

# **Assistance to Housing Independence**

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**Report on the 12 month follow-up of Test  
Phase tenant participants**

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# Executive Summary

## Purpose

- 1 The purpose of the evaluation of the Assistance to Housing Independence project (AHI) is to:
  - track participating tenants on their pathway to housing independence in order to understand the enablers and barriers to their progress
  - assess the relative timeliness and effectiveness of the incentives in assisting tenants to move.
- 2 This report presents findings from the 12-month follow-up of the AHI test phase. Twenty-eight of the original tenant participants were able to be re-contacted.

## Key findings

### Pathway to Housing Independence

- 3 The “pathway to housing independence” is a model that was developed during the AHI test phase which identified the following stages:
  - motivation to start the journey
  - knowing what is possible and how to get there
  - staying on the journey
  - meeting requirements
  - finding the right house
  - making the move.

In the recent fieldwork tenant participants were asked whether the stages on this pathway represented their experience.

- 4 Only two of the 28 tenant participants were not motivated to continue with the journey and had opted out. Of the remaining 26 tenants, all except one indicated they had moved at least to the next position on the pathway, “knowing what is possible and how to get there”.
- 5 Six tenant participants had made the move to a new house. Three tenants had downsized to smaller Housing New Zealand properties, one tenant had bought her former Housing New Zealand property, one tenant had moved into a rent-to-buy home, and one tenant had moved to a private rental property.
- 6 There was little change in tenant participants’ housing aspirations after 12 months. Of the 15 tenants who aspired to home ownership, two tenants had achieved this. Of the four tenants who aspired to move to a private rental property one tenant had achieved this. Of the seven tenants who were under-utilisers and aspired to move into smaller Housing New Zealand properties three tenants had achieved this. Of the 20 tenant participants who had not achieved their housing aspirations, none were able to estimate the time by which they thought they could move.

## Assistance

- 7 The assistance available included education, active<sup>1</sup>, and financial. Different types of assistance were provided depending on the stage a tenant had reached on the pathway. The provision of assistance varied across regions<sup>2</sup>. In Hastings most tenants recognised that assistance had been provided. In Auckland only a few, and in Hamilton, few if any, tenants recognised that assistance had been provided. It was unclear why this should be the case in Auckland. In Hamilton this resulted from the only AHI Advisor role becoming vacant shortly after the first contact in late 2010.
- 8 Of those tenant participants who recalled receiving assistance, they rated it as either useful or very useful. Those tenants who had moved homes and received financial assistance with removal costs said the assistance made a big difference to them because the expense was a barrier to them moving.

## Tenant participants' advice, lessons learned and key success factors

- 9 Tenant participants were supportive of AHI and would recommend it to others. They would encourage other tenants to:
- start KiwiSaver as soon as possible and do the Welcome Home First Step home education course and the Money Management course
  - be “good” tenants
  - be careful when they are considering a move to ensure they get a home that meets their needs.
- 10 In general the lessons identified in the test phase (October 2010 - February 2011) continue to hold true. The accumulated lessons learned include:
- the scheduling of AHI contact needs to fit around tenants' daily lives and routines, including in the evenings after work
  - AHI Advisors need to follow through with any undertakings made to tenant participants, and also provide periodic follow-up and encouragement to tenants
  - staff workloads impact on the appropriateness of attention given to working with tenants, and staff turnover has considerable potential to disrupt and frustrate tenants
  - tenants who participate successfully are likely to become advocates for AHI
  - NHU staff need more information about home ownership products
  - AHI Advisors need to understand what tenants consider to be barriers, and be able to respond accordingly
  - a clear Housing Action Plan, which sets out in sufficient detail the key action points, respective responsibilities and timeframes, and provides for regular follow-ups from AHI Advisors, is a useful tool.
- 11 The critical factors for the success of the AHI project and roll-out identified in the test phase also continue to be valid. Following the test phase AHI Advisors undertook

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<sup>1</sup> Active assistance involves providing tenants with tailored assistance towards their housing goals, for example, setting up appointments with banks and real estate agents.

<sup>2</sup> Three cities were included in the AHI test phase; Auckland, Hamilton, Hastings.

very minimal follow-up. Despite this lack of interaction with AHI Advisors, tenants maintained or made progress on the pathway to housing independence. The key success factors include:

- staff skills, such as negotiation, relationship management, ability to create rapport, persuasiveness and perseverance, judging the readiness of the tenant, allaying tenant concerns, demonstrating empathy, recognising when to be proactive and the level/type of support a tenant requires
- staff knowledge of the community, state of the local housing market, and of the options available to tenants – including awareness of private or social housing home ownership product providers who could be approached to assist with options
- the approach tailored to the tenants' housing needs and aspirations
- the incentives package that is available
- the AHI project tools, affordability calculator, Welcome Home Loan, Welcome Home First Step home education course on line (although recognising that tenants may not necessarily be connected to the internet or computer literate), Housing Action Plans, training materials.

