceed with the interview.

Upon approval to proceed, participants were asked a series of questions from the consultation guide.

Through the interview process, some participants indicated potential for their home to join the trial to potentially be filled. In these cases, the Wise Group committed to partner with the empty home owner and work through the support and solutions required to reintroduce the home as a rental.

Understanding the consultation content

Why were participants asked about the community housing provider (CHPs) scheme?

Community housing is a form of public housing working alongside private housing in the open market. CHPs are typically not-for-profit groups meeting housing needs through a range of affordable rental and home ownership options. They provide an alternative to the public housing provided by Kāinga Ora (formerly Housing New Zealand) and local authority housing.

The survey highlighted that people were worried about the risks of having tenants. As a registered CHP, the Wise Group has experience with home owners and knowledge of the benefits of CHPs. This was an opportunity to explore whether a model like this - either alone or combined with other solutions - would be appealing and motivate empty home owners to reintroduce their homes to the housing supply.

Was this study about finding homes for community housing providers?

No. The CHP scheme was used to test the desirability of models that de-risked the landlord-tenant relationship. It was not an intended outcome of this project and trial to direct homes to that scheme.

Why were questions asked about property managers?

Through the consultation we sought to understand:

- any previous experience they had as a landlord and how they managed this
- whether their experience with property managers had influenced their decision to leave the home empty
- if having a property manager would be a support and solution that would assist them to fill their empty home
- what were the gaps, if any, an empty homes model could deliver on.

Why were questions asked about the Residential Tenancies Act (RTA)?

Regulation was raised as a key challenge for home owners throughout early stage interviews and the Empty Homes survey. Understanding a participant's knowledge of, and experience with, the RTA was important to identify the barriers that would need to be overcome in order to fill the empty home.

Key findings

Consultation interviews lasted sixty to ninety minutes. These were conducted with willing owners of empty homes in Hamilton. Outlined below is a summary of key findings.

Credibility, trust and authenticity are vital

Having the ability to demonstrate experience and credibility in the housing space proved invaluable throughout the consultation process. There were several instances when staff from Wise Group housing entities provided important input to progress solutions to fill the trial empty homes.

Building trust, through frequent communications and regular follow up conversations, ensured the empty home owner remained comfortable and confident with the partnership. Authentic engagement - genuinely listening to concerns, giving home owners the time and space they needed to consider next steps, understanding with clarity the support empty home owners need to reintroduce their empty home, and being flexible with options for support - was vital to filling homes.

Each owner and empty home needs a bespoke solution

After conducting several interviews it was evident that the uniqueness of each empty home, its owner, and the required support and solutions to fill the home could not be underestimated. The small and targeted cohort size for interviews for this trial may also have contributed to a lack of trends. As humans are unique, so too is the totality of factors surrounding each empty home (ie empty home owners, their homes, the motivations for leaving their home(s) empty and the solutions required to tenant each home). A bespoke and customised approach to progress each home further through the trial, towards the desired outcome of filling the home, was necessary.

Owners are concerned about finding the right tenant

A leading concern of several owners was finding the right tenant.

The changes to the Residential Tenancies Act regarding 'no cause' evictions has exacerbated landlord fears in terms of tenant selection and occupation of the home.

Several owners also placed significant importance on keeping neighbours happy. This was considered essential for any reintroduction of the home as a rental.

COVID-19 impacts keep homes empty

COVID-19 impacts were an issue for two empty home owners. Continuing uncertainty, the inability to secure tradespeople to complete repair work, and the inability to travel across borders between Auckland and the Waikato to access the empty home and property influenced the owners decision to leave the home empty.

Need for model to support filling homes

Discussion around CHPs was included in the consultation interviews to understand if there was an appetite for a similar model designed specifically to fill empty homes. The majority of owners interviewed were keen to understand more about the community housing model. They indicated significant potential for a model that would assist them to de-risk a tenancy, help find suitable tenants, and provide assistance to get an empty home 'rent-ready'. Given the lack of awareness and understanding of CHPs among the home owners, any model (if developed) would need to be well promoted.

“I regularly get offers from developers, however I know there is a strong market for older villa and bungalow accomodation. I would be happy for Housing NZ to have long-term lease of my properties and sublet them. ie completely manage repair, tenant selection and all affairs.”

Empty home owner

Survey respondent

Well-intentioned empty home owners

At different stages of each interview it became evident that the owners were genuinely seeking a positive and enduring landlord-tenant relationship. They valued their empty home(s), the sacrifices and work undertaken to acquire the property and their role in providing quality housing as rentals. Some overtly stated that they were not purely speculative or profit-based landlords.

Happiness for the tenant and the stability of a long term tenure for the tenant were critical success factors they sought and cherished.

“Looking forward to having a conversation with you. I have two other homes that are empty in other regions as well.”

Empty home owner

Survey respondent

Time intensive process to fill homes

The trial proved that filling empty homes was labour and time intensive. A solid foundation of trust between the project and the owner needed to be built. Total hours and the length of time needed to build trust with a home owner, and navigate the support and solutions needed to fill an empty home, cannot be under-estimated. This is especially true where major renovations are required to make the home rent-ready.

This phase in the project requires strong relationship skills, flexible thinking, resilience, and efficient and frequent communications with empty home owners.

“What you’re doing is great and I hope it gets some traction and provides some answers.”

Empty home owner

Interviewed during consultation

Support for the Empty Homes project

All empty home owners consulted with were very supportive of the project and trial, and its aims. They regarded the project as a positive step in the right direction. They gave their backing to any initiative that sought to develop and trial solutions to redress the under-utilisation of homes that could, and should, provide housing for Aotearoa New Zealand people.

A perfect storm

Challenges that impacted the Empty Homes project and trial

COVID-19 (Delta and Omicron outbreaks)

Lockdowns

Changing alert levels

Inflation

Reduced capacity for change or innovation

Increased anxiety levels

Changes to Brightline test

Lack of accessible current data on empty homes

RTA changes impacting landlords

Supply chain constraints

Unintended consequences of Healthy Homes standards

Changes announced allowing greater housing intensification on existing sites

Lack of subsidies or grants to support empty home owners

High fatigue

Availability of tradespeople

Appeal of short-term rentals

Appeal of short-term rentals

Changes to Brightline test

Changes to interest deductibility rules



Solutions

This section includes information on:

- Filling empty homes
- Success stories
- Learnings
- Other solutions explored



Filling empty homes

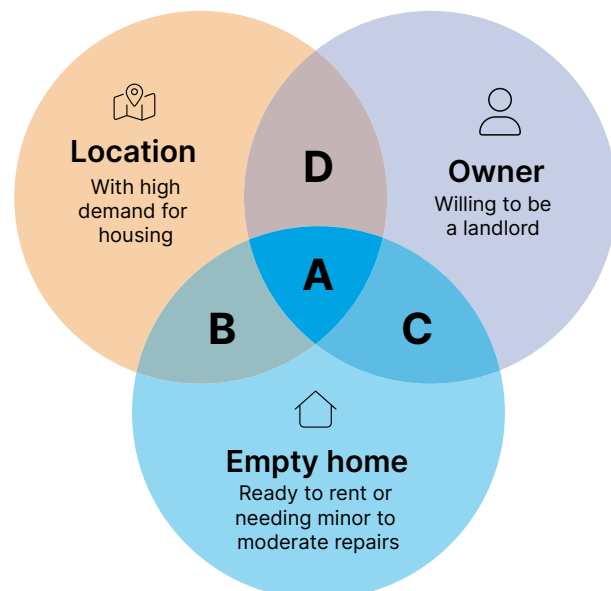
From September 2021 to February 2022, the project focused on bespoke solutions and supports to fill the empty homes of willing home owners.

Identifying the right opportunities

Based on all the learnings from the project and trial, three essential elements have been identified as necessary when selecting homes and owners to work with: Ideally, the empty home should:

- be in the right condition
- be in the right location
- have an owner willing to be a landlord.

When all three elements are present together, there is a higher probability of reintroducing an empty home into the housing supply.



Key

A - the ideal scenario of an empty home in the right condition, the right location and with an owner willing to be a landlord.

B - an empty home in the right condition and location, but an owner who may be reluctant or unwilling to make their home available to rent. With the right supports and solutions, there may still be an opportunity to address any owner concerns to reintroduce the empty home into the housing supply.

C - an empty home in the right condition and a willing owner, but not in a location where there is demand and need for housing. Housing demands can change; an empty home in this scenario could be a future opportunity if housing demand changes.

D - an owner with a home in the right location that either isn't empty, or is empty but not in a suitable condition / requires considerable renovation or repair.

Voluntary and involuntary barriers

Through many conversations with empty home owners and landlords, a range of common barriers emerged to filling empty homes. Some barriers can be overcome through an empty homes programme, but others can be more difficult to navigate.


Voluntary / internal barriers


Tenant concerns	
G	The type of tenant the owner is willing to accept
G	Concerns about tenants and their impact on the property, neighbours and the local community
G	Difficulty finding the right tenants
G	Ongoing property and tenant management
Finance	
G	Owner unwilling to fund improvements to meet required standards
G	No financial need or duress to justify the risk of renting
O	The costs may not be worth it, ie low or negative rental yield
Attitudes	
O	Unwilling to rent home
O	Resistance to the regulations
O	Resistance to tax changes
O	Resistance due to negative past experiences
Purpose of the home	
R	Home is for use by the owner only, or is a primary residence
R	Home not obtained for full-time use (ie holiday home, bach)
R	Future intentions for the property (ie redevelopment)

Involuntary / external barriers

Finance	
O	Cost of improvements
O	Cost of finance related to funding improvements may be prohibitive
O	Unable to fund improvements
Condition of home	
O	Home damaged – decontamination, repairs and maintenance, fire, etc
O	Doesn't meet the requirements of the Residential Tenancies Act, including Healthy Homes standards
Demand	
O	Building supply chain constraints and cost of supplies
O	Availability of tradespeople to undertake improvements
R	Housing demand where the home is located
Personal	
O	No bandwidth/capacity/time to consider filling home without affecting wellbeing
R	Personal or family factors outside of the owner's control
R	Estates and probate
R	Divorce and separation property disputes
Environmental	
R	Unable to access home due to factors outside of owner control – force majeure, lockdowns, etc
R	Damaged from earthquake, flood, storm, etc
Third party delays	
R	Waiting on consents or approvals
R	Insurance claims process

 **Green** - resolvable barriers

 **Orange** - more challenging to overcome, but may be resolvable through an empty homes programme

 **Red** - very difficult or unlikely to be resolvable through an empty homes programme

Solutions snapshot

An outline of each empty home, what has been achieved and several success stories follows. While filling the majority of empty homes in the trial has been completed, one remain a work in progress due to the reasons stated.

Success stories

④

Empty homes that were filled in Hamilton during the project trial.



Ongoing work

①

Empty homes that will be filled in Hamilton soon after this report is submitted.



Bonus success

①

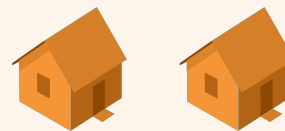
Homes that were prevented from becoming empty during the project trial.



Learnings

②

Empty homes that were unable to be filled during the project trial.



Success story #1

Property condition

- Full renovation in the last twelve months

Support and solutions needed

- Help to find suitable tenant options

Support and solutions delivered

- Police-checked tenant candidates
- Written tenant profiles and CVs
- Endorsement of tenants by the Wise Group

Any challenges?

- Fast occupancy time desired by the owner
- Home owner did not want tenants with dogs. However, after meeting the applicants presented by Empty Homes, they accepted tenants with a small dog.