## Introduction

- 1 The purpose of the evaluation of the Assistance to Housing Independence (AHI) project is to:
  - track participating tenants on their pathway to housing independence in order to understand the enablers and barriers to their progress
  - assess the relative timeliness and effectiveness of the incentives in assisting tenants to move.
- 2 The test phase of the AHI project indicated, that with the right approach and the ability to provide financial assistance, Housing New Zealand is able to move tenants on to free up state houses for those in greater need.
- 3 The incentive concepts explored in the AHI project test phase and AHI project roll out are:<sup>3</sup>
  - Education: Providing tenants with tailored information about options and affordability information to assist them towards their housing goals.
  - Active assistance: Providing tenants with tailored assistance towards their housing goals, for example, setting up appointments with banks.
  - Financial assistance: Providing reimbursement to remove financial barriers to moving up to a ceiling amount.
  - Housing Action Plans: Tenants and Housing New Zealand staff create a mutual plan to enable the tenant to reach their housing goals supported by ongoing tailored case management.
- 4 Among the research and evaluation findings of the AHI project test phase (November 2010 to January 2011) was a “pathway to housing independence” along which tenants progressed to achieve housing independence supported by one or more of the incentives (see figure 1 below).<sup>4</sup>
- 5 This report extends research and evaluation findings resulting from the AHI project test phase. Twenty-eight of the 46 tenant participants in the test phase were able to be re-contacted after 12 months. Of the 18 tenants who were not contacted 1 was in Hastings, eight in Hamilton and nine in Auckland. The reasons for not contacting tenants included tenants opting out of the project (6 tenants), tenants moving from Housing New Zealand properties (3 tenants), invalid phone numbers (1 tenant), or tenants couldn't be contacted despite repeated phone calls and texts (8 tenants).
- 6 The initial findings from the twenty-eight tenant participants were shared with the AHI Advisors. They were checked to see if they rang true with reference to the AHI Advisors' experience. The AHI Advisors provided feedback which is integrated into this report.

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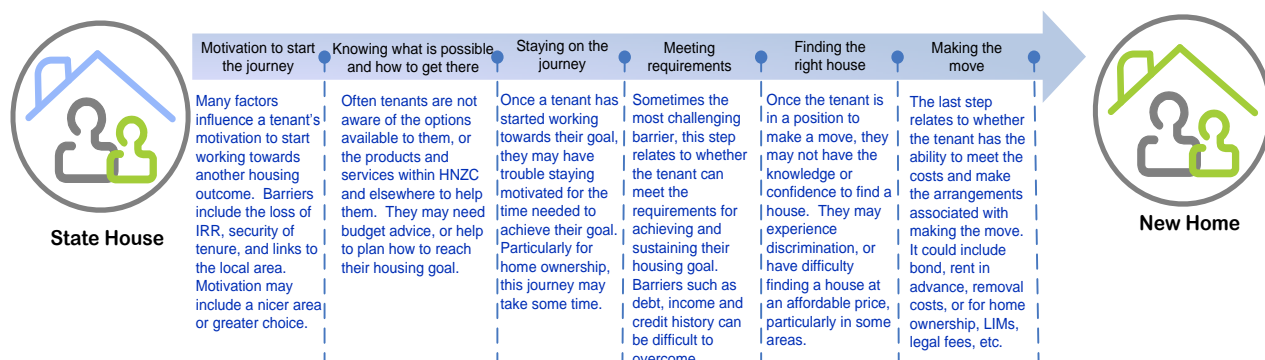
<sup>3</sup> Incentives Project Stage 1, Report to the Investment Group December 2010 refers.

<sup>4</sup> Laing, Patricia, Ingrid van Aalst and Judy Paulin (2011) Incentives Project: Findings from the test phase research and evaluation. Paper prepared for Housing New Zealand Corporation.

## Key findings

### Pathway to housing independence

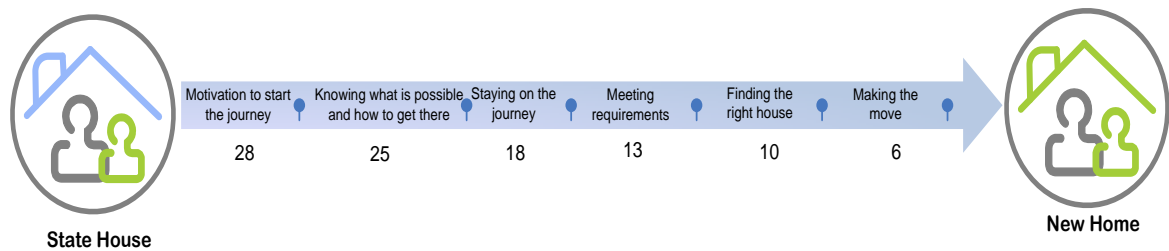
- 7 The “pathway to housing independence” is a model which was developed during the AHI project test phase. In the recent fieldwork tenants who participated in the test phase were asked whether this represented their experience and they said it did.



**Figure 1** Pathway to housing independence

- 8 Figure 1 indicates the furthest position any tenant journeyed on the pathway to housing independence after twelve months, that is, moving to a new home.
- 9 Tenants' motivation to start the journey was expressed in their agreement to participate in the AHI test phase. One Hamilton tenant reflected that the initial interview with the AHI Advisor and the evaluator in November 2010 had encouraged him along the pathway to housing independence by “*giving him a bit of a lift to think about things*”.
- 10 After 12 months only two of the 28 tenant participants re-contacted were not motivated to continue with the journey and had opted out, and one tenant remained at the “motivated to start” point but had not progressed further. Twenty-five of the tenants re-contacted indicated they had moved to at least the next position on the pathway, “knowing what is possible and how to get there”. Six tenants had made the move to a new house over the 12 months. Of these six tenants, three tenants had downsized to smaller Housing New Zealand properties, one tenant had bought her former Housing New Zealand property, one tenant had moved into a rent to buy home, and one tenant had moved to a private rental property. All six tenants were happy with their move.
- 11 Some of the other 19 tenant participants indicated that their position along the pathway had moved forward to the point of “finding the right house” but then moved backward to some earlier point, such as “knowing what is possible and how to get there.” Four tenants had at some point reached the “finding the right house” position and a further three tenants had reached the “meeting requirements” position.
- 12 While the six tenant participants who had moved house were generally able to recall when they had done so, none of the 28 tenants were able to recall precisely when or how long it had taken to move between some earlier steps along the pathway. Knowing how long tenants take to move between steps and to take all the steps necessary to move contributes to an understanding of the time and effort AHI Advisors need to provide, on average, for the AHI project to succeed.





**Figure 2** Farthest stage achieved by number of tenants participating in the follow-up of the AHI test phase after 12 months

- 13 Figure 2 shows the number of tenant participants who took each step on the pathway to independence. Three tenants were motivated to start the journey but had gone no further. Of the 25 tenants who knew what was possible, seven tenants had gone no further. The barriers stopping them from moving included their circumstance relating to employment, debt repayment and family commitments.
- 14 Of the 18 tenants who were staying on the journey five tenants had gone no further. Some of the 18 tenants were inspired by their participation in AHI to reduce their debts more quickly and save, and some had found employment. Most of them had joined KiwiSaver, although some were uncertain about how KiwiSaver could assist them in achieving their goal to purchase a house. Many were doing the Welcome Home First Step home education course.
- 15 Of the 13 tenant participants who were meeting requirements three tenants had gone no further. Meeting requirements involved checking whether their income would cover private rental, or paying off a mortgage, and whether there were suitable houses in the market for them to consider. Of the 10 tenants who were actually looking for the right house four were still looking and six tenants had made the move.

### Case study 1: Under-utiliser

B first registered her interest in moving to a smaller house some three years ago, and agreed to participate in the AHI test programme because “*nothing was happening*” and she was ready to move but couldn’t afford a removal firm to move her.

Her AHI Advisor showed her a few options – some pensioner places, which she didn’t like, and a house that hadn’t been looked after and was too far from anything, so she would have needed a car. Then she was shown her new place, a small two-bedroom cottage with a back garden, and liked it straightaway – when she first walked in it had a warm feeling about it.

As well as being shown a range of houses, a removal firm was organised and paid for by the AHI Advisor, her Sky connection was reimbursed, and the balance owing on her phone connection was paid. The financial assistance made a big difference to her ability to move because removal expenses were a barrier – they are expensive, as B learned when she had previously enquired about them.

B had lived for 36 years in her previous house. She thought she might get upset when it was time to move, but didn’t and hasn’t looked back since. She has worked hard to clean up her garden, plant new lawn and trim trees back to let in more light – something she enjoys doing. The bus and train is handy to her new home, and she catches the train more often now. She also finds it easier to walk to interesting places, and is walking more often now. She loves her new home.