Timeline

- 5 August 2021: First contact with project through survey
- 7 September 2021: Consultation interview
- 29 September 2021: Home owner selects tenants from options provided by Empty Homes project
- 2 October 2021: Start of tenancy



Location

Enderley



Age of property

30+ years



Bedrooms

3 bedrooms



Duration empty

6 to 12 months

Success story #2

Property condition

- Full renovation in the last twelve months

Support and solutions needed

- Help to find suitable tenant options
- Bridging support for rent while tenant options were secured

Support and solutions delivered

- Two pre-vetted tenant options for this home
- Police-checked tenant candidates
- Written tenant profiles and CV's
- Endorsement by the Wise Group

Any challenges?

- Fast occupancy time desired by the owner.
- We sourced and provided two great tenant options for this home. This made it difficult for the owner to make a selection. Due to the unsuitable rental situation one of the candidates was living in with her family, the other candidate kindly agreed to give the family the first option to this home.
- Tenant required to give four weeks notice to their current landlord before being able to take up this tenancy.

Timeline

- 5 August 2021: First contact with project through survey
- 7 September 2021: Consultation interview
- 29 September 2021: Home owner selects tenants from options provided by Empty Homes project
- 25 October 2021: Start of tenancy



Location

Enderley



Age of property

30+ years



Bedrooms

2 bedrooms



Duration empty

6 to 12 months

Success story #3

Property condition

- Renovations required to bring property up to the standards

Support and solutions needed

- Help to find suitable tenant options
- Ongoing property management and tenancy management support

Support and solutions delivered

- Support with Healthy Homes assessment (introducing assessors)
- Support regarding renovation standards and expectations
- Help to find appropriate tenants
- Ongoing property management support

Timeline

- 1 October: First contact with project through survey
- 8 October: Consultation interview
- October 2021 to February 2022: property renovations completed, including work to make property fully compliant to Healthy Homes Standards
- October 2021 to February 2022: Suitability and progress inspections, and commenced work to find suitable tenants
- 14 February 2022: Start of tenancy



Location

Beerescourt



Age of property

30+ years



Bedrooms

3 bedrooms



Duration empty

4-5 months

Success story #4

Property condition

- Met Healthy Homes standards

Support and solutions needed

- Help to find suitable tenant options
- Ongoing property management and tenancy management support

Support and solutions delivered

- Support with Healthy Homes assessment (introducing assessors)
- Help to find appropriate tenants
- Ongoing property management support

Timeline

- 1 October: First contact with project through survey
- 8 October: Consultation interview
- 11 October 2021: Work to onboard property begins
- January 2022: On site assessment (no remedial or renovation work required, property fully Healthy Homes compliant)
- 9 February 2022: Start of tenancy



Location

Beerescourt



Age of property

30+ years



Bedrooms

3 bedrooms



Duration empty

4-5 months

Bonus success

Home about to become empty

After having worked with the Empty Homes project and trial, a satisfied landlord reached out when another rental they owned was about to become vacant. The tenants had given notice.

They approached the Empty Homes project seeking support to tenant this home promptly, to avoid it sitting empty for any period of time.

The Empty Homes project team was able to present a suitable applicant quickly through established employer contacts.

As a result, a successful tenancy was signed up between the landlord and the tenant in a very short turnaround time.

Success breeds success

This proves that success breeds success. An empty homes programme will offer many unexpected, but welcome, benefits to people and communities. Preventing homes from becoming and sitting empty is also worthy work. As an empty homes programme is established in a community, the scope could include proactive work as well as reactive work.



Location

Enderley



Age of property

30+ years



Bedrooms

3 bedrooms



Duration empty

Nil

Home was prevented from becoming empty

Ongoing work to fill

Property condition

- Renovations required to bring property up to standard

Support and solutions needed

- Help to find suitable tenant options
- Ongoing property management and tenancy management support

Support and solutions delivered

- Support with Healthy Homes assessment (introducing assessors)
- Support regarding renovation standards and expectations

Support and solutions to come

- Help to find appropriate tenants
- Ongoing property management support

Timeline

- 1 October: First contact with project through survey
- 8 October: Consultation interview
- 11 October 2021: Work to onboard property begins
- January 2022: On site assessment to discuss best possibilities and refurbishment needs
- February 2022 ongoing: Major renovation work underway. No known completion date at this stage. Wise Group will continue to work with the property owner to support tenancing this property.



Location

Beerescourt



Age of property

30+ years



Bedrooms

3 bedrooms



Duration empty

5-6 months

Estimated as work still ongoing

Learning #1

Property condition

- Requires major repair and renovation work after the damage caused by previous tenants

Support and solutions needed

- Complete repairs due to damage caused by past tenants
- Get home 'rent-ready', including meeting Healthy Homes standards
- Determine market rent
- Find suitable tenants
- Managing the tenancy and navigating the requirements of the Residential Tenancies Act

Work conducted towards support and solutions

- Initial assessment of repair and renovation work needed by Empty Homes team
- Identification of a local partner, Habitat for Humanity, to potentially assist with reintroducing this home
- On-site assessment of repair and renovation work by Habitat for Humanity. The owner had obtained a quote from an independent builder indicating a total cost of \$98,000 for compliance-related repairs, essential maintenance and some cosmetic work to make the empty home 'rent-ready'.
- Discussions with Waikato Regional Council to determine if their proposed housing improvement subsidy scheme would apply to this home
- Work with Habitat for Humanity to define a model (including scope, eligibility and a range of options for completing repairs) that could be applied to homes needing repairs and renovations

Timeline

- 26 July: First contact with Empty Homes project through Empty Homes survey
- 4 September: Consultation interview
- 2 November: First site visit and assessment
- 18 November: First meeting on site with Habitat for Humanity - potential partner for repairs and renovations
- Dec 2021: Work begins on partnership model and options for supporting renovations on this home
- Dec 2021/Jan 2022: Progress on model interrupted due to Christmas/New Year holiday period and unavailability of respective CEs
- February 2022: Resume work on partnership model and options for supporting renovations and repairs on empty homes
- 21 February 2022: Empty Homes project, together with Habitat for Humanity, reached the decision that the renovation and repair work required to make this home 'rent-ready' was outside the scope of this project and trial



Location

Queenwood



Age of property

30+ years



Bedrooms

5+ bedrooms



Duration empty

10 months

Less than three months before contact with the project.

Has remained empty throughout the project trial while support and solutions (including work with a potential partner to assist with repairs and renovations) were explored with the owner.

Any challenges?

- Considerable damage caused by the last tenant left the home in very poor condition. Considerable repairs, renovation and improvements were assessed, at significant cost, to bring this home to a 'rent-ready' standard.
- Given the damage to the property after the previous tenancy and the resultant cost faced to remedy the property, the empty home owner was extremely hesitant about a further tenancy. Due to the desirable location of the home, the owner considered land banking for capital gain as a hassle-free and possibly more viable option.
- The empty home owner had experienced delays and difficulties getting access to tradespeople to quote the required repair and renovation work. There were also concerns about building supply chain issues impacting the ability to complete the necessary work to reintroduce the empty home within the project trial period.
- The project team started working with Habitat for Humanity Central Region in November to introduce them to the Empty Homes project aims and the opportunity to work together to reintroduce homes to the rental supply. This home provided a case study, enabling the development of a partnership model and options for improving empty homes so they became 'rent-ready'. Developing the model and options was complex work. As there were many considerations to be discussed and agreed upon, the model and options required several iterations. This process took some months.

Key learnings

There were several factors that led to this home being assessed as falling outside the scope of this trial.

1. The extent of improvement work required.
2. The cost of improvements.
3. The rental expectation of the owner.
4. The hesitancy of the owner to tenant the home again.

The owner was very willing to work with the Empty Homes project and gave considerable time to being part of the trial. However, they were clear from the outset that without considerable support and financial subsidies towards the repair and renovation costs, they were more inclined to leave the home empty in an 'as is' state and continue to profit from capital gain.

This case study highlights:

- where empty homes require costly improvement work and the owner does not have the appetite to fund that work, it is unlikely that local building partnerships and any financial subsidies will be sufficient to complete a reintroduction
- local-level empty homes programmes should initially focus on empty homes needing minor-to-moderate repairs to bring them up to compliant standards for rentals.

Learning #2

Property condition

- Minor section improvements required as site being developed for new home to be built on back section

Support and solutions needed

- Help to find suitable tenant options

Support and solutions delivered

- Contact made with employers of essential workers in the surrounding area of the empty home including University of Waikato, St Johns College, Hillcrest Normal School, Hillcrest High School, St John Ambulance, NZ Police, Waikato Regional Council and the Kindergarten Association. Information and a promotional blurb about the empty home opportunity was sent to the employer representatives for distribution to staff.
- As a result of the above, enquiries were received from three interested people before the home was tenanted by the property owner. The project team liaised with these people to supply further information and images of the home. One enquirer asked to be presented to the landlord.

Timeline

- 5 August 2021: First contact with project through survey
- 7 September 2021: Consultation interview
- December 2021: Follow up and further engagement with empty home owner, who confirms the home will be 'ready for rent' in February 2022
- Mid-January 2022: Home description and details sought
- Late January 2022: Promotion of home for rent to several employers of essential workers
- Early February 2022: Respond to enquiries about home and provide further information. Present interested applicant.
- Early February 2022: Landlord advertises the home for rent on Trade Me.
- 17 February: Tenancy begins - tenants selected from Trade Me applicants by the landlord.



Location

Silverdale



Age of property

30+ years



Bedrooms

3 bedrooms



Duration empty

6 months

Any challenges?

Omicron cases were being reported and Aotearoa New Zealand was starting to navigate a new strain of the COVID-19 virus just as the information for this home became available. The next stage of COVID-19 turmoil and disruption impacted engagement and outreach to fill this home.

Due to COVID-19 impacting our ability to establish a ready pipeline of vetted and suitable applicants, we were unable to supply the landlord with a small number of suitable tenant applicants to consider within their tight timeframe.

Key learnings

This case study highlights the importance for an empty homes programme to have a ready and up-to-date supply of pre-vetted tenants for homes that become available. While it is a positive outcome that this empty home was reintroduced into the housing supply as a rental, we are confident that if there had been a pre-existing pipeline of potential tenants established, we could have tenanted this home through the Empty Homes project and trial.

Other solutions explored

Using empty properties awaiting development

The Empty Homes project became aware of a number of properties in Hamilton that appeared to have been empty for an extended period and may have been land banked for future development. Further investigation confirmed this. One empty home (that appeared to be up to rental standard from a drive-by) was selected for trialling a cold call approach to gauge interest to participate in the trial. Local research highlighted that this home was owned by a local property development company.

An approach was made to discuss and understand the intentions for the home, and whether there was an opportunity to tenant the home for a fixed term while it awaited re-development. Discussions revealed that the home was part of a development plan, and the intention was that it would remain unoccupied in the near term. The property development company representative confirmed that it did meet the Healthy Homes standard.

Initially the company was reluctant to engage with the trial as they had negative experiences with tenants in the past. Most recently, a tenant had approached the media when they received notice of a rent increase. The resultant publicity was viewed (by the company) as biased in favour of the tenant and did not fairly represent the home's standard or the history of below-market rent.

The Empty Homes project team worked to build trust and appealed to the property development company to give the trial a go. They agreed to be presented with a possible tenant. A tenant option was presented to them for a medium term tenancy. Unfortunately the applicant had not conveyed to the Empty Homes project team their full expectations, which did not align with the home and were unrealistic in terms of market rates for what they sought.

As a result the applicant was not interested in the home presented by the property development company. The company withdrew from the trial and ignored all future attempts of contact and engagement by the Empty Homes team.

While this was unfortunate, it presented a very worthwhile learning for the trial: before any applicant is presented to a potential landlord it is essential that their expectations are fully understood and that they are given a very clear and detailed outline of the home specifications and expected rent.



The future

This section includes information on:

- Recommendations
- Draft Empty Homes programme
- Future considerations



Recommendations

These recommendations should not be considered in isolation or as stand alone solutions to the issue of empty homes. They build on and support each other. They are listed below in logical order for development and execution to achieve optimal outcomes moving forwards from this project and trial.

- ① **Agree on a standard definition of an “empty home”**
- ② **Identify and monitor the number of empty homes that meet the definition**
- ③ **Design and implement an empty homes programme**
- ④ **Design and implement a website and system to support the empty homes programme**
- ⑤ **Implement nationwide “Ready to rent” programme**

1

Agree on a standard definition of an “empty home”

Background

The Empty Homes survey revealed varying perceptions of the term “empty”. If there is to be a programme of housing market renewal to reintroduce empty homes into the housing supply¹, a standard definition of an empty home is required. This will ensure consistent measurement of the number of empty homes, and provide a starting point to set criteria for eligibility and access to an empty homes programme and associated incentives and benefits.

Recommendation

Consult and agree on a standard empty home definition. Following the findings of this trial, a proposed high level definition of an “empty home” is any private residence that:

- is currently unoccupied
- has been unoccupied for at least 90 consecutive days
- is not the permanent place of abode of the home owner
- is not actively for sale.

Notes:

- The definition proposed would result in some non-primary residences (such as holiday homes, second dwellings, worker accommodations, etc) being classified as “empty homes”.

- Importantly, this is a classification of status only; it is not a judgement upon home owners, nor is it intended to trigger negative views. No penalties are recommended where a home meets this definition.
- The definition is simply a measure of home utilisation. It does not mean that all homes that fit this category would be of interest to, or qualify for, any future empty homes programme. As noted in the body of the report, not all areas will have a need for a dedicated empty homes programme to meet housing demand. So, for example, a holiday home in Ruapehu that is classified as “empty” is just that - a classification.

Rationale

- Homes that have been empty for less than 90 consecutive days are typically empty for reasons that are temporary. These tend to self resolve without intervention. Focusing on homes that have been empty for more than 90 days is more appropriate.
- Homes that are the primary residence of the owner are excluded as they are likely to contain furnishings and personal belongings, and would be impractical to tenant.
- Homes for sale are excluded as they are temporarily withdrawn from the housing supply before being sold. These would be impractical to tenant.

¹ While this project focused on the reintroduction of empty homes as rentals, a future programme may include the sale of empty homes within the framework of housing market renewal.

2

Identify and monitor the number of empty homes that meet the definition

Background

Identifying empty homes and reaching empty home owners has been a key challenge of this project. The housing environment is highly dynamic. Surveys are useful and were the right tool for the purposes of this project. However, these may not attract enough responses to have real utility beyond this initial project. Survey information dates quickly; even more so when it comes to the subject of housing which is so fluid. This exacerbates the limited utility of the data unless acted upon quickly. It will be important to have access to current and timely data to identify potentially empty homes.

Running another survey would be impractical as it relies heavily on self selection. Current data sources (ie the Census) are also not suitable for identifying empty homes as they are not timely enough, and the definition of empty in these data sources is not suitable for an empty homes programme.

Recommendation

Use residential utilities consumption data (water and power) to monitor the utilisation of homes and proactively identify empty homes. Homes that exhibit low consumption (below what a single person might consume) for extended periods could be an indicator that they are empty.

This information could be used by:

- government to track and monitor the number of potentially empty homes
- local territorial authorities, potential partners and other funders to:
 - Identify the number of empty homes in their area
 - Determine whether there would be benefits to an empty homes programme in their area.

There are known limitations to utilities data and potentially there may be constraints on how the information can be used currently. However, this type of data, with its ability to monitor trends over time, makes it an obvious solution to being a reliable and current data source.

Depending on the agreed definition of an empty home, additional data sources may be necessary to eliminate primary residences and homes that are for sale (or any other exclusions included in the agreed empty home definition).

We understand there is work under way between Stats New Zealand and utility companies to consider collecting consumption data centrally.

It is not a recommendation of this report to require home owners to regularly declare or report on the utilisation of their homes (as seen in some international empty homes programmes). There would be considerable cost to implement an ongoing reporting programme of this nature. The burden of this would add to already-high home owner frustrations.

3

Design and implement an empty homes programme

Background

This project has confirmed that it is possible to overcome the challenges and barriers experienced by home owners, and that with the right support and solutions, there is an opportunity to return some empty homes into the housing supply as rentals. The learnings from this project and the Starter Kit can inform ongoing work in this space.

Interest will likely grow over time with growing awareness and buy-in, and through sharing of case studies and success stories. Success breeds success! Positive word of mouth from satisfied home owners who have been through the programme would become a powerful tool and driver of referrals. Finding empty home owners who might be interested, and completing work to fill homes, is likely to become easier. This would be particularly true where there was a strong value proposition, benefits, and if a partnership approach is embraced. Easing of COVID-19 restrictions and increasing clarity around regulatory changes will also make it easier for a programme to flourish.

Recommendation

Design and implement an empty homes programme to reintroduce empty homes into the housing supply. This programme:

- would be designed and overseen by central government
- would be delivered at regional or local level by appropriate housing/not-for-profit providers. Those providers would have the flexibility to build the right partnerships at their discretion

- would provide high level guidance on the process, and give flexibility for regional variances to suit local needs
- would make a contribution towards staffing costs for managing the scheme in areas where this is implemented. With baseline funding demonstrated there would be the opportunity to attract local philanthropic and local government funding
- would incorporate a baseline model for place-based customisation and implementation to support the reintroduction of homes needing repair and renovation work to meet legislative standards. This study has prototyped a potential model for such a programme as part of this work undertaken in Hamilton. See the following section for more details
- would include place-based sourcing (through partnership programmes with employers of essential workers and other agencies housing people in employment), vetting and presenting of suitable tenants to empty home owners to fill homes
- may provide funding and/or grants to support minor improvements to properties to meet rental standards. These funds or grants may attract fair and reasonable conditions. For example, a minimum length of time the home is to be available as a rental.

The priorities, number of empty homes and housing demand varies across local authorities. Not all will have an appetite to implement, nor would they substantially benefit from, an empty homes programme. However, for those areas where there is a clear need and there is evidence of empty homes (that meet the agreed definition), housing providers, social sector organisations and local authorities could elect to implement the empty homes programme in their area.

4

Design and implement a website and system to support the empty homes programme

Background

If there is to be an agreed programme for returning empty homes into the housing supply, it would be inefficient and cost-ineffective for every region to develop their own systems and websites. A common system would remove a barrier, and serve as a launchpad for providers and local authorities to implement the scheme.

Recommendation

Implement a centralised system and website that could be made available to providers and local authorities that want to participate. This would enable faster implementation of the programme, access to the programme, standardisation, and national reporting on the effectiveness of the programme. It would also:

- clarify the benefits and requirements of participating in the programme
- streamline the onboarding process for any local authority or provider
- provide access to timely empty homes data and information
- provide a mechanism for empty home owners to self refer
- facilitate opportunities for information sharing among participants
- streamline access to the benefits of the programme and inform future decisions about funding and grants available.

5

Implement nationwide “Ready to rent” programme

Background

Empty home owners and landlords have shared their desire to protect their investment, and the challenges related to the assessment and selection of tenants. Knowing that a tenant is aware of their responsibilities and will care for the home could add value for landlords and property managers. “Ready to rent” type programmes are already in place in some areas (such as Hamilton, Napier and New Plymouth).

Recommendation

Implement a certified nationwide programme that educates prospective and existing tenants on how best to apply for a rental, their obligations and responsibilities as tenants, how to care for their rental, and how to maintain good relationships with their landlord/property manager. This could have benefits for empty home owners, landlords and renters alike. This is particularly true for first-time renters who have no history of renting and may struggle to find suitable accommodation in a highly-competitive rental market. Proving that one has the skills and knowledge to maintain a successful tenancy could overcome concerns or hesitation that an empty home owner or landlord may have about prospective tenants and renting a home.

Draft Empty Homes programme

During the process of filling empty homes, we have given extensive consideration to the design of a sustainable empty homes programme for Aotearoa New Zealand.

We have consulted on elements of this programme with a potential partner in Hamilton, Habitat for Humanity Central Region, who would have a role in bringing empty homes that needed improvements up to standard for rent.

Outlined on the following pages is a **draft** empty homes programme: HOPE. It is an example only of what might be possible, gleaned from learnings in Hamilton, the trial area. It provides several options to empty home owners to support them to bring their home into the housing rental supply.

There may be other areas where this approach could be replicated, scaled and/or modified to meet local area needs. Flexibility is required for regions and areas to adapt their own programme specifics based on the building and funding partnerships that they can materialise over time.

HOPE

- Housing Opportunities for People in Employment
- Housing Opportunities for Properties that are Empty
- Housing Opportunities for People who own Empty homes



Purpose

HOPE is designed to reduce the likelihood of homes sitting or becoming empty by minimising the barriers to becoming and remaining a landlord. Reducing the complexity, risks and costs will make it easier and more financially viable for empty home owners to enter and remain in the rental market, keep their home occupied, and protect their investment. Retaining homes as managed rentals allows landlords to benefit from long term capital gains **and** provide an essential accommodation service to New Zealanders.

Primary objectives

- Return empty homes into the housing supply
- Reduce the number of empty homes
- Provide a mechanism for engagement between the HOPE provider, empty home owners, tradespeople (if needed), employers of essential workers, essential workers and other people in employment seeking housing

Benefits of HOPE

HOPE simplifies the experience for empty home owners to become a landlord by providing an end-to-end service that:

- supports empty home owners to undertake affordable property improvements
- supports empty home owners to be a successful landlord
- enables empty home owners to participate in a solution that is
 - providing much-needed rental accommodation to Aotearoa New Zealand people, and
 - working to address Aotearoa New Zealand's housing crisis.

Type of organisation

Ideally, HOPE would be delivered by an organisation in the housing, social, or NGO/charity sectors. The benefit of having charitable organisations leading the programme regionally is their ability to apply for and attract contribution funding to support government funding.

Proven experience and knowledge in the housing space is critical for credibility. Being impartial to, but working with, government-based agencies will be key to building trust with key audiences the programme needs to engage and connect with to achieve its purpose.

Collaboration and partnerships

An organisation delivering HOPE would need to develop relationships and partnerships in their area. These include establishing relationships and engaging with:

- local iwi and Māori providers working in the housing space
- local providers with complementary housing programmes to avoid duplication and achieve more by working together where possible
- local funders and philanthropic trusts that have complementary priorities to the scheme, and who could support the scheme with contribution funding and non-financial support (eg access to TLAs communication channels)
- local and regional councils to explore place-based housing subsidy schemes, housing initiatives, and opportunities for collaboration to build vibrant neighbourhoods and communities
- professional tradespeople and suppliers to ensure rapid access to relevant resources for property improvements¹. Where possible, such building providers should be not-for-profit, for purpose, or enable access to reduced rates
- essential services employers to promote the scheme, and source a stream of potential tenants
- local property managers to provide empty home owners options for property management services.