### Next steps in tenant participants’ journeys

- 16 The ability of some tenant participants to take the next step on their journey along the housing pathway was affected to some extent by circumstances beyond their control. Tenants commented on their employment and rises in the cost of living.
- 17 Certainty in employment had decreased. Some tenant participants with permanent employment described how they no longer had flexibility to swap shifts with workmates. Instead employers moved staff around from plant to plant as required. This resulted in examples of tenants expending large sums of money on transport. One Hastings tenant had a fixed term position and worked long hours. He had expected to be permanent by now but was not. Another Hastings tenant had requested a very small rise in salary so that he would meet the bank’s requirements for a loan to purchase a house. This rise was refused and subsequently the business was put up for sale. This uncertainty in employment impacted on tenants’ ability to plan steps towards achieving their housing aspirations – “everything was on hold”. Another dampener on planning to achieve housing goals was the rise in the cost of food.
- 18 On the other hand one Hastings tenant had been confirmed in his employment and was able to restart the process of house purchase.
- 19 There was little change in tenant participants’ housing aspirations (see Table 1). Originally there were 15 out of 30 tenants who aspired to home ownership. In the 12 month follow-up there were 15 out of 26 tenants who aspired to home ownership. One former Hamilton tenant had achieved home ownership through purchasing her Housing New Zealand property, and a former Auckland tenant had moved into a home with a rent to buy option.

**Table 1** Aspirations of tenants (n = 28 tenants)

<b>Aspiration</b>	<b>At initial interview</b>	<b>Achieved at 12-month follow-up</b>
Smaller state house	7	3
Private rental	5	1
Home ownership	15	2
No aspiration	2	0
<b>Total</b>	<b>28</b>	<b>6</b>

- 20 Originally there were 16 tenant participants who were under-utilisers. In the 12 month follow-up there were seven tenant participants who were under-utilisers. They aspired to moving to either a smaller Housing New Zealand property (five cases) or another similar sized Housing New Zealand property (two cases). One of the latter tenants had also expressed an interest in buying a home, although this would appear unrealistic. Three tenants had achieved their goals of moving to smaller Housing New Zealand properties (two in Auckland and one in Hamilton).
- 21 Four tenant participants had aspired to move to a private rental, although one of these tenants would prefer to move into a larger Housing New Zealand property (due to increased size of family and age of children). Of these, one Hastings tenant has moved to a private rental property; this tenant owned a house on rural and isolated Maori land and did not want to own a second house.
- 22 Of the tenant participants who had not achieved their housing aspirations after 12 months, none was able to estimate a time by which they thought they could move. The under-utilisers did not know how long it would be before Housing New Zealand would offer them the possibility of a transfer to another Housing New Zealand property. The tenants were able to say generally what would need to change for them to anticipate a move.
- 23 Of the two tenant participants who had opted out of the AHI test phase, one sought reassurance that she could retain her house even though she didn't wish to purchase it. Prior to a relationship break down she had been a home owner and she wanted to be sure that her plan to move into private rental once her daughter had left home was acceptable. The other tenant wished to remain in the house the couple had occupied for over 20 years.

## **Assistance**

- 24 The AHI incentives concepts were implemented as three types of assistance: education, active and financial. Educational assistance included information about how to purchase or rent a house, grants and loan products available to assist with house purchase such as the KiwiSaver home ownership deposit subsidy and the Welcome Home Loan. Active assistance included arranging appointments with banks, and real estate agents so that tenants could view houses for rent or sale. Financial assistance covered some of the costs of downsizing from one Housing New Zealand property to another, moving to private rental or home ownership.
- 25 Different types of assistance were provided depending on the stage a tenant had reached on the pathway. The provision of assistance varied across regions<sup>5</sup>. In Hastings most tenants recognised that assistance had been provided. In Auckland

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<sup>5</sup> Three cities were included in the AHI test phase; Auckland, Hamilton, Hastings.

only a few, and in Hamilton, few if any, tenants recognised that assistance had been provided. It was unclear why this should be the case in Auckland.

### **Case study 2: Renting to buy**

J&F had been in their previous place for 17 years. Participating in the AHI test programme and receiving a Housing Action Plan made them look at where they were at, and recognise that they needed to move forward. J&F needed a bigger home – they have five children, including a daughter who was about to have her own baby and wanted to stay at home. However, they also didn't want to just move anywhere – they wanted to be near the kids' schools and not have to take them out of those.

J&F went to the Welcome Home First Steps home education course and found it very helpful – *“all the ins and outs of buying your own home, what to expect, and learning that we didn't need all the little extras”*. J also registered to attend the money management course that they identified an interest in at the end of the Welcome Home First Steps home education course, and attended it with her pregnant daughter. They also found this very helpful, learning about banks, trusts, interest, effects of compounding interest, etc. J said *“I have changed a lot of my ways as a result of the course ... [it] was really good for my daughter – she learnt a lot too”*.