Key activities

An organisation delivering HOPE in any locality would be responsible for:

- managing all government funding requirements for the programme (ie applications, monitoring, data and accountability reporting)
- establishing connections with, and support of, local territorial authorities
- attracting and managing any local-level contribution funding (ie local government and philanthropics)
- raising general awareness of the programme in their area to solicit self referrals
- establishing and maintaining critical place-based partnerships for the success of programme such as iwi, tradespeople and suppliers
- reviewing empty homes data to identify potential opportunities
- conducting outreach to empty home owners identified through empty homes data
- building key relationships with employers and/or essential workers to establish a ready-stream of tenants for empty homes that are to be reintroduced through the programme
- working with partner organisations to identify and consider other possible tenants who may not be essential workers, but who could be worthy candidates for the home(s) to be filled

¹ It is anticipated that each HOPE programme provider would explore and establish partnerships with a number of tradespeople. This allows for several options to upgrade empty homes to return them to the housing supply, eg compliance work to meet legislative standards, essential repairs, and/or cosmetic work.

- working with willing empty home owners to return empty homes into the housing supply
- managing funding and/or grants provided by the scheme, if applicable
- pre-screening and vetting of potential tenants, where required
- monitoring, evaluation and reporting of outcomes

Key skills and expertise

An organisation delivering HOPE would need to have competence in the following areas:

- Community engagement
- Relationship building
- Promotions and communications (across multi-media)
- Database management
- Data analysis
- Monitoring and reporting
- Funding (attracting, managing and accountability reporting)

Key attributes and strengths

People responsible for delivering HOPE within an organisation would ideally have the following attributes and strengths:

- Tenacity
- Analytical
- Relationship-builder
- Communicator
- Achiever

Key resources

At least two full time equivalent staff are recommended to establish and run HOPE in a given location. This may vary depending on the size of the geographical area and the number of empty homes in that area. More staff may be required as HOPE grows.

Filling empty homes: A model

Process

The HOPE provider and/or local-level partners would work with relevant empty home owners to:

- assess empty homes to:
 - identify whether they meet legislative rental standards
 - identify property improvements required to meet legislative rental standards
 - identify any essential repairs
 - identify any cosmetic improvements desired by the owner
- work with building partners to present property improvement solutions identified above, if required
- work with local-level partners to present funding solutions and supports for necessary renovation and repair work to complement government funding support, if required
- execute necessary and desired property improvements, if required
- identify preferred tenancing and property management approach
- source, screen and present potential tenants, if required
- provide property repairs and maintenance over the term of the tenancy (optional)
- monitor outcomes over time of any successful empty home reintroductions.

Eligibility and conditions

HOPE is about increasing the rental supply and rental sustainability. It includes options and funding to support home owners to bring their homes up to a suitable renting standard. In exchange for access to the subsidies, cost savings, and other benefits of HOPE, it is expected that there will be conditions set by partners and funders. For example, a partner who considerably subsidises property improvements may set conditions including:

- a minimal rental period
- the maximum weekly rent
- selecting a tenant from a pre-vetted pool of tenants
- using a specific provider for ongoing property management.

Possibilities within HOPE

As a result of this project, we know every situation and empty home owner is unique. Choice and options are essential for empty home owners when considering becoming a landlord.

To fill empty homes, it will be important to present owners with a range of options to meet their needs.

- Some will need work on their empty homes before they can be rented. This work could range from cosmetic through to compliance related improvements.
- Some empty homes will not need improvement works, however the owner needs support to find suitable tenants and/or manage the property. Additionally, there will be some empty home owners that will be attracted to the HOPE programme as it enables them to do well and do good by tenanting their empty home.

To facilitate a range of options, each region will need to develop partnerships and funding opportunities to make it attractive for the empty home owner and deliver successful outcomes. Each partner will offer different rates, options and conditions to be presented to empty home owners.

Outlined on the following page is an example of the options devised as part of the Hamilton trial following extensive discussions and review with Habitat for Humanity Central Region and Waikato Regional Council. These options were developed towards the end of the trial and, as such, they have not been tested.

Empty homes needing improvement before being rented

We recognise that some empty homes need considerable improvements and require substantial investment to bring them up to a rentable standard. Even with access to discounted rates, there may be some property improvements that present a financial challenge for empty home owners that prohibit them from making the home available for rent.

It is acknowledged that sourcing the funding to make substantial improvements may be challenging in the current environment. In discussions with Habitat for Humanity Central Region, the possibility of an equity-based option was discussed. Under this option, the home owner would not pay any upfront costs for property improvements. Instead, the improvements would be funded by Habitat for Humanity in return for an equity share in the property. This option has only been discussed at a high level and may not be practical or desirable for property owners. The mechanics of such an option would be complex and challenging. For example, determining the proportion of equity, legal considerations around future sale, and upkeep. This has been included in this report, but would need further consideration.

Property improvement options			
	A	B	C
Type of improvements covered			
Compliance	✓	✓	✓
Essential repairs	✓	✓	⊘
Cosmetic	✓	⊘	⊘
Option details			
Improvements undertaken by	Habitat for Humanity	Habitat for Humanity	Habitat for Humanity
Improvements funded by	Owner Support to access any available local funding	Owner Support to access any available local funding	Owner Support to access any available local funding
Upfront costs for owner	Lower than market rates	Lower than option A	Lower than option B
Labour rates	Cost + low margin	Cost + low margin	Cost
Materials and supplies rates	Cost + low margin	Cost	Cost
Tenant sourcing	Habitat for Humanity / Wise Group	Habitat for Humanity / Wise Group	Habitat for Humanity / Wise Group
Rent setting	Up to median rent For similar property in the same area	Up to median rent For similar property in the same area	Up to median rent For similar property in the same area
Minimum rental period	Shortest Proportional to value of improvements	Longer than A Proportional to value of improvements	Longer than B Proportional to value of improvements
Property management	Habitat for Humanity	Habitat for Humanity	Habitat for Humanity
Repairs and maintenance	Owner discretion Access to Habitat	Owner discretion Access to Habitat	Owner discretion Access to Habitat

Empty homes not needing improvement before being rented

This is an example model only. It provides an example for any region interested in implementing a HOPE programme. It is lightly-defined to allow regions the flexibility to develop place-based solutions to fill empty homes.

	Options when no property improvements required
Tenant sourcing	HOPE
Property management	HOPE Partner or Property manager or Self-managed
Repairs and maintenance	HOPE Partner or Property manager or Self-managed

Future considerations

It was not a requirement of the Empty Homes project to identify issues that may materially impact the need for, or execution of, any future empty homes programme. However, outlined below is a summary of a number of current known factors that should be considered when scoping future empty homes programmes.

Lending changes

Changes to the Credit Contracts and Consumer Finance Act (CCCFA) 2003 that came into force in December 2021 are already affecting access to finance. Home loan applicants are experiencing longer and more complex application processes. New assessment requirements under the CCCFA must also be applied to new loan advances or extension of credit limits. As a result, mortgage decline rates have already increased.

The increased scrutiny that comes with these changes will impact a wide spectrum of people seeking loans to finance housing; from first-home buyers to mum-and-dad investors to larger scale investors. Some of these investors may own homes that are currently empty. These changes, combined with wider market forces mentioned below, may impact their need to gain rental income from their home. The CCCFA changes are seeing first-home buyers being declined mortgages, putting ongoing pressure on available rental housing supply.

Housing cycle changes

Current housing demands and pressures may change in the coming years - either positively or negatively. Many economists and housing commentators are hesitant to predict what the short-medium term future will be. Changing macro-environmental factors could influence the need for an empty homes initiative - either positively or negatively.

For example, easing COVID-19 border restrictions may result in increased migration. However, increased immigration of returning Kiwis and immigrants on work and student visas, may add further pressure to the housing crisis.

Economic outlook

Rising interest rates and inflation may add further financial pressure to owners of empty homes. There are some predictions that house values will decrease in the coming year, although this is countered by predictions of increasing housing demand when borders reopen impacting rising house values further.

Recent inflation and increased costs of living are a given. This may force some empty home owners to consider alternatives, including renting their properties. An empty homes programme may be appealing to those with homes that need improvements to meet the standard, who also want to retain their properties in the long term.

Tax changes

After completing the Discovery stage of this Empty Homes project, the Government announced changes to the Brightline test and tax deductibility criteria for investment properties. The long term consequences of these changes, in terms of increasing the number of empty homes, should be monitored.

Changes to resource consents

Since the project was initially scoped and funded at the start of 2021, the Government has announced new intensification rules and the banning of height limits (less than six storeys) and car parking requirements in urban areas. These changes will come into force from August 2023. The removal of the need for resource consent to develop properties in specified cities to encourage higher density housing and allowing up to three houses, up to three stories, may create new opportunities for empty home owners.

A recent media article cited analysis from PWC that suggests these changes will add between 48,200 and 105,500 new dwellings over the next five to eight years. Rather than renting their empty home, it may be more attractive to empty home owners to redevelop or sell their home for redevelopment. As a result, where there was one home, there could now be up to three - a huge bonus and addition to the housing supply! It wouldn't make sense to fill that home and impede positive progress on increasing housing supply.

Access to building supplies and tradespeople

Some empty homes will require building and renovation work to meet the legislative requirements to make them 'ready-to-rent.' Completing this work relies on ready access to building supplies and fixtures (including heat pumps, extractor fans and insulation) and tradespeople.

In recent years, accessing tradespeople in a high-demand market has been challenging. Supply chain issues and delays due to COVID-19 have created a backlog of orders and long lead times for essential supplies and fixtures. In February 2022, Fletcher announced a freeze on all new orders of plasterboard. From July 2022 onwards, plasterboard would be available through an "allocation model".

These disruptions to supply will impact the length of time taken to complete necessary renovations to return an empty home to the housing supply - regardless of whether the process is managed by the owner or through an empty homes programme.

In a high demand housing market where there is constrained supply of building materials and fixtures, there may be a need to be flexible around enforcement of legislative standards.

Relationships with employers

Due to COVID-19 impacts, engaging with and building trusted relationships with employers of essential workers was extremely difficult during the course of the Empty Homes project. Meeting face-to-face to educate key employer representatives and decision makers, and answer their questions to aid understanding of the project scope and aims, was not possible.

Email and phone outreach to employers of essential workers to fill empty homes in the trial had limited effect in some cases. Some employers did not understand the project well. They were out of touch with the housing needs and pressures on their staff or were apathetic to being a part of a solution to support staff in accessing suitable housing.

Any future empty homes programme should:

- identify what is an essential worker and what employers (at national and local level) should be included in engagement strategies and ongoing outreach
- develop enduring and trusted employer relationships
- build a database of pre-vetted essential workers at a local level to present to empty home owners with homes ready to rent
- maintain the database to reflect the current housing needs of interested essential workers, as the housing needs of people can be fluid and changing
- communicate the benefits and outcomes of being involved to employers of essential workers.

Appendices

- A. Census empty dwelling counts
- B. Census empty dwelling rates
- C. Census empty dwelling density
- D. Census empty dwellings at SA2 level
- E. Empty Homes website
- F. Empty Homes survey
- G. Informed consent form
- H. Consultation probes template

APPENDIX A

Census empty dwelling counts

The following table shows the number of private empty dwellings identified in Census 2013 and Census 2018 in each local authority. Source: Stats NZ.

Local authority	Empty dwelling counts				Ranks		
	2013	2018 ▼	Change	Change (%)	2013	2018	Change
Auckland	22,152	17,130	▼ 5,022	-22.67%	1	1	
Thames-Coromandel District	11,319	8,349	▼ 2,970	-26.24%	3	2	▲ 1
Christchurch City	14,556	6,732	▼ 7,824	-53.75%	2	3	▼ 1
Taupō District	4,863	3,582	▼ 1,281	-26.34%	4	4	
Queenstown-Lakes District	3,720	3,105	▼ 615	-16.53%	7	5	▲ 2
Whangārei District	3,951	2,766	▼ 1,185	-29.99%	6	6	
Far North District	4,380	2,760	▼ 1,620	-36.99%	5	7	▼ 2
Wellington City	3,372	2,217	▼ 1,155	-34.25%	9	8	▲ 1
Marlborough District	3,393	2,001	▼ 1,392	-41.03%	8	9	▼ 1
Southland District	2,466	1,923	▼ 543	-22.02%	14	10	▲ 4
Kaipara District	2,583	1,851	▼ 732	-28.34%	12	11	▲ 1
Dunedin City	2,778	1,764	▼ 1,014	-36.50%	11	12	▼ 1
Tauranga City	3,162	1,698	▼ 1,464	-46.30%	10	13	▼ 3
Western Bay of Plenty District	2,532	1,647	▼ 885	-34.95%	13	14	▼ 1
Tasman District	1,977	1,500	▼ 477	-24.13%	18	15	▲ 3
Hamilton City	1,959	1,464	▼ 495	-25.27%	19	16	▲ 3
Kapiti Coast District	1,929	1,386	▼ 543	-28.15%	20	17	▲ 3
Rotorua District	2,400	1,314	▼ 1,086	-45.25%	15	18	▼ 3
Waikato District	1,740	1,281	▼ 459	-26.38%	22	19	▲ 3
Ruapehu District	2,133	1,218	▼ 915	-42.90%	16	20	▼ 4
New Plymouth District	1,506	1,203	▼ 303	-20.12%	24	21	▲ 3
Horowhenua District	2,049	1,158	▼ 891	-43.48%	17	22	▼ 5
Mackenzie District	1,311	1,113	▼ 198	-15.10%	29	23	▲ 6
Hastings District	1,695	1,062	▼ 633	-37.35%	23	24	▼ 1
Selwyn District	1,152	1,014	▼ 138	-11.98%	35	25	▲ 10
Central Otago District	1,905	1,011	▼ 894	-46.93%	21	26	▼ 5
Waitaki District	1,482	1,002	▼ 480	-32.39%	25	27	▼ 2
Lower Hutt City	1,407	897	▼ 510	-36.25%	26	28	▼ 2
Timaru District	966	894	▼ 72	-7.45%	41	29	▲ 12
Hurunui District	1,293	885	▼ 408	-31.55%	31	30	▲ 1
Ashburton District	1,020	882	▼ 138	-13.53%	40	31	▲ 9
Clutha District	1,311	867	▼ 444	-33.87%	29	32	▼ 3
Palmerston North City	1,290	861	▼ 429	-33.26%	32	33	▼ 1

Local authority	Empty dwelling counts				Ranks		
	2013	2018 ▼	Change	Change (%)	2013	2018	Change
Whakatāne District	1,248	810	▼ 438	-35.10%	33	34	▼ 1
Masterton District	1,143	801	▼ 342	-29.92%	36	35	▲ 1
Gisborne District	1,359	756	▼ 603	-44.37%	27	36	▼ 9
Whanganui District	1,347	714	▼ 633	-46.99%	28	37	▼ 9
South Taranaki District	1,029	684	▼ 345	-33.53%	39	38	▲ 1
Invercargill City	963	633	▼ 330	-34.27%	42	39	▲ 3
Waimakariri District	1,245	621	▼ 624	-50.12%	34	40	▼ 6
Waipā District	762	606	▼ 156	-20.47%	48	41	▲ 7
Buller District	717	603	▼ 114	-15.90%	54	42	▲ 12
South Wairarapa District	885	558	▼ 327	-36.95%	43	43	
Napier City	1,062	549	▼ 513	-48.31%	37	44	▼ 7
Westland District	723	522	▼ 201	-27.80%	53	45	▲ 8
South Waikato District	759	519	▼ 240	-31.62%	49	46	▲ 3
Manawatū District	771	507	▼ 264	-34.24%	47	47	
Grey District	642	504	▼ 138	-21.50%	56	48	▲ 8
Nelson City	780	501	▼ 279	-35.77%	46	49	▼ 3
Rangitīkei District	726	495	▼ 231	-31.82%	51	50	▲ 1
Matamata-Piako District	627	444	▼ 183	-29.19%	57	51	▲ 6
Tararua District	756	429	▼ 327	-43.25%	50	52	▼ 2
Porirua City	603	402	▼ 201	-33.33%	59	53	▲ 6
Waitomo District	726	399	▼ 327	-45.04%	51	54	▼ 3
Ōtorohanga District	612	390	▼ 222	-36.27%	58	55	▲ 3
Hauraki District	1,059	375	▼ 684	-64.59%	38	56	▼ 18
Upper Hutt City	561	375	▼ 186	-33.16%	60	56	▲ 4
Ōpōtiki District	708	366	▼ 342	-48.31%	55	58	▼ 3
Waimate District	390	363	▼ 27	-6.92%	62	59	▲ 3
Wairoa District	810	351	▼ 459	-56.67%	45	60	▼ 15
Central Hawke's Bay District	858	333	▼ 525	-61.19%	44	61	▼ 17
Gore District	354	255	▼ 99	-27.97%	63	62	▲ 1
Kaikōura District	525	255	▼ 270	-51.43%	61	62	▼ 1
Carterton District	243	213	▼ 30	-12.35%	66	64	▲ 2
Stratford District	267	195	▼ 72	-26.97%	64	65	▼ 1
Kawerau District	261	90	▼ 171	-65.52%	65	66	▼ 1
Chatham Islands Territory	51	27	▼ 24	-47.06%	67	67	
Total	141,324	94,182	▼ 47,142	-33.36%			
Lower quartile	726	444					
Median	1,245	810					
Upper quartile	2,049	1,386					

APPENDIX B

Census empty dwelling rates

The following table shows the percentage of private empty dwellings to the number of total private dwellings identified in Census 2013 and Census 2018, in each local authority. Source: Stats NZ.

Local authority	Empty dwelling rates			Ranks		
	2013	2018 ▼	Change	2013	2018	Change
Thames-Coromandel District	47.26%	32.71%	▼ 14.55%	1	1	
Mackenzie District	41.30%	31.66%	▼ 9.65%	2	2	
Ruapehu District	30.18%	17.38%	▼ 12.80%	3	3	
Taupō District	25.05%	17.32%	▼ 7.73%	5	4	▲ 1
Queenstown-Lakes District	23.76%	16.23%	▼ 7.53%	7	5	▲ 2
Kaipara District	23.86%	15.39%	▼ 8.47%	6	6	
Hurunui District	20.75%	13.16%	▼ 7.59%	8	7	▲ 1
Southland District	16.91%	12.64%	▼ 4.27%	13	8	▲ 5
Kaikōura District	25.22%	11.49%	▼ 13.73%	4	9	▼ 5
Westland District	16.12%	11.02%	▼ 5.10%	15	10	▲ 5
Buller District	13.11%	10.82%	▼ 2.29%	24	11	▲ 13
Clutha District	15.74%	10.06%	▼ 5.68%	18	12	▲ 6
South Wairarapa District	16.92%	9.85%	▼ 7.07%	12	13	▼ 1
Waitomo District	17.20%	9.41%	▼ 7.79%	11	14	▼ 3
Far North District	15.97%	9.36%	▼ 6.60%	16	15	▲ 1
Waimate District	10.58%	9.35%	▼ 1.23%	29	16	▲ 13
Central Otago District	19.42%	9.22%	▼ 10.20%	10	17	▼ 7
Ōtorohanga District	15.07%	9.19%	▼ 5.87%	20	18	▲ 2
Marlborough District	15.49%	9.03%	▼ 6.46%	19	19	
Waitaki District	13.72%	8.79%	▼ 4.93%	22	20	▲ 2
Ōpōtiki District	16.79%	8.65%	▼ 8.14%	14	21	▼ 7
Wairoa District	20.50%	8.53%	▼ 11.97%	9	22	▼ 13
Chatham Islands Territory	15.89%	8.18%	▼ 7.71%	17	23	▼ 6
Grey District	10.08%	7.71%	▼ 2.37%	31	24	▲ 7
Western Bay of Plenty District	12.64%	7.47%	▼ 5.17%	25	25	
Rangitīkei District	10.97%	7.42%	▼ 3.55%	28	26	▲ 2
Horowhenua District	13.68%	7.38%	▼ 6.30%	23	27	▼ 4
Whangārei District	11.23%	7.30%	▼ 3.93%	27	28	▼ 1
Masterton District	10.46%	7.05%	▼ 3.41%	30	29	▲ 1
Tasman District	9.28%	6.52%	▼ 2.76%	35	30	▲ 5
Ashburton District	7.51%	6.03%	▼ 1.49%	42	31	▲ 11
South Taranaki District	8.81%	5.72%	▼ 3.08%	37	32	▲ 5
Whakatāne District	9.09%	5.71%	▼ 3.38%	36	33	▲ 3

Local authority	Empty dwelling rates			Ranks		
	2013	2018 ▼	Change	2013	2018	Change
Kapiti Coast District	8.19%	5.59%	▼ 2.60%	39	34	▲ 5
Tararua District	9.74%	5.44%	▼ 4.31%	33	35	▼ 2
South Waikato District	8.02%	5.37%	▼ 2.66%	40	36	▲ 4
Central Hawke's Bay District	14.05%	5.29%	▼ 8.76%	21	37	▼ 16
Carterton District	6.59%	5.17%	▼ 1.42%	48	38	▲ 10
Stratford District	6.85%	4.81%	▼ 2.04%	46	39	▲ 7
Waikato District	7.09%	4.63%	▼ 2.46%	43	40	▲ 3
Rotorua District	8.74%	4.62%	▼ 4.13%	38	41	▼ 3
Gore District	6.54%	4.58%	▼ 1.95%	49	42	▲ 7
Selwyn District	6.91%	4.47%	▼ 2.44%	45	43	▲ 2
Christchurch City	9.82%	4.43%	▼ 5.39%	32	44	▼ 12
Timaru District	4.87%	4.28%	▼ 0.59%	54	45	▲ 9
Manawatū District	6.66%	4.13%	▼ 2.53%	47	46	▲ 1
Gisborne District	7.58%	4.10%	▼ 3.48%	41	47	▼ 6
Hauraki District	12.14%	4.06%	▼ 8.08%	26	48	▼ 22
Whanganui District	7.00%	3.62%	▼ 3.38%	44	49	▼ 5
New Plymouth District	4.77%	3.58%	▼ 1.19%	55	50	▲ 5
Hastings District	5.81%	3.49%	▼ 2.32%	52	51	▲ 1
Dunedin City	5.54%	3.36%	▼ 2.18%	53	52	▲ 1
Kawerau District	9.71%	3.29%	▼ 6.42%	34	53	▼ 19
Matamata-Piako District	4.75%	3.21%	▼ 1.55%	56	54	▲ 2
Auckland	4.38%	3.18%	▼ 1.20%	58	55	▲ 3
Tauranga City	6.37%	3.05%	▼ 3.31%	50	56	▼ 6
Waipā District	4.06%	2.91%	▼ 1.15%	62	57	▲ 5
Wellington City	4.39%	2.77%	▼ 1.63%	57	58	▼ 1
Invercargill City	4.29%	2.75%	▼ 1.54%	60	59	▲ 1
Waimakariri District	6.13%	2.65%	▼ 3.48%	51	60	▼ 9
Palmerston North City	4.08%	2.64%	▼ 1.44%	61	61	
Hamilton City	3.66%	2.52%	▼ 1.14%	65	62	▲ 3
Nelson City	3.90%	2.36%	▼ 1.54%	63	63	
Lower Hutt City	3.68%	2.27%	▼ 1.40%	64	64	
Upper Hutt City	3.52%	2.24%	▼ 1.28%	66	65	▲ 1
Napier City	4.31%	2.18%	▼ 2.14%	59	66	▼ 7
Porirua City	3.37%	2.14%	▼ 1.22%	67	67	
Lower quartile	6.19%	3.51%				
Median	9.71%	5.59%				
Upper quartile	15.85%	9.19%				

APPENDIX C

Census empty dwelling densities

The following table shows the density of empty dwellings per square kilometre identified in Census 2018, in each local authority. Occupied dwelling and population density are also shown for comparison. Source: Stats NZ.