J&F went to see Kiwibank about getting a house loan to buy a house, but they didn't have a big enough deposit. Kiwibank suggested they contact the New Zealand Housing Foundation, which they did. J&F also got in touch with a mortgage broker (identified in the Welcome Home First Steps home education course), who was looking for a mortgage provider for them, but couldn't find a big enough loan. In the meantime, the AHI Advisor kept sending information about rental places that were available, although these were too dear. J&F kept looking on TradeMe, but places were also a expensive, *“so we thought if we stayed in our old place for a bit longer we could save a bit extra”*.

The New Zealand Housing Foundation offered J&F a couple of duplex house options, which they declined because they wanted a stand-alone house, and then their current house came along. J&F looked at it and liked it. The rent-to-buy arrangement with the New Zealand Housing Foundation is that J&F pay rent for the first three years (down from the standard five because the previous tenants had to move), and then 25 percent of any increase in value of the house can be used as part of their deposit to buy the house. In the meantime, J&F also have KiwiSaver accounts, and can keep saving.

J&F's new house is much bigger, and is warm, with carpet and insulation. Access to schools is good, although they tend to use a bit more petrol to get to work and shopping but that is ok. Their new house is quiet, and has a good outlook (over wetlands). They are very happy with it.

- 26 In Hamilton, where few if any tenants recognised assistance had been provided, this resulted from the only AHI Advisor role becoming vacant shortly after the first contact in late 2010. In Hamilton, “education” was limited to “normal” interactions between tenants and their tenancy/case managers, although there may have been “behind the scenes” assistance being provided of which a tenant was unaware. One instance of behind the scenes assistance involved clarifying how Tainui's right of first refusal on Housing New Zealand properties in Hamilton impacted on a tenant's right to purchase the Housing New Zealand property in which they had been living.

- 27 Tenant participants were asked to rate the usefulness of the education, active and financial assistance they received<sup>6</sup>. Where tenant participants had received educational and/or active assistance they rated it as useful or very useful. In the Hastings one tenant said the active assistance had not been useful as a consequence of frustration over the lack of clarity about the process for purchasing a Housing New Zealand property. The rating did not reflect the amount of assistance provided by the AHI Advisor but rather the lack of resolution that led to the sale of the house stalling.

### **Case study 3: Purchasing a former Housing New Zealand property**

Prior to the AHI test phase D had received a letter from Housing New Zealand informing her she could purchase her former Housing New Zealand property. In late 2010 she went to a Housing New Zealand-supported Welcome Home First Steps home education course and got mortgage approval through a broker. She then wrote to Housing New Zealand to tell them she had mortgage approval to purchase her Housing New Zealand property. Next she and Housing New Zealand both got valuations done on the house.

Before Christmas 2010 Housing New Zealand told D the property was no longer for sale because arrangements had not properly been formalized with the Iwi. D then started looking around at other houses in her price range for sale and after a couple of months she found another house she was really interested in and was on the point of signing up to it in late January/early February 2011. Just at that point she got a phone call from Housing New Zealand to say her Housing New Zealand property was back on the market. D reflected: *“It would have been good to have heard “Yes, we’ve stalled again” rather than being told “No, the house is no longer on the market””*.

She decided to stick with her original goal of purchasing her Housing New Zealand property. She was unhappy she had had to extend her mortgage application “about three times” and had had to endure “months and months” waiting. She worked through a lawyer to agree a price with Housing New Zealand. In order for Housing New Zealand to sell the property to D, Housing New Zealand still needed to go through court with the Iwi to get the title released.

D thought this had happened in May 2011, but that the court outcome wasn’t passed on to her until the end of July. She eventually purchased her home on 19 August 2011. She said: *“Talk about frustrating ... The wait was too long. I could have been paying the house off during the year ...”*

- 28 In Auckland tenant participants indicated that a ‘*useful*’ rating was assigned because the Welcome Home First Step home education course was considered good and helpful, but possible properties that were identified were all unaffordable. Another tenant said that education assistance was not really applicable to her because she had been a long-time Housing New Zealand tenant and was familiar with Housing New Zealand rules and policies. She knew to ask someone at Housing New Zealand if she had a problem or wanted to know anything.
- 29 In Hamilton, while some tenants could recall advice or information imparted, they typically did not associate this with the project. One tenant was advised that if she did not want to move to a private rental property her only option was to remain in her current Housing New Zealand property; another tenant received conflicting advice

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<sup>6</sup> In some cases the evaluators interpolated a rating from tenants’ general comments.

as to whether she could buy her Housing New Zealand property; a further tenant had been given information about the scheduling of the Welcome Home First Step home education course seminars but hadn't acted on it; another tenant said that Housing New Zealand had initially passed on newspaper listings of houses for sale. For two tenants, "education" within the project had been limited to information imparted at the initial interview and follow-up phone call. Other tenants had unsuccessfully sought information from their tenancy/case managers.