Local authority	Area (sq km)	Empty dwellings			Occupied dwellings			Population		
		Count	Per sq. km.	Rank ▼ per sq. km.	Count	Per sq. km.	Rank per sq. km.	Count	Per sq. km.	Rank per sq. km.
Hamilton City	110.37	1,464	13.26	1	55,056	498.82	1	163,437	1,480.77	1
Tauranga City	135.12	1,671	12.37	2	50,739	375.52	2	137,784	1,019.74	2
Wellington City	289.78	2,202	7.60	3	75,195	259.49	3	209,154	721.78	3
Napier City	104.90	549	5.23	4	23,772	226.61	4	63,735	607.56	4
Christchurch City	1,415.86	6,705	4.74	5	139,098	98.24	9	378,483	267.32	9
Kawerau District	23.63	90	3.81	6	2,511	106.25	5	7,053	298.45	7
Thames-Coromandel District	2,207.08	8,355	3.79	7	12,927	5.86	27	31,896	14.45	29
Auckland	4,941.57	17,091	3.46	8	498,786	100.94	7	1,590,258	321.81	6
Lower Hutt City	376.40	876	2.33	9	37,275	99.03	8	104,691	278.14	8
Porirua City	174.81	381	2.18	10	17,877	102.27	6	56,811	324.99	5
Palmerston North City	394.70	855	2.17	11	30,618	77.57	10	85,704	217.13	10
Kapiti Coast District	731.50	1,389	1.90	12	21,915	29.96	13	53,940	73.74	14
Invercargill City	389.88	630	1.62	13	21,648	55.53	11	54,873	140.74	11
Nelson City	422.20	498	1.18	14	19,986	47.34	12	53,088	125.74	12
Horowhenua District	1,063.99	1,161	1.09	15	13,305	12.50	18	32,958	30.98	20
Whangārei District	2,712.13	2,763	1.02	16	33,012	12.17	19	91,236	33.64	18
Western Bay of Plenty District	1,951.03	1,650	0.85	17	18,612	9.54	22	51,018	26.15	22
Upper Hutt City	539.87	366	0.68	18	15,906	29.46	14	44,427	82.29	13
Kaipara District	3,108.71	1,851	0.60	19	8,844	2.84	38	22,743	7.32	39
Taupō District	6,333.59	3,576	0.56	20	14,097	2.23	40	39,573	6.25	41
Rotorua District	2,409.00	1,317	0.55	21	25,224	10.47	20	75,930	31.52	19

Local authority	Area (sq km)	Empty dwellings			Occupied dwellings			Population		
		Count	Per sq. km.	Rank ▼ per sq. km.	Count	Per sq. km.	Rank per sq. km.	Count	Per sq. km.	Rank per sq. km.
New Plymouth District	2,205.52	1,197	0.54	22	31,092	14.10	16	81,552	36.98	16
Dunedin City	3,286.26	1,764	0.54	23	48,642	14.80	15	130,188	39.62	15
Far North District	6,679.72	2,763	0.41	24	23,055	3.45	34	67,086	10.04	33
Waipā District	1,470.07	588	0.40	25	19,572	13.31	17	54,123	36.82	17
Queenstown-Lakes District	8,719.71	3,099	0.36	26	13,728	1.57	50	47,022	5.39	45
Masterton District	2,300.20	804	0.35	27	9,981	4.34	32	25,920	11.27	32
Timaru District	2,732.40	894	0.33	28	19,200	7.03	25	47,178	17.27	25
Hauraki District	1,270.09	378	0.30	29	7,914	6.23	26	19,833	15.62	28
Whanganui District	2,373.26	705	0.30	30	18,153	7.65	23	45,747	19.28	24
Waikato District	4,403.28	1,278	0.29	31	25,017	5.68	28	75,825	17.22	26
South Waikato District	1,818.90	516	0.28	32	8,538	4.69	30	23,643	13.00	30
Waimakariri District	2,217.43	606	0.27	33	22,098	9.97	21	59,319	26.75	21
Matamata-Piako District	1,755.41	441	0.25	34	12,924	7.36	24	34,419	19.61	23
South Wairarapa District	2,386.94	558	0.23	35	4,398	1.84	44	10,653	4.46	48
Gore District	1,253.83	255	0.20	36	5,106	4.07	33	12,498	9.97	34
Hastings District	5,226.77	1,047	0.20	37	28,257	5.41	29	84,108	16.09	27
Manawatū District	2,566.74	504	0.20	38	11,235	4.38	31	30,255	11.79	31
Ōtorohanga District	1,999.17	390	0.20	39	3,522	1.76	46	10,539	5.27	46
Marlborough District	10,457.75	1,989	0.19	40	18,918	1.81	45	50,565	4.84	47
South Taranaki District	3,575.14	669	0.19	41	10,716	3.00	37	27,192	7.61	38
Carterton District	1,179.97	219	0.19	42	3,660	3.10	36	9,126	7.73	37
Whakatāne District	4,450.02	813	0.18	43	12,564	2.82	39	35,841	8.05	36
Ruapehu District	6,734.40	1,215	0.18	44	4,662	0.69	62	13,788	2.05	61
Selwyn District	6,417.62	1,014	0.16	45	20,751	3.23	35	60,978	9.50	35
Tasman District	9,615.98	1,500	0.16	46	19,764	2.06	42	55,209	5.74	42

Local authority	Area (sq km)	Empty dwellings			Occupied dwellings			Population		
		Count	Per sq. km.	Rank ▼ per sq. km.	Count	Per sq. km.	Rank per sq. km.	Count	Per sq. km.	Rank per sq. km.
Mackenzie District	7,138.66	1,110	0.16	47	2,034	0.28	68	7,665	1.07	66
Grey District	3,474.30	498	0.14	48	5,391	1.55	51	13,761	3.96	52
Ashburton District	6,181.69	882	0.14	49	13,095	2.12	41	33,336	5.39	44
Waitaki District	7,107.88	1,005	0.14	50	9,273	1.30	52	23,235	3.27	54
Clutha District	6,334.41	864	0.14	51	7,116	1.12	54	18,180	2.87	56
Kaikōura District	2,046.79	255	0.12	52	1,506	0.74	61	4,635	2.26	59
Ōpōtiki District	3,089.22	369	0.12	53	3,258	1.05	55	9,288	3.01	55
Waitomo District	3,534.80	399	0.11	54	3,411	0.96	57	9,399	2.66	57
Rangitīkei District	4,483.74	489	0.11	55	5,745	1.28	53	14,964	3.34	53
Hurunui District	8,640.92	888	0.10	56	4,980	0.58	63	13,113	1.52	63
Central Otago District	9,933.42	1,020	0.10	57	8,850	0.89	59	22,896	2.30	58
Waimate District	3,554.46	357	0.10	58	3,306	0.93	58	7,737	2.18	60
Central Hawke's Bay District	3,333.05	333	0.10	59	5,433	1.63	48	14,301	4.29	50
Tararua District	4,364.58	429	0.10	60	7,023	1.61	49	17,619	4.04	51
Stratford District	2,163.42	201	0.09	61	3,705	1.71	47	9,540	4.41	49
Gisborne District	8,385.83	759	0.09	62	16,509	1.97	43	47,556	5.67	43
Wairoa District	4,076.88	351	0.09	63	3,015	0.74	60	8,196	2.01	62
Buller District	7,943.34	606	0.08	64	4,458	0.56	64	10,128	1.28	64
Southland District	29,552.36	1,929	0.07	65	12,168	0.41	65	34,197	1.16	65
Westland District	11,827.81	525	0.04	66	3,849	0.33	67	11,298	0.96	67
Chatham Islands Territory	793.95	27	0.03	67	282	0.36	66	720	0.91	68

APPENDIX D

Census empty dwellings at SA2 level

The following table shows the SA2 areas with the highest density of empty dwellings per square kilometre, identified in Census 2018. Source: Stats NZ.

Rank	Local authority	SA2 Area	Area (sq. km)	Empty dwellings		
				Count	▼ Per sq. km	Rate
1	Auckland	Symonds Street North West	0.0872	114	1,307	7.13%
2	Auckland	Hobson Ridge Central	0.0633	69	1,090	3.98%
3	Auckland	Hobson Ridge North	0.1493	81	543	4.96%
4	Auckland	Anzac Avenue	0.1025	51	498	3.02%
5	Auckland	Symonds Street East	0.1035	42	406	6.90%
6	Auckland	Shortland Street	0.1274	51	400	3.86%
7	Auckland	Karangahape	0.2848	108	379	8.05%
8	Auckland	Queen Street	0.1684	54	321	4.71%
9	Auckland	Hobson Ridge South	0.1370	42	307	4.90%
10	Auckland	Victoria Park	0.4483	102	228	7.73%
11	Thames-Coromandel District	Whangamatā	8.4599	1,914	226	40.66%
12	Queenstown-Lakes District	Frankton Arm	1.2017	258	215	24.50%
13	Wellington City	Mount Cook West	0.6135	129	210	6.34%
14	Wellington City	Dixon Street	0.3027	63	208	3.49%
15	Auckland	Symonds Street West	0.1452	30	207	1.98%
16	Wellington City	Oriental Bay	0.3028	60	198	7.25%
17	Auckland	Queen Street South West	0.2288	45	197	3.71%
18	Thames-Coromandel District	Cooks Beach-Ferry Landing	2.6968	513	190	50.00%
19	Christchurch City	Christchurch Central-North	0.7775	138	177	9.15%
20	Western Bay of Plenty District	Pukehina Beach	1.5662	267	170	39.91%
21	Queenstown-Lakes District	Queenstown East	0.9761	165	169	18.15%
22	Auckland	Eden Terrace	0.8404	138	164	5.53%
23	Thames-Coromandel District	Pauanui	9.8968	1,593	161	65.15%
24	Taupō District	Bird Area	1.1791	189	160	16.36%
25	Christchurch City	St Albans East	0.6755	108	160	7.20%
26	Christchurch City	Riccarton East	0.2081	33	159	7.69%
27	Taupō District	Richmond Heights	1.3718	216	157	18.90%
28	Christchurch City	St Albans West	0.6813	99	145	7.17%
29	Thames-Coromandel District	Tairua	4.1717	597	143	39.25%
30	Auckland	The Strand	0.1692	24	142	4.15%
31	Christchurch City	Christchurch Central-East	0.7134	99	139	8.85%
32	Queenstown-Lakes District	Wanaka Waterfront	3.8920	528	136	34.51%
33	Hamilton City	Greensboro	0.4663	63	135	4.51%