- 30 Although a substantial number of tenant participants indicated they did not receive active assistance, most of those who did were relatively satisfied with the assistance they received. Active assistance included being shown alternative properties, provided with newspaper listings of properties.
- 31 One tenant participant who was shown some properties before getting the one that she moved to said the AHI Advisor was fantastic – *"she understood what I was after, and didn't re-buff me [when I said houses didn't suit]. I'd recommend this for anyone"*.
- 32 A number of tenant participants indicated that they required or were waiting for active assistance from Housing New Zealand. One couple was uncertain and lacked confidence in the process of buying a house, even though they had been given information about the scheduling of the Welcome Home First Step home education course seminars but not acted on it:
- "Unfortunately we didn't feel at that time we had the support we would have liked ... the guidance ... You know, this is a huge step for [my wife] and me... very scary... All my family have never bought a home... And my dad has never bought a home... It's a new area for us... We're not very competent at all."*
- 33 One other tenant would have liked the offer of active assistance even though he would have declined it, and another tenant chose not to use the offer of active assistance.
- 34 Financial assistance is only available if a tenant moves homes. The three Auckland tenants who had moved homes all received financial assistance with removal costs, in the form of the AHI Advisor arranging the removal and having the costs paid directly. One tenant also received financial assistance with her Sky connection and telephone reconnection, and another tenant was offered assistance for a phone connection and cleaning of the house but chose not to accept it. All three tenants said the assistance made a big difference to them because the expense was a barrier to them moving.
- 35 One Hamilton couple who had moved to smaller Housing New Zealand property did not receive any offer of financial assistance for the move, commenting *"Offer to pay? That would be a shock. They didn't offer."*
- 36 The effectiveness of financial assistance is in removing a perceived barrier relating to the cost of relocating homes. Financial assistance, offered after a tenant finds the right house, reduces the financial hardship and stress associated with a significant one-off cost incurred when moving. Prior knowledge that such assistance is available will help tenants to look at options knowing that this one-off cost need not be a barrier to moving.
- 37 The tenant participants who have moved are all enjoying their new homes immensely. Most homes were smaller, but one home was newer and larger.

#### **Case study 4: Moving to a private rental**

P&M had three children and a fourth on the way. They were motivated to participate in the test phase of AHI because they wanted to move away from the gang presence in the neighbourhood to protect their young son.

Prior to their involvement in AHI, P&M had not discussed their housing aspirations with anyone or each other. The AHI project enabled the couple to learn about different housing options, and to start talking. When they were followed-up in October 2011 they said, *“We talked with one another for days after [the first interview] about our housing aspirations, what was best for the children and what we wanted in the long term”*.

P&M worked with the AHI Advisor to find a place to rent that suited their needs. The AHI Advisor assisted with the real estate agents, provided a reference and organised the financial resources that made moving into a private rental possible for them.

Approximately six months into their first private rental tenancy the couple were given 21 days notice to move. They had drawn attention to the leaking roof. The landlord had no money to have the roof fixed and decided to move back into the property. P&M sought assistance from the real estate agent with whom they had a relationship. Their current landlord provided them with a reference, the bond and rent in advance was provided by Work and Income as a temporary solution and was paid back when reimbursed from the first tenancy.

The couple found another private rental property, nearby that was even better than the one in which they were living, without Housing New Zealand support. The family was very happy with the move and praised the information and support that Housing New Zealand had provided.

P&M were so impressed by the support they received from the AHI Advisor and the options available, that they shared their experiences with friends who lived in Housing New Zealand properties in their previous neighbourhood. This inspired others to move from state housing into private rental properties. The couple had suggested to their friends who moved into private rental that Housing New Zealand could assist them with finding the right place, and with financial assistance to make the move. However, the friends decided to check out other opportunities through Work and Income before approaching Housing New Zealand and as a result did not need AHI assistance.

When the researchers visited for the 12 month follow-up the whole family appeared more relaxed and confident. The garden and house were well kept and the children were happy.