				Empty dwellings		
Rank	Local authority	SA2 Area	Area (sq. km)	Count	▼ Per sq. km	Rate
34	Auckland	Wynyard-Viaduct	0.6000	81	135	8.82%
35	Christchurch City	Akaroa	2.0320	273	134	28.71%
36	Christchurch City	Riccarton South	0.5447	72	132	5.23%
37	Thames-Coromandel District	Whitianga South	4.8270	609	126	22.63%
38	Wellington City	Vivian West	0.3700	45	122	3.02%
39	Christchurch City	Addington East	0.5682	69	121	5.20%
40	Christchurch City	Phillipstown	0.9334	111	119	5.95%
41	Christchurch City	Merivale	1.1045	129	117	7.90%
42	Kaipara District	Mangawhai Heads	6.9889	801	115	40.89%
43	Christchurch City	Linwood West	1.0776	123	114	5.15%
44	Wellington City	Mount Cook East	0.4359	48	110	4.83%
45	Hurunui District	Hanmer Springs	4.2304	456	108	44.44%
46	Wellington City	Mount Victoria	1.0807	114	105	5.57%
47	Rotorua District	Victoria	0.5177	54	104	5.41%
48	Christchurch City	Waltham	0.5881	60	102	6.08%
49	Wellington City	Courtenay	0.3244	33	102	3.45%
50	Christchurch City	Riccarton West	0.6226	63	101	5.71%
51	Christchurch City	Richmond South	0.8028	81	101	7.38%
52	Christchurch City	Charleston	0.3609	36	100	5.22%
53	Christchurch City	Christchurch Central-West	0.6970	69	99	9.31%
54	Western Bay of Plenty District	Waihi Beach-Bowentown	6.3128	612	97	24.34%
55	Dunedin City	Bathgate Park	0.5314	51	96	3.77%
56	Wellington City	Vivian East	0.2864	27	94	2.17%
57	Christchurch City	Sydenham North	0.4834	45	93	5.00%
58	Christchurch City	Sydenham South	0.5536	51	92	4.12%
59	Taupō District	Taupō Central East	1.0950	96	88	8.86%
60	Auckland	Red Beach East	1.5644	132	84	7.53%
61	Christchurch City	Linwood North	0.8574	72	84	6.43%
62	Dunedin City	Campus West	0.3216	27	84	5.70%
63	Christchurch City	Edgware	1.0146	84	83	4.03%
64	Auckland	Ponsonby East	0.7031	57	81	3.99%
65	Christchurch City	Sydenham West	0.4879	39	80	5.44%
66	Tauranga City	Omanu Beach	1.0243	81	79	6.32%
67	Christchurch City	Rutland	0.9866	78	79	6.39%
68	Kapiti Coast District	Waikanae Beach	4.3656	345	79	16.48%
69	Auckland	Quay Street-Customs Street	1.2174	96	79	6.46%
70	Auckland	Northcote Central (Auckland)	0.6869	54	79	6.36%
71	Queenstown-Lakes District	Queenstown Central	0.8063	63	78	14.48%
72	Auckland	Avondale Central	1.1154	87	78	7.95%
73	Auckland	Glen Eden North	0.7347	57	78	6.33%
74	Wellington City	Newtown West	0.6609	51	77	3.69%
75	Hamilton City	Swarbrick	0.5057	39	77	3.69%

Rank	Local authority	SA2 Area	Area (sq. km)	Empty dwellings		
				Count	▼ Per sq. km	Rate
76	Tauranga City	Mount Maunganui South	0.9419	72	76	5.39%
77	Auckland	Sandringham West	0.4768	36	76	4.58%
78	Christchurch City	St Albans North	0.6372	48	75	4.47%
79	Wellington City	Wellington Central	0.5601	42	75	2.92%
80	Queenstown-Lakes District	Arrowtown	2.3616	177	75	12.63%
81	Wellington City	Thorndon	1.4830	111	75	5.20%
82	Taupō District	Mountview	1.1244	84	75	7.53%
83	Queenstown-Lakes District	Wanaka West	4.4240	327	74	26.59%
84	Timaru District	Seaview	0.7349	54	73	5.00%
85	Auckland	Grey Lynn East	0.5798	42	72	5.04%
86	Dunedin City	Fernhill	0.7944	57	72	7.36%
87	Palmerston North City	Papaioea North	0.8039	57	71	4.94%
88	Taupō District	Waipahihi	2.5552	180	70	16.00%
89	Wellington City	Hataitai South	0.4282	30	70	4.85%
90	Christchurch City	Bush Inn	0.8392	57	68	5.46%
91	South Waikato District	Stanley Park	1.1549	78	68	8.61%
92	Christchurch City	Avonside	0.8103	54	67	7.03%
93	Auckland	Ōtāhuhu North	0.7248	48	66	4.05%
94	Southland District	Te Anau	5.5272	366	66	22.22%
95	Wellington City	Roseneath	0.5490	36	66	4.26%
96	Dunedin City	Royal Terrace	0.2765	18	65	3.13%
97	Auckland	Herne Bay	0.8770	57	65	4.09%
98	Tauranga City	Te Maunga North	1.1626	75	65	4.67%
99	Auckland	Meadowbank East	0.6524	42	64	3.87%
100	Auckland	Orewa Central	1.4528	93	64	5.42%

APPENDIX E

Empty Homes website

www.emptyhomes.co.nz

Visit www.emptyhomes.co.nz.

Or visit tinyurl.com/emptyhomesnz to view the website as it was during the course of this project.

Site structure

Home page - shown to the right

Quick overview of the project and fast access to the Empty Homes survey.

About us

Background on the project, the purpose, intended outcomes, and the Wise Group.

Numbers

Details about the number of empty homes reported in the Census, and responses to some common questions.

Get in touch

Contact form. Survey respondents who indicated they did not own an empty home were immediately disqualified and redirected to this contact form instead.

Thanks

Acknowledgements to contributors to the project during discovery and consultation.

EMPTY HOMES | About us | Numbers | Get in touch | Thanks | Empty Homes survey

Housing is essential for the wellbeing of people, neighbourhoods and communities.
Yet New Zealand doesn't have enough homes.

Building new homes isn't the only solution to New Zealand's housing and accommodation crisis.
Census 2018 found that around 35,000 homes were empty nationwide. That's one in every 20 homes. Is there potential, perhaps, for empty homes to be better utilised?
Housing is a complex issue. There can be many reasons why a home is left empty. However, empty home owners may be misunderstood or unfairly judged. It would be helpful to:
• understand more about empty homes in New Zealand, and
• identify what potential solutions or support could make a difference to reintroducing empty homes to the housing supply.

This project is not about housing the homeless.
There are other agencies and projects already doing great work in that space.

If you own a property that's empty - either some of the time or all of the time - you're invited to share your views in a short, anonymous survey.
The Empty Homes feasibility study wants to hear from you. We are working to understand more about the nature of empty homes in New Zealand, and explore whether there are opportunities for empty homes to be a part of the solution to our housing crisis. It would be helpful to understand your situation and perspective.

[Take part in the survey >](#)

Keen to understand the numbers?
Articles often report about the number of empty homes from the Census... but are they correct? Take a look at our [Numbers page](#) that will help you understand the actual numbers from the Census, and what they mean.

[Tell me more >](#)

The Empty Homes feasibility study is an independent project of the Wise Group, a 100% state-owned business.
With assistance and funding from the New Zealand Ministry of Housing and Urban Development.

APPENDIX F

Empty Homes survey

Introduction

About this survey

There can be many potential reasons for leaving a property empty. There can also be many myths and mistruths around empty homes. The Empty Homes project is an independent feasibility study that aims to:

- define what is an empty home in the Aotearoa New Zealand context,
- engage with property owners to understand more about empty homes and why they are empty, identify the barriers to returning an empty home into the housing supply, and
- explore potential support and solutions that would be helpful to return empty homes into the housing supply.

What is an “empty” home and who should complete this survey

One of the objectives of this study is to define what is an empty home in the Aotearoa New Zealand context. There are many baches and holiday homes that are partially occupied, but owners’ views of whether they are “empty” will vary. This survey is open to owners or part-owners of homes that are partially, periodically or permanently unoccupied.

How long it will take to complete

It will take approximately ten minutes to complete this survey. There are several comment boxes - if you choose to write lengthy responses, you may need to allow more time.

Your information and privacy

This survey is anonymous. At the end of the survey, there is an opportunity to supply contact information for a further discussion, if you are interested. This is not mandatory. You will not be asked for the address of your empty home.

For details on how your information will be stored and used, please refer to our Privacy Policy.

Got questions?

For more information on the Empty Homes project, please visit www.emptyhomes.co.nz.

This project is made possible with funding from the New Zealand Ministry of Housing and Urban Development.

Ownership

* Are you the owner of an empty home?

| *Pick one*

- Yes, I am an empty home owner
- Yes, I am a co-owner of an empty home
- Yes, my trust owns an empty home
- Through an Enduring Power of Attorney, I am responsible for an empty home
- No, I am not an owner of an empty home

* How did you hear about the Empty Homes study?

| *Pick one*

- New Zealand Property Investors Federation
- Tony Alexander
- Shamubeel Eaqub
- Rotary or Lions club
- Accounting or legal firm
- Council rates notice
- Media article
- Online advertisement
- Family or friends
- Word of mouth
- Online search
- Social media
- Other (please specify)

Location

* In which city or district is your empty home?

| *Pick one*

- List of New Zealand Territorial Local Authorities

If Hamilton City selected:

* In which suburb is the empty home?

| *Pick one*

- List of Hamilton suburbs

Property details

* What type of dwelling is it?

| *Pick one*

- House
- Townhouse
- Unit
- Apartment
- Other (please specify)

* How old is the dwelling?

| *Pick one*

If you're not sure how old your dwelling is, visit homes.co.nz, enter the address, and the age of the property will be shown

- Less than 10 years
- 10 to 20 years
- 21 to 30 years
- 30 years or older
- Not sure

*** How many bedrooms?***Pick one*

- Studio
- 1 bedroom
- 2 bedrooms
- 3 bedrooms
- 4 bedrooms
- 5 or more bedrooms

*** How would you describe the condition of the property***Pick one*

- Ready for occupation
- Requires minor renovation or repair
- Requires major renovation or repair
- Unsure
- Rather not say
- Other (please specify)

Reasons for being empty*** How long has your home been empty?***Pick one*

- Less than 3 months
- Less than 6 months
- Less than 12 months
- 12 months or more
- Rather not say
- Don't know

*** As at today, which of the following best describes why your property is empty?***Pick one*

- The property is being sold
- The property is in between ownership
- The property is under estate/probate
- The property is being renovated, or will be renovated
- The property is being redeveloped, or will be redeveloped
- The property is awaiting decontamination, or being decontaminated
- I/we are waiting for consents and/or insurance claim
- The property is a holiday home / bach, and is currently vacant
- The property is used as a rental, and is currently vacant
- Other (please specify)

Property use

* Since you've had possession of the property, how has it been used?

Tick all that apply

- Used by myself, family/whānau, or friends
- Used as a short-term accommodation (Airbnb, bach, etc)
- Used as a long-term rental (under the Residential Tenancies Act)
- Leased to a business
- Other (please specify)

* How do you plan to use the property over the next 12 months?

Tick all that apply

- It will remain empty
- It will be used by myself, family/whānau, or friends
- It will be let out as short-term accommodation (Airbnb, bach, etc)
- It will be let out as a long-term rental (under the Residential Tenancies Act)
- It will be leased to a business
- It will be renovated
- It will be redeveloped
- It will be sold
- Other (please specify)

Long-term rental

* Would you ever consider renting your empty home to long term tenants (under the Residential Tenancies Act)?

Pick one

- Yes
- Maybe
- No

Long-term rental - if "Yes"

* To rent out your home, which of the following would be helpful to you?

Tick all that apply

- Advice about renting out the property and the income it could generate
- Support to understand and navigate the Residential Tenancies Act and requirements
- Support to determine market rent
- Support to calculate the financial viability of renting
- Knowing that you would be guaranteed a rental income on the property
- Help/advice to find and select a suitable tenant
- Support to understand and assess healthy homes requirements
- Support to meet healthy homes requirements
- Support to undertake renovations
- Other (please specify)
- None of the above

Long-term rental - if “Maybe”

* Please tell us why you chose “Maybe” in the last question?

Free text question

We know there has been a lot of change in the residential tenancy space recently. Which of the following influence your current position?

Tick all that apply

- I've had a negative experience with tenants
- I've had a negative experience managing the property myself
- I've had a negative experience with property managers
- I've had a negative experience with Tenancy Services (Tribunal)
- I have concerns about choosing the right tenants
- I have concerns about the costs and/or logistics of meeting the Healthy Homes standards
- I have concerns about potential changes a tenant might make to the property
- I have concerns a tenant may use the property inappropriately
- I have concerns about the financial viability of being a landlord
- I am rethinking how best to use the property
- I want to protect my investment
- Something else - please specify
- None of the above

* Under what circumstances would you rent out your property?

Free text question

*** Which of the following would increase the likelihood that you would rent out your empty home to long term tenants?**

Tick all that apply

- Advice about renting out the property and the income it could generate
- Support to understand and navigate the Residential Tenancies Act and requirements
- Support to determine market rent
- Support to calculate the financial viability of renting
- Knowing that you would be guaranteed a rental income on the property
- Help/advice to find and select a suitable tenant
- Support to understand and assess healthy homes requirements
- Support to meet healthy homes requirements
- Support to undertake renovations
- Other (please specify)
- None of the above

Long-term rental - if “No”

*** Please help us understand why you wouldn't consider renting this property out to long term tenants?**

Free text question

We know there has been a lot of change in the residential tenancy space recently. Which of the following influence your current position?

Tick all that apply

- I've had a negative experience with tenants
- I've had a negative experience managing the property myself
- I've had a negative experience with property managers
- I've had a negative experience with Tenancy Services (Tribunal)
- I have concerns about choosing the right tenants
- I have concerns about the costs and/or logistics of meeting the Healthy Homes standards
- I have concerns about potential changes a tenant might make to the property
- I have concerns a tenant may use the property inappropriately
- I have concerns about the financial viability of being a landlord
- I am rethinking how best to use the property
- I want to protect my investment
- Something else - please specify
- None of the above

*** Would the availability of any of the following supports or services influence you to rent out your property to long-term tenants?**

Tick all that apply

- Advice about renting out the property and the income it could generate
- Support to understand and navigate the Residential Tenancies Act and requirements
- Support to determine market rent
- Support to calculate the financial viability of renting
- Knowing that you would be guaranteed a rental income on the property
- Help/advice to find and select a suitable tenant
- Support to understand and assess healthy homes requirements
- Support to meet healthy homes requirements
- Support to undertake renovations
- Something else
- None of the above would change my mind

May we speak with you?

We know the reasons for a home being empty may be complex. Reoccupying a home may also be complex. It would be helpful to have the opportunity to speak directly with you to better understand the barriers and motivations behind why homes sit empty.

* If we have questions related to your response, may we contact you?

| *Pick one*

- Yes
- No

| *If "Yes":*

Your contact details

Thank you for giving us the opportunity to speak with you about your response. If we have questions, we'll reach out to you using the details you provide below.

- Your first name (text field)
- Your phone number and/or email address (text field)

Final comments

We understand the reasons and drivers for leaving homes empty may be complex. If you have anything you'd like to add that would help us better understand the challenges you face, we welcome your feedback.

Is there anything else you'd like to add?

Free text question

APPENDIX G

Informed consent form

This form was provided to empty home owners prior to conducting consultation interviews. The form was delivered electronically using SurveyMonkey.com.

Participant Information

The Wise Group has been funded by the Ministry of Housing and Urban Development to undertake the Empty Homes project: an independent feasibility study to explore the potential for empty homes to be reintroduced into the housing supply in Aotearoa New Zealand.

The project aims to:

- Define an empty home in the NZ context,
- Understand the factors that contribute to homes being left empty,
- Identify the barriers to returning an empty home into the housing supply,
- Explore and trial, with interested owners of Hamilton and Waikato empty homes, support and solutions for the reintroduction of empty home(s) to the housing supply, and
- Share lessons learned at the end of the project with interested parties.

Through one-to-one consultation with interested and willing property owners, a range of support and solutions needed to return their empty home to the housing supply will be scoped and better understood. If feasible, these will be trialed to facilitate the re-introduction of trial participants' empty homes into the housing supply.

This form explains what is involved with your participation.

Why you have been approached for consultation

Through your answers to the online Empty Homes survey, you indicated that the Empty Homes team could contact you if we had any questions. Your response was of interest to the study and trial.

What is involved?

Your participation in the consultation interview will help us to:

- understand your situation further, and
- identify supports and/or solutions (if any) that would encourage and enable you, and others, to reintroduce empty home(s) to the housing supply.

Your involvement in this next stage of consultation will require you to take part in a one-to-one interview, which will take approximately 30-40 minutes. In this interview, a member of the Empty Homes project team will ask questions to:

- understand more about the support that would be required to return your empty home(s) to the housing supply,
- understand any concerns you have, and
- identify if you could become part of the Empty Homes project trial.

It is up to you if you wish to take part in this consultation interview.

- If you do not want to take part, you do not have to give a reason.
- You can tell us you do not want to take part at any time during the consultation interview.
- If you agree to take part in this consultation interview, you need to complete the fields at the bottom of this form, then submit.
- A copy of your consent will be emailed to you after you have submitted the form.

What will happen with the information I provide?

With your permission, the consultation interview will be recorded (audio only). All information will be stored securely and kept confidential. Collected data will be analysed to contribute to the Empty Homes project findings. Once your interview has been analysed and written up as part of the project, the audio recording will be destroyed.

All individuals will remain anonymous and all efforts will be made to protect the identity of consultation participants. However, if you agree to become part of the Empty Homes trial to reintroduce your home to the housing supply, you may be identifiable in the future.

Who can I contact if I have any questions?

If you have any questions or concerns about the consultation process, please feel free to contact info@emptyhomes.co.nz.

Participant Consent

- I have been given enough time to decide to participate or not in the one-to-one consultation interview as part of this study.
- I have had the opportunity to ask questions, so I know what I am agreeing to.
- I understand that taking part in this study is voluntary (my choice) and that I may withdraw from the study at any time without this affecting my relationship with any organisation involved.
- I understand that if I take part in this consultation interview my details will be kept anonymous and nothing that could identify me will be reported.
- If I agree to become part of the trial to reintroduce my empty home to the housing supply, I understand that my identity will not be disclosed without my express consent.
- I know who to contact if I have any questions about the study.

* I have read and understood the information above, and give consent to participate in a consultation interview.

I agree (checkbox)

* Do you consent to your interview being recorded?

If you would prefer not to have your interview recorded, written notes will be taken instead. Note, if you consent to recording, this will be destroyed within 30 days of the consultation interview.

| *Pick one*

- Yes
- No

* Participant details

- Name (textbox)
- City/Town (textbox)
- Email Address (textbox)
- Phone Number (textbox)

APPENDIX H

Consultation probes template

Prior to each consultation interview, the following form was adapted to reflect the interviewee's empty home and situation. The form was used electronically in Microsoft Word to allow note taking during the consultation.

Survey response details

About the owner

Response number	
Received date	
Name	
Phone	
Email	
Referred by	

About the property

Suburb	
Description	
Condition	
Reason empty	
Prior use	
Future use	
Potential landlord	
Concerns	
Supports required	
Comments	

Consultation Interview

Informed consent details

Response number	
Received date	
Name	
Phone	
Email address	

Interview details

Date	
Interviewer	
Recorded?	Yes / No
Method	
Start time	
End time	

Script

Section	Script	Response
Introduction	<p>Good morning/afternoon/evening {x},</p> <p>Thanks for joining me for this interview. And thank you for completing the online Consent Form.</p> <p>(I am audio recording our conversation, and after we have analysed your feedback the recording will be destroyed.)</p> <p>We're/I'm from Empty Homes, an initiative of the {organisation name}. We're {provide 1-2 sentences to show mission and alignment to project} As part of this work we are involved in housing solutions.</p> <p>We are seeking to understand empty homes and explore potential solutions to reintroduce them to the housing supply.</p> <p>We're keen to determine if there is the opportunity to have you part of the exploration phase of this project and if so, what are your needs and concerns. Importantly, we 100% respect that you have a right to choose and determine what you do with your property. We will not judge you or any of the responses you provide.</p> <p>You completed the Empty Homes survey on {date} and told us you had {#} empty home(s).</p>	

Section	Script	Response
Warm ups		
1	What motivated you to complete our survey?	
2	Before the survey, had you considered reintroducing your empty home to the housing supply?	
3	What does empty mean to you?	
Specifics		
4	How long have you owned the property(ies)?	
5	You don't have to answer this question - is the property owned freehold or is it encumbered?	
Explain trial, explore interests and needs		
6	<p>{Explain the project}</p> <p>The environment we are living and working in is changing rapidly. What we had initially hoped, in working with willing people like yourself, was to identify potential solutions to bring homes back to the housing supply. We had intended to work with partners to achieve this. However, we acknowledge that our changing world has also changed our plans and the plans of people we would like to work with.</p>	
7	Re your empty home, what is the current status?	
If retaining the property		
7a	Would you be interested to either tenant it or are you looking to sell?	
If "SELL" - GO TO Q11 / otherwise, continue		
8	<p>For now, we would like to understand more about the supports and solutions you may need to tenant your home.</p> <p>Is tenanting your home something you would still consider now?</p>	

Section	Script	Response
If not eager to tenant property		
8a	Can you help us understand why you're not willing to tenant?	
If eager to tenant property		
8b	<p>You told us in the survey you were interested in the following supports {list specific supports that respondent had indicated}. eg,</p> <ul style="list-style-type: none"> • Support to understand and navigate the Residential Tenancies Act and requirements • Knowing that you would be guaranteed a rental income on the property • Support to meet healthy homes requirements <p>We have some questions about this. {Example questions follow}:</p>	
	<p>We note that you mentioned concerns about the new legislation and healthy homes requirements. Is this something that might stop you from renting out your property?</p> <p>If YES:</p> <ul style="list-style-type: none"> • What would you do with your property in that situation? 	
	<p>Do you know if your home meets the healthy home standards?</p> <p>Have you had a healthy homes assessment done?</p> <p>If so, who did this for you?</p>	
	<p>Did you use a property manager when you rented previously?</p> <p>If YES</p> <ul style="list-style-type: none"> • Was that a good relationship? • Were they helpful? • Were they cost effective? • Did they guide you? • What could they do better? 	
	When you tenant your property, how will you manage it?	

Section	Script	Response
	How did you set your rent in the past?	
	Is there a rent you had in mind?	
	Did you have problems with tenants paying rent in the past?	
	Have you thought about the type of tenant you would be interested in?	
	What timeframe do you have in mind for tenanting your property?	
	Are you aware of Community Housing Providers? If not, explain and outline benefits. Provide follow up information if relevant.	
Critical success factors		
9	What worries or concerns you about tenanting your empty home?	
10	What does success look like for you for your empty home?	
If not interested in taking part or selling home...		
11	What worries you about your empty home?	
12	What does success look like to you regarding your empty home, now and in the future?	
Closing		
13	Is there anything else you would like to add?	
14	We will send you a follow up email after this interview. If you think of anything after this interview that you would like us to consider, simply reply to that email. We welcome your input.	
END	We've come to the end of the interview. Thank you so much for your time today. We really appreciate your willingness to speak with us about this project. Take care	