### **AHI Advisors' response to initial findings**

- 38 The initial findings from the 12 month follow-up of the 28 tenant participants in the AHI test phase rang true for the ten AHI Advisors present at workshops in Auckland and Hawke's Bay in November 2011. AHI Advisors' experiences with the controlled roll out were broadly similar to the experiences of the AHI Advisors in the test phase.
- 39 The majority of AHI Advisors were part-time on the AHI project and part-time on other work. The amount of time they were able to spend on the AHI project was usually less than that assigned. Some AHI Advisors needed to manage other competing priorities because there were fewer staff and other impacts due to current restructuring of Housing New Zealand. Nevertheless, AHI Advisors were demonstrating that there was merit in the AHI approach to working with customers. Despite the lesser time AHI Advisors were able to spend, Housing Action Plan targets were being met.

- 40 AHI Advisors at the Napier workshop said tenants had responded well to the “You’ve been selected” approach, typically resulting in their agreement to opt into the AHI project. However, it had not been easy to make contact with some tenants.
- 41 The response rate that resulted from calling tenants to invite them to participate in the AHI test phase was 33 percent. The AHI Advisor in Wellington said that despite making five phone calls and sending a letter to 60 tenants over a one month period she had not managed to make contact with any of them. Some guidance was requested about the point at which these tenants should be exited from the AHI project. Consideration also needs to be given to the source of the list of tenants to be invited to participate in the controlled roll out.
- 42 AHI Advisors thought that tenants had generally responded well to the “Pathway to Housing Independence” diagram with its six broad steps to housing independence (see figure 1). Tenants could generally articulate their position on it. Some AHI Advisors suggested that it would be useful to have laminated copies available for reference. The use of this diagram may support AHI Advisors in their initial discussion with tenants.
- 43 AHI Advisors generally viewed Housing Action Plans as useful, if time consuming. Some advisors were uncertain as to the level of detail expected. There was a variation in practice among AHI Advisors in sending the Housing Action Plans out to tenants, with some AHI Advisors at the workshops not being aware that this was recommended practice.
- 44 AHI Advisors found that tenants had generally responded well to the offer of financial assistance in the selected cases where it had been offered. AHI Advisors did not think, however, that it had been tenants’ main motivating factor to move.

## **Tenant participants’ advice, lessons learned and key success factors**

- 45 This section presents advice tenant participants would give to other tenants beginning on the pathway to housing independence, some lessons learned from the experiences of tenants in the AHI test phase, and those factors that may be considered as key for the successful roll-out of the programme.

### **Tenant participants’ advice**

- 46 Despite the variability in the quality of the service, tenant participants in the AHI project wanted to share information about it with other tenants. One Hastings tenant who had moved has encouraged friends living in Housing New Zealand houses to move as well, with several having done so within the last 12 months.
- 47 Tenant participants also said that they would encourage other tenants to plan for the future and to keep in touch with Housing New Zealand about their plans. The tenants would encourage others to consider the opportunity to own a home if they have permanent employment. They observed that most tenants do not think that they have that opportunity.
- 48 Tenant participants would encourage other tenants to start KiwiSaver as soon as possible and to learn how KiwiSaver membership could benefit them if they were thinking about purchasing a home. It was clear that many tenants had taken the opportunity of joining a KiwiSaver scheme.



- 49 Tenant participants said they would advise other tenants to be careful when they were considering a move. Included in the advice were factors such as ensuring that the rent could be maintained, and the house was suitable for the family. Matching the family to the house included considerations about whether or not to move children from one school to another, access to community facilities and public transport, and distances from supportive family, friends, and work.
- 50 Another tenant participant suggested that people needed to “*hang in there, you’ll get there in the end*”, and recommended that people do the Welcome Home First Step home education course and the Money Management course because they were useful.
- 51 Tenant participants also recognised the value of being “good” tenants”. One tenant said that being a good tenant pays off because Housing New Zealand came and asked her to be in this project, which led to her getting the new house she likes. So, “*keep paying the rent, look after the house well, follow the policy and the rules. [It’s] important to go into the Housing New Zealand office, or to ring the phone contacts for Housing New Zealand if there’s any problem, or you want to know something*”.

## Lessons learned

- 52 In general the lessons identified in the test phase (October 2010 - February 2011) continue to hold true. Some of the lessons learned were gleaned from the workshop with AHI Advisors (November 2011). The accumulated lessons learned include (October 2010 – November 2011):
- consideration needs to be given to the impact on staff’s time and workloads, so that appropriate care and consideration can be given to working with tenants to provide the levels of information and assistance they need to progress along the pathway to independence
  - the scheduling of interviews, ongoing work and support needs to fit around tenants’ daily lives and routines, including in the evenings after work
  - AHI Advisors need to follow through with any undertakings made to tenants, particularly in terms of requests for information or active assistance, but also in terms of periodic follow-up and encouragement so that tenants remain committed to completing their action points
  - AHI Advisors thought that future training should place more emphasis on the Housing Action Plan screens and requirements to update the spreadsheet.
- 53 Other lessons emerged from this phase of the evaluation:
- tenants who participate successfully in the AHI project are likely to become advocates of the programme
  - tenants want to encourage other Housing New Zealand tenants to work with Housing New Zealand and move toward fulfilling their housing aspirations.
- 54 Staff will need more information about home ownership products as this project is rolled out more widely. This should include: information about private or social housing providers who could be approached to assist with home ownership options; and, eligibility criteria associated with accessing the KiwiSaver home ownership package.
- 55 Several tenant participants had not contacted the AHI Advisor when this would have assisted them to move to a different stage on the pathway to independence, and

even to move to private rental. The tenants said they were too shy or reluctant to “bother” the AHI Advisor because AHI Advisors were very busy and had all their other work as tenancy managers. Some of these tenants appeared not to have been sufficiently motivated to do so, or didn’t understand the role AHI Advisors have in making this happen. Some other tenants had tried once or twice and had given up. Another tenant indicated she was never really interested in moving in the first place, which suggests she was “humouring” the AHI Advisor, or was too polite/lacked confidence to say up front she was not interested in change.

- 56 Both AHI Advisors and tenant participants need to be reminded about entitlements provided by AHI, including what constitutes active and financial assistance that may be available. Key to the success of the AHI project is AHI Advisors’ ability to understand what tenants consider to be barriers, and to remove or minimise those barriers if practical and appropriate in the context of the programme.
- 57 AHI Advisors need to know when it is appropriate to involve some tenants in the AHI project. Housing New Zealand needs to consider the processes that should be implemented where a tenant has been living in a house for 20 plus years, is over 60 years of age, is underutilising and/or where there is no waiting list in the area. For example, initiating discussions on AHI with older tenants may lead to confusion or fears that tenants may be moved against their will. This is particularly the case where tenants use English is a second language, and/or who may be less well-educated.
- 58 In some cases tenant participants need to be encouraged to be realistic when assessing their housing aspirations. AHI Advisors need to demonstrate a high degree of skill and sensitivity when having discussions with tenants so that tenants’ expectations are managed. Examples include:
- one tenant who is aggrieved that he cannot get a loan to buy his house because he believes his children will help pay the mortgage, but there are some suggestions this is not the case
  - another tenant is “fixated” on purchasing the house he is in, which is substantially outside the bounds of affordability for him.
- 59 Some tenant participants will require more proactive support and assistance from an AHI Advisor than others because they have less confidence and experience with the ideas of home ownership or moving houses. AHI Advisors need to identify the degree and extent of support required as early as possible in the process by actively following up with tenants at least in the early stages following the initial interviews.
- 60 AHI Advisors found that tenant participants needed assistance to distinguish reputable mortgage brokers and rent-to-buy groups from loan sharks operating in the area. AHI Advisors did not necessarily have the information or the time with which to help tenants make informed choices. It would be helpful for Housing New Zealand to collate local lists of mortgage brokers and rent-to-buy groups that they could give to tenants who ask for this type of assistance. It might also be helpful to invite individual mortgage brokers or rent-to-buy groups to meet with AHI Advisors in the local area to increase AHI Advisors’ knowledge of their products.
- 61 AHI Advisors recalled conflicting internal advice about the process to be followed for a tenant wishing to purchase his/her current or another Housing New Zealand house. This needs to be clarified, standardised, and communicated to AHI Advisors.

- 62 Staff changes have the potential to disrupt and frustrate tenants who have been enthused and motivated through the collaborative approach that was initially adopted to gain their agreement to participate. A useful tool to counter these effects will be the presence of a clear Housing Action Plan.
- 63 More development and training about what to include in Housing Action Plans would support AHI Advisors practice. Some of the questions include:
- What constitutes sufficient detail when setting out the key action points, respective responsibilities and timeframes?
  - At which points in the process should AHI Advisors provide “regular follow-up”?

### **Key success factors**

- 64 The key factors for the success of the AHI project include:
- staff skills, such as negotiation, relationship management, ability to create rapport, persuasiveness and perseverance, judging the readiness of the tenant, allaying tenant concerns, demonstrating empathy, recognising when to be proactive, and the level/type of support a tenant requires
  - staff knowledge of the community, state of the local housing market, and of the options available to tenants – including about private or social housing home ownership product providers who could be approached to assist with options
  - the approach tailored to the tenants’ housing needs and aspirations
  - the incentives package
  - the AHI project tools, affordability calculator, Welcome Home Loan, Welcome Home First Step home education course on line (although recognising that tenants may not necessarily be connected to the internet or computer literate), Housing Action Plans, training materials